City & County of Swansea

Risk Management Policy

Purpose

This policy sets out the principles for managing and communicating risk, ensuring that risk management is effectively implemented throughout the City and County of Swansea.

The Risk Management Policy governs how the Council manages risks to achieving its priorities and objectives, risks arising from service delivery, risks to corporate and financial health and governance and the longer-term risks facing the Council and community.

The Council recognises that it has a responsibility to manage business risks effectively in order to reduce uncertainty in achieving its priorities and objectives and to benefit from opportunities.

This policy applies to all Council staff and its principles should be applied when working internally or externally with partners and other stakeholders.

Approval

Title	Date

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Author:	Performance & Delivery
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Document Control

Version No.	Revision Date	Summary of Changes
1.2	2016/17	*Purpose* - amended
		Risk Management Statement – amended
		What is Risk Management – amended
		Aims of Risk Management – amended
		Principles of Risk Management – deleted
		Risk Levels – added
		Roles & Responsibilities – added
		Risk Management Cycle – added
		Risk Escalation – added
		Risk Management Communication – amended
		Corporate Risk Management Framework - amended

Risk Management Policy

1. Risk Management Statement

The City and County of Swansea is aware that the nature and range of its responsibilities and the environment in which it exercises them present a wide range of risks. Such risks may threaten the achievement of the Council's aims and objectives as set out in the Corporate Plan and affects its employees, service users, Council tax payers and other stakeholders.

The Council also recognises the need to strike the right balance between encouraging innovation and avoiding risk. It is appropriate to take and manage calculated risks in pursuing opportunities to improve services and to obtain better value for money.

The Council like all public bodies, as well as considering short and medium risks, will also have to understand and address the longer-term risks and challenges facing the Council and the community. We need to prevent risks from occurring and to mitigate their impact should they occur. We may need to work with others to prevent risks from occurring or to control and manage them. We need to be mindful that dealing with risks does not create risks and issues for other public bodies. Involving clients, customers and citizens in helping to prevent and to control and manage risks will help too.

While the elimination of risk entirely is neither feasible nor desirable, the Council is committed to the continuing management of risk through a cost-effective formal process which involves risk identification and categorisation, evaluation, and treatment to eliminate or mitigate the likelihood of risks occurring and their impact.

Clear identification and assessment of risks will improve corporate governance and performance and lead to more effective use of resources and direct improvements to the service to our customers.

2. What is Risk Management?

The term 'risk management' incorporates all the activities required to identify and control the exposure to risk which may have an impact on the achievement of the Councils business.

Risk Management is the process by which risks are identified, evaluated and controlled and is a key element of the framework of corporate governance.

> **Definition of Risk**
> *Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies.*

Risk arises as much from failing to capture opportunities whilst pursuing business objectives as it does from a threat that something bad will happen.

3. Aims of Risk Management

Through this Policy, the Council aims to:
- Provide an effective/consistent approach to identifying, evaluating and controlling risk across all activities.
- Improve the ability of the Council to achieve its priorities and objectives.
- Embed risk management into the culture and practices of the Council so that everyone recognises that risk management is part of their jobs.
- Place greater emphasis on prevention rather than detection and correction.

- Improve the identification, evaluation and control of strategic and long-term risks, operational risks and community risks.
- Protect and enhance the assets and image of the Council.
- Embed the Sustainability Principle (Well-Being of Future Generations Act 2015) and improve the Council's governance and decision making processes and outcomes.

4. Risk Levels

There are different levels within the risk register: Corporate, Directorate, Service, Project / Programme and Information risks.

Corporate Risks are those that have a potential impact on the Council as a whole and / or the community or could prevent the Council from achieving its priorities and objectives.

Directorate Risks are those that have a potential impact on a single Directorate and could interfere with it achieving its priorities and objectives.

Service Risks are those that have a potential impact on a single Service Unit and could interfere with it achieving its priorities and objectives.

Programme and Project Risks are those that could have a detrimental or other impact on the achievement of programmes or projects objectives.

Information risks involve the fraudulent, unauthorised or negligent access, use, misuse or misplacing of information, records and data held by the Council that is confidential, commercial or otherwise sensitive.

Risks may appear in more one level within the risk register but mitigation and controls would be relevant and specific to each level of risk.

Risks are identified during Corporate, Directorate and Service Planning or during review or as and when they arise.

All risks are recorded in Risk Registers and are controlled at least on a monthly basis at the appropriate forum as detailed in the Risk Management Framework accompanying this Policy.

Corporate Risks will also be reported and reviewed in-depth each quarter in line with corporate performance monitoring.

In addition, RED risks at the different levels, including Directorate and Service Risks, have visibility and are reviewed each month at CMT.

5. Roles & Responsibilities

The Leader and Cabinet are responsible for setting the Council's risk management policy and agreeing the Risk Management Framework, having ownership or joint-ownership of Corporate Risks with CMT where Cabinet can help control the risk and for assessing the current and long-term risks associated with Cabinet reports.

The Chief Executive and Corporate Management Team (CMT) are responsible for ensuring that an effective risk management policy, framework and arrangements are in place within the Council. CMT also has ownership or joint-ownership of Corporate Risks with Cabinet

where CMT can help control the risk and for reviewing and regularly monitoring 'RED' risks at the different risk levels.

Cabinet and CMT jointly own and are responsible for the Risk Management Policy and Framework and for championing risk management throughout the Council. They are jointly responsible for identifying and evaluating current and longer-term Corporate Risks during corporate planning and as they emerge and for reviewing, monitoring and ensuring control of Corporate Risks. CMT and Cabinet have joint-ownership of Corporate Risks where CMT and Cabinet together can help control the risk.

Directors and Heads of Service are responsible for championing and making arrangements for embedding risk management throughout their directorates and service units. They are also responsible for identifying and evaluating current and longer-term risks during directorate and service planning and as they emerge and for reