

Report to: **Audit and Best Value Scrutiny Committee**
Date: **21st November 2007**
By: **Deputy Chief Executive and Director of Corporate Resources**
Title of report: **Risk Management Strategy 2008 - 2010**
Purpose of report: **To update the Committee on the introduction of the Risk Management Strategy 2008 – 2010.**

The Committee are recommended to:

- **Note the Risk Management Strategy 2008 - 2010. (Appendix 1)**
 - **Note the introduction of the '4 Tier' Risk Management reporting system, as detailed in Section 6 of the Strategy and the 'Escalation of Risk' methodology, as detailed in Section 6.5 of the Strategy**
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1. Financial Implications

1.1 The direct financial implications resulting from this report are the costs of IT based development of the existing Risk database system to facilitate the proposed '4 Tier' Reporting system. These costs will be met from existing budgets. There are, however, significant financial implications that could arise from a failure to operate a sound risk management regime.

1.2 There will also be training costs incurred as a result of Risk Management training offered to Members and Officers, in support of the implementation of this strategy. These costs will also be met from existing budgets.

2 Introduction

2.1 Excellent Risk Management is a key aim of the Council. It is a key element of the council's Corporate Governance framework as recognised by The Audit Commission in the 'Use of Resources' element of the CPA and integral to the Reconciling of Policy and Resources. The Risk Management Strategy 2008 – 2010 replaces the Risk Management Strategy 2005 – 2007 and attempts to build on and further develop existing good Risk Management practice across the council. Ultimately, the primary aim of this Strategy is to help manage risks by the further embedding of excellent Risk Management and supporting processes and procedures, within the culture of the council.

3 Overview of the Risk Management Strategy

3.1 The Strategy provides a basic guide to Risk Management and provides support to Members and officers in relation to how to apply Risk Management practices and procedures with reference to all aspects of the council's operation, including policy setting, project management, partnership working and service delivery. This includes practical guidance on the types of risk that may be relevant and examples of mitigation actions that can be taken.

3.2 The Strategy also details the Risk Management reporting process that operates within the council, particularly relating to an alteration to the existing system with the introduction of the 4 Tier system and revised links to the Business Planning process. To assist the 4 tier system, Risk Escalation methodology is proposed to ensure that effective mitigation action takes place at the most appropriate level and risks are recorded at that level within the system. This will reduce multiple recoding of individual risks.

4. Support for the Risk Management Strategy

4.1 Once the Risk Management Strategy has been agreed by Cabinet, it will be launched council wide and made available to all Members and Officers via the council's intranet.

4.2 The introduction of the Strategy will also be supported by Risk Management training initially targeted at Members and Senior officers, although it is intended that risk management training will be made available to all managers across the council and eventually become part of the managers' induction package

4.3 In order to progress the introduction the Risk Management Strategy, the following actions are proposed:

- Risk Management training sessions to be made available to Members in the early part of 2008.
- Introductory / training sessions to be offered to Assistant Directors who lead on Risk Management matters and introductory / training sessions to be offered to Departmental Management Teams, where required. Sessions to occur in early 2008.
- Training to be provided to Departmental Risk Co-ordinators, specifically in relation to the new 4 tier Risk Management reporting system and escalation of risk methodology. This will be supported by regular, ongoing meetings.
- Risk Management Strategy documentation to be made available to all Managers via the council's intranet.
- Facilitated workshops on the Risk Management process to be made available to Management Teams.
- Investigate the possibility of introducing a Risk Management module to management training and management induction programs.

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Local Members: All

Background Documents

None

East Sussex County Council
Risk Management Strategy 2008 – 2010

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1. Introduction.

1.1 Risk Management should always be seen as part of the Council's core business planning processes. In that context the aim of this strategy is to provide a framework on which to base sound risk management practice through out the Council. The council's risk profile is dynamic and consequently this strategy must be flexible enough to meet new and evolving challenges, while providing a solid foundation on which to build and enhance existing risk management practice.

1.2 Risk Management is both a statutory requirement and an essential element of good management and will enhance the council's ability to deliver services effectively and efficiently. The Reconciling of Policy and Resources, the council's key strategic planning process, requires all planning to involve the identification, analysis, control and monitoring of risk. It is essential that Risk Management be viewed as part of day to day, core activity, linked to Service planning and the Reconciling of Policy and Resources and not as an additional function which runs alongside.

1.3 Risk Management is also a key element of Corporate Governance and is recognised as such by CIPFA / SOLACE in their Corporate Governance Framework, and by the Audit Commission's Use of Resources element of the CPA. This requires the council to establish and maintain a systematic strategy, framework and process for managing risk which applies to all elements of the council's activity, and for risk management to be embedded within the culture of the council to such an extent that it is considered simply as a fundamental element of the management process itself.

1.4 Traditionally, risk management has focused on the negative, by concentrating on the elimination, or reducing the impact of events that threaten the ability of the council to achieve its targets and fulfil its obligations. However, this approach fails to recognise the positive aspect of risk management, enabling the council to take maximum advantage of business opportunities, based on a sound insight to the risks involved.

'Risk arises as much from failing to capture business opportunities when pursuing strategic and operational objectives as it does from the threat that something bad will happen' (IPF Ltd)

There are two essential themes that underpin this strategy;

- Risk Management is an essential element of good management and not simply a compliance issue.
- Risk should not be viewed purely in negative terms but can be viewed as 'opportunity'.

2. Definitions

2.1 There are many definitions of 'Risk' and 'Risk Management'. However, in the simplest terms, these can be defined as follows;

- **RISK** : 'is the probability of an event occurring and its consequences'
- **RISK MANAGEMENT** : 'an integral element of an organisation's culture which supports processes and structures that enable the effective management of potential opportunities and the elimination / reduction of threats.'

2.2 Risk is unavoidable. The council's ability to recognise and treat risk and to maximise the opportunities that are created by a solid risk management culture play an increasing role in the council's ability to achieve its business objectives at all levels. Risk Management is not simply a compliance issue. It is a continuous process that addresses risk at strategic and operational levels with a view to enhancing the council's ability to meet and develop business opportunities.

3. Risk Management Policy Statement

3.1 The following policy statement was endorsed by Cabinet in relation to the Risk Management Strategy 2005 and outlines the Council's philosophy on risk management:

"The Council believes that managing current and future risk, both opportunity and threat, is increasingly central to the business of local government.

The Council will continue to adopt a proactive approach to the management of all risks that impact on its strategy and operations, and on the achievement of its objectives.

The Council is committed to the management of risk in order to:-

- Improve handling of current risk in order to achieve key objectives, deliver policy steers, enhance service delivery and build confidence to innovate – as part of Reconciling Policy and Resources
- Ensure compliance with statutory obligations
- Safeguard its employees, clients or service users, members, pupils, and all other persons to whom the Council has a duty of care
- Protect its property including buildings, equipment, vehicles and all other assets and resources
- Build resilience to risk by improved contingency planning and crisis management
- Maintain effective control of public funds
- Promote the reputation of the Council

The Chief Officers Management Team (COMT) will be responsible for ensuring the council manages risk effectively through an ongoing review of the risk management strategy and through developing a risk awareness culture throughout the authority.

It will also be responsible for identification assessment and management of the key strategic risks faced by the Council and will report to Cabinet and Scrutiny on these issues.

Departmental Management Teams will be responsible and accountable for identification, assessment and management of risks associated with their service areas.

The Deputy Chief Executive and Director of Corporate Resources, in conjunction with the Insurance and Risk Manager, will monitor the effectiveness of the Risk Management Strategy and report to COMT on a regular basis.”

4. Updated Strategy

4.1 The council’s risk profile is dynamic. Consequently Risk Management must be a continuous and developing process to ensure that the council is always in the best position to take full advantage of business opportunities, as and when they arise.

4.2 The council currently has comprehensive risk management structures in place, addressing risk at both Strategic and operational levels, which are based on previously agreed Risk Management Strategies, the most recent of which is the 2005 – 2007 Strategy.

4.3 In order to ensure that the council is able to maintain the momentum already achieved in building structures and embedding Risk Management within the culture of the council, it is essential that any strategy is periodically reviewed and updated to ensure that the council is in a position to meet the challenges it faces in providing services and leadership to the community.

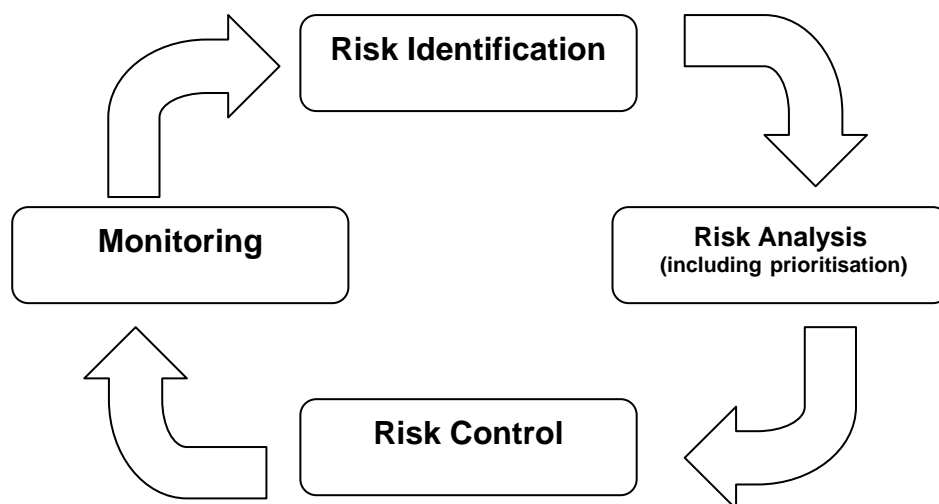
4.4 This new strategy, which sets the council’s Risk Management Strategy for 2008 – 2010, replaces the 2005 – 2007 Risk Strategy and aims to provide a basis for the operation of risk management within the council while remaining flexible enough to address any changes in the council’s risk profile and enabling the council to optimise the opportunities presented over the next few years.

5. The Risk Management Process

5.1 In order to appropriately and effectively manage risk it is necessary to adopt a systematic approach to the identification, analysis and control of risk. This approach is referred to as the ‘Risk Management Process’ and provides a system that can be applied to risks at all levels within the council, irrespective of risks being ‘strategic’ or ‘operational’ in nature. This process is

based on good practice and is in line with guidance provided the Institute of Risk Management (IRM), ALARM, The National Forum for Risk Management in the Public Sector, and The Association of Insurance and Risk Managers (AIRMIC).

5.2 The Risk Management Process,



5.3 Risk Identification.

5.3.1 The first element of the Risk Management Process is the identification of risks. This will link in to the Business Planning process, where objectives and targets relating to key business processes are identified, along with associated risks. Risks associated with specific Projects and Partnership working should also be identified at an early stage in the planning process.

There are many types of risk that can be identified. The following lists of risks type and examples are not exhaustive;

5.3.2 Strategic type risks

Risk	Definition	Example
Political	Delivery of central or local political commitments	<ul style="list-style-type: none"> • Inability to deliver strategies • Wrong priorities
Economic / Financial	Ability to meet the council's financial commitments	<ul style="list-style-type: none"> • Missed business opportunities • National / regional economic issues • Funding deficit.
Social	Impact on service delivery due to social factors	<ul style="list-style-type: none"> • Crime and disorder • Demographic changes such as aging population
Technological	Impact of technology on service delivery	<ul style="list-style-type: none"> • Major, long-term loss of IT systems.

		<ul style="list-style-type: none"> • Inability to deal with changing technological demands • Obsolescence
Environmental	Risk relating to environmental factors	<ul style="list-style-type: none"> • Impact of planning and transport policies • Pollution • Environmental change
Legislative	Changes to UK / EU law	<ul style="list-style-type: none"> • Inadequate response to legislative change • Breaches of the law
Customer	Changing needs / expectations of customers	<ul style="list-style-type: none"> • Image / reputation issues • Lack of consultation with stakeholders.
Reputation	Risks relating to the council's reputation.	<ul style="list-style-type: none"> • Loss of image • Failure to enhance the council's image

5.3.3 Operational type risks

Risk	Definition	Example
Financial	Risk associated with financial planning, control and the adequacy of internal funds	<ul style="list-style-type: none"> • Poor internal financial control • Missed funding opportunities • Fraud and corruption
Professional / Managerial	Risks associated with professional and management type issues	<ul style="list-style-type: none"> • Failure to recruit and retain professional staff • Poor management practice • Poor service provision • Loss of key staff
Physical	Risks related to material damage, health and safety, security.	<ul style="list-style-type: none"> • Loss of / damage to assets • Non compliance with work place / Health & Safety legislation.
Environmental	Risks relating to pollution, noise, energy efficiency	<ul style="list-style-type: none"> • Noise • Contamination • Pollution
Contractual	The failure of a partner to meet obligations or expectations	<ul style="list-style-type: none"> • Over reliance on a key supplier • Failure of a partner to deliver service to an acceptable standard
Technological	Risks relating to IT or other systems	<ul style="list-style-type: none"> • Loss of IT systems • Spread of computer virus • Hacking

5.3.4 Many risks can be seen as having both a strategic and operational aspect. Also, many types of risk show a high degree of interrelation. Consequently, any identified risk should not be viewed in isolation.

5.4 Risk Analysis.

5.4.1 Once risks have been identified they should be assessed in terms of:

- The likelihood / frequency of the identified risk event occurring.
- The severity / impact should the identified risk event occur.

5.4.2 Risks can be analysed via the Risk Matrix.

		IMPACT			
LIKELIHOOD		Low 1	Medium 2	High 3	Extreme 4
Unlikely / Rare	1	1 (Low)	2 (Low)	3 (Low)	4 (Medium)
Moderate	2	2 (Low)	4 (Medium)	6 (Medium)	8 (Medium)
Likely	3	3 (Low)	6 (Medium)	9 (High)	12 (High)
Almost certain	4	4 (Medium)	8 (Medium)	12 (High)	16 (High)

5.4.2 The impact of a risk can be classified as follows;

- **Extreme (4)** : Total service loss for a significant period / fatality / loss of 50% or more of budget / Ministerial intervention / attainment of key objective rendered impossible.
- **High (3)** : Significant service disruptions / serious injury / loss of 25% or more of budget / adverse national media coverage / attainment of key objectives rendered difficult.
- **Medium (2)** : Noticeable service disruption / injury resulting in loss of work time / loss of more than 5% of budget / adverse local media coverage / many customer complaints / minor impact on key objective.
- **Low (1)** : Minor service disruption / minor injury / loss of less than 5% of the budget / isolated customer complaints / minimal impact on key objectives.

5.4.3 Once the level of risk has been ascertained by plotting on the risk matrix, the prioritisation of risks can be identified and informed decisions taken as to how best to manage or control the risk concerned. This scoring system is based on existing practice with in the council.

Score of 9 to 16	Risks requiring urgent attention and close monitoring.
Score of 4 to 8	Risks requiring attention and monitoring but less time critical.
Score of 1 to 3	Low level risks which require monitoring and attention as considered necessary.

5.5 Risk Control

5.5.1 The aim of risk control is not necessarily to move all risks to the low category, since this would create a 'risk averse' culture, which would not be best suited to benefiting from innovation and new, untried initiatives. Also, some risks, by their nature, will remain significant. The Joint Waste PFI project is an example of this.

5.5.2 The key to risk control is to manage the identified risk with appropriate control measures, based on a sound understanding of the risk itself and the effect that it has on the council's key business processes.

5.5.3 Risks can either be accepted, where the potential rewards of an activity outweigh the potential risk, or controlled. However, where risk is accepted this decision can only be taken based on a sound understanding of the risk itself.

5.5.4 Control measures taken should be appropriate and proportionate to the likelihood, impact and potential consequence of the risk event.

5.5.5 Control strategies / risk mitigations include;

- Transferring the risk : Passing the risk to another party via a contractual arrangement.
- Eliminating the risk : Ceasing to carry out the activity with which the risk is associated.
- Controlling the risk : Building in appropriate controls and processes in the operational process to reduce the impact or likelihood of the risk.
- Planning : Having agreed strategies in place to limit and reduce the impact of a risk event
- Insurance : Mitigate the financial impact of a risk by transferring the risk to an external organisation, or self-funding via an identified reserve.

5.6 Risk Monitoring

5.6.1 The council's risk profile is continually changing with changes being brought about by external factors and / or internal influences. The level of risk can alter in terms of both potential impact and likelihood of occurrence and consequently identified risks should periodically be re assessed to address and combat the impact of these changes. In addition to this new risks will periodically emerge which must be identified and analysed as quickly as possible to either reduce the council's exposure to adverse risk or enable the council to take advantage of business opportunities, as they arise.

5.6.2 The success of mitigation actions should be monitored to ensure that the most effective actions are utilised as appropriate. It is also essential not to view any risk in isolation, since mitigation actions taken in relation to one risk,

could potentially have an impact on another risk. For example, addressing a risk relating to access to improved technology by increasing computer resources can increase the security risk associated with a specific location. Consequently, where ever possible, a holistic view should be taken in relation to the council's risk profile.

6. The Risk Management Structure at East Sussex County Council.

6.1 The council currently records Strategic risks on the Strategic Risk Log. This document is periodically reviewed by COMT, ABVSC and Cabinet. The Strategic Risk Log is, in effect, the council's Strategic Risk Register. This document details strategic risks, scores them according to impact and severity, identifies appropriate mitigation actions, and identifies specific officers who 'own' each identified risk. To support the Strategic Risk Log, COMT also regularly discuss and record 'Risk Events' to highlight risk awareness at a strategic level.

6.2 In addition to the Strategic Risk Log the council also maintains an Operational Risk Database, where operational level risks, and appropriate mitigations, are recorded. Each Department has an identified Risk Coordinator to manage and maintain their Department's entries on the database, via information provided by service managers. This database also rates risks, identifies specified risk owners and acts as the council's Operational Risk Register.

6.3 This approach has provided a solid foundation to introduce and embed sound Risk Management practice within the council. However, in order to further develop and enhance risk management practice and further embed Risk Management within the culture of the council, it is necessary to develop this system further to create an integrated risk recording system including both Strategic and Operational level risks and highlighting the interrelation between them.

6.4 To achieve this, a 'Four Tier' system is proposed, based on the existing Operational Risk database. The four tiers are as follows;

- Corporate level risks
- Departmental level risks
- Divisional level risks
- Team level risks

Risks that impact at each level will be identified, analysed and recorded, along with appropriate mitigation actions and an assigned responsible officer.

6.5 Escalation of Risk

6.5.1 The level at which the appropriate mitigation action can be taken should determine the level at which an identified risk should be recorded on the system. Any risk that is identified at a level where no appropriate

mitigation action can be taken will be escalated up to a level where appropriate action can be taken. This will prevent risks identified at a level where no appropriate action can be taken, being recorded several times on the system, as has previously occurred. Each identified risk should appear only once, but at the correct level. This system provides a solid foundation for the recording and monitoring of risk at all levels, facilitates communication, enabling information and knowledge sharing, and provides a mechanism for risks to be recorded and managed at an appropriate level.

6.6 In practice, it is proposed that the four tier system will operate as follows;

- **Team level** : Each team to identify the major risks that relate to their operation and that can be managed locally. Risks to be recorded on the Team Business Plan, in association with Team targets, along with the mitigation actions that can be instigated locally. Risks that cannot be managed locally to be escalated to Divisional level. Team Business plans to be reviewed quarterly and risk issues to be discussed at team meetings. These risks will **NOT** be recorded on the Risk database.
- **Divisional level** : In conjunction with Management Teams, each Assistant Director will identify risks that impact at a Divisional level, including risks escalated from Team level. Risks and mitigations to be recorded on Risk Database and reflected in Business Plans. All risks to be associated with a specific, named officer. Identified risks that cannot be managed at a Divisional Level to be escalated to Departmental level. Risks to be reviewed quarterly at Managers meeting level (after team meetings above). Particular attention should be paid to Risk Management of Contracts and Partnerships. These risks will be entered on the Risk database.
- **Departmental level** : DMT's to identify risks that impact on a Departmental level, including risks escalated up from Divisional level. Risks and mitigation actions to be formulated and agreed by DMTs and recorded on Risk database and Business Plans. All risks to be associated with a specific, named officer. Identified risks that cannot be mitigated at a Departmental level to be escalated up to Corporate level. Risks to be reviewed quarterly at DMT's (after Managers meetings above). These risks will be entered on the risk database.
- **Corporate level** : COMT to identify risks that Impact on a Corporate level, including Risks escalated up from Departmental Level. Risks and mitigation actions to be recorded on the Strategic Risk Log and fed into the Risk database. All risks to be associated with a specific, named officer. Risks to be reviewed at least quarterly at COMT, or as and when specific risk issues arise. All Corporate risks and any other risks considered appropriate, to be reported to Cabinet on a quarterly basis. These risks will be entered on the Risk database.

6.7 Team level risks will not be recorded on the Risk database, but in Team Business plans, and reviewed regularly as part of the ongoing Business Planning process. This will enhance the embedding of Risk Management within the culture of the Council and highlight Risk Management as part of the management process at all levels within the council, including individual team level.

6.8 Identified risks can also be passed down through the system, and recorded at the appropriate level depending on where appropriate mitigation action can be taken.

6.9 To facilitate the operation of the system, Managers should be aware of the risks that are recorded at each level within their Department and at the Corporate level. This can be achieved via direct access to the Risk data base or via the Departmental Risk Co-ordinators.

7. Links to other Corporate processes.

7.1 The Risk Management process has clear linkages to other Corporate processes. The following details some examples of processes which are either informed by Risk Management or work closely with Risk Management to create a holistic approach to the management of risk across the council and to further embed Risk Management into the culture of the council.

7.2 Reconciling Policy and Resources.

7.2.1 The Reconciling of Policy and Resources is the council's key strategic Business planning process. This requires all business planning to include the identification, analysis, control and monitoring of risk and consequently sound Risk Management practice is essential for the council to recognise and take maximum advantage of business opportunities.

7.3 Corporate Governance.

7.3.1 Corporate Governance can be described as, 'the system by which Local authorities direct or control their functions and relate to their communities' and 'the way in which organisations manage their business, determine strategy and objectives and go about achieving those objectives'. Risk Management is an essential part of good governance in that it supports transparent decision-making and accountability.

7.4 Comprehensive Performance Assessment

7.4.1 The Comprehensive Performance Assessment, 'Use of Resources' element makes specific reference to Risk Management within the Internal Control Key Lines of Enquiry. This sets out specific arrangements that are required for the council to achieve a specific performance rating. This

establishes Risk Management as a key indicator in relation to the rating the performance of a council and will no doubt continue to be of key importance for any future assessment criteria.

7.5 Internal Audit

7.5.1 The Internal Audit function is a component of the council's system of internal control, and will be in a position, via a planned program of audits, to assess and evaluate the effectiveness of the Risk Management process across the council. The independent perspective offered by Internal Audit will provide assistance to managers in relation to the appropriate identification and management of risk, and further assist in the process of embedding Risk Management in the culture

7.6 Health and Safety Management.

7.6.1 Health and Safety considerations will be an important feature of any risks identified as part of the Risk Management process, since the health, safety and welfare of council employees, service users, contractors, partners and the general public should be paramount. Therefore the effective management of all health and safety issues will be an integral element of any Risk Management strategy.

7.7 Project Management

7.7.1 The council has recently developed a Project Management Toolkit providing a framework for the successful conduct of all project based activities across the council. This tool kit emphasises the need for Risk Management issues to be addressed at the commencement of the project planning process and continuously reviewed at all stages thereafter, as the project develops. It is essential that risks are appropriately addressed to ensure that the council is in a position to take full advantage of the business opportunities that may arise from successful project management. Departmental risk lead should decide when a specific identified risk from a defined project should be escalated within the framework described in this strategy.

7.8 Partnership working

7.8.1 Many of the services the council provides are done so in partnership with external organisations, and the council is increasingly reliant on these organisations to fulfil its statutory duties. These relationships are usually defined either by statute or by contract and it is essential that the nature of these relationships and the ability of the partner to fulfil their obligations is subjected to the scrutiny of the Risk Management process, in order to maximise the opportunities offered by this form of service delivery. This should include specific joint risk registers, agreed sharing or transfer of risk, as appropriate, and on going monitoring.

7.9 Fraud and corruption

7.9.1 In administering its responsibilities the Council is set against fraud and corruption, whether it is attempted on the Council from the outside or inside, and is committed to an effective Anti-Fraud and Corruption Strategy designed to:

- encourage prevention;
- promote detection;
- identify a clear pathway for investigation and;
- show that all appropriate sanctions will be taken where fraud or corruption has been found.

Identifying and addressing the risk of fraud and corruption are a key element within this Risk Management Strategy.

8. Embedding Risk Management

8.1 The process of embedding Risk Management at East Sussex County Council has been ongoing for a number of years. This is evidenced by the quarterly update and reporting to Cabinet of the Strategic Risk Log, and the introduction of the Operational Risk database. However, the embedding process needs to continue until Risk Management is considered a natural element of the management process at all levels within the council.

8.2 This Strategy will set the foundation to further enhance the embedding process, particularly with the introduction of the four tier risk reporting system, and the anchoring of risk management within the Business planning process at all levels within the council's structure.

8.3 The embedding of Risk Management practice will be further supported by appropriate training, to enhance training previously made available, which will initially be targeted at Members and Senior Officers. It is envisaged that further advice and support will be made available to managers via intranet based fact sheets, toolkits and online training, as appropriate.

9. Risk Management Reporting Framework

9.1 The Strategic Risk Log, which represents the Corporate and Departmental levels of the four tier Risk database system, will be reviewed by COMT and reported to Cabinet and Audit & Best Value Scrutiny Committee on a quarterly basis. In addition to this an Annual Risk Management Report will be submitted by the Insurance & Risk Manager. This will detail significant changes in the council's risk profile, and highlight actions taken in the previous year and proposals to develop the council's risk strategy for the coming year. The Annual Risk Management Report will also detail Divisional level risks held on the Risk database.

9.2 The Risk Management Strategy will be kept under permanent review and any alterations reported to COMT, Cabinet and ABVSC. The Risk Management Strategy will also be subject to a fundamental review every 2 years to ensure that it is fit for purpose.

9.3 To successfully embed Risk Management in the culture of the council it is essential that risk issues are addressed on a regular basis at management meetings at all levels across all council services, and anchored in the Business Planning process.

9.4 The role of Members

9.4.1 Members are responsible setting the strategic policies of the council. Consequently, they have a responsibility to fully understand the strategic risks that the council faces and ensure that adequate and appropriate action is taken to mitigate risk and maximise opportunity.

9.4.2 Members will be provided with appropriate training to support their role in relation to policy making and also in relation to the scrutiny of Committee reports to ensure that all Risk Management issues are appropriately addressed.

9.4.3 In order to facilitate the scrutiny of Reports and to further embed Risk Management in the culture of the council, it is essential that risk management issues are addressed within Committee reports to further emphasise the importance that the council places on the management of risk, and to ensure risks are appropriately treated and reported across all council activities. This will highlight risk management issues and give Members an opportunity to scrutinise and question risk issues in all aspects of the council's activities. To support this role, Members will be offered appropriate Risk Management training.

10. Conclusion

10.1 The council has successfully addressed Risk Management issues over the past few years, as illustrated by 2006 CPA Use of Resources score awarded to the council. However, it is essential to maintain the momentum that has been achieved and continue to embed Risk Management within the culture of the council.

10.2 The Strategy aims to support this on going process, by providing an insight into the Risk Management Process itself and detailing the method by which the council applies and reports on this process. The Strategy is designed to be flexible enough to address the council's ever changing risk profile, while providing a sound base for good risk management practice as an integral element of good management practice.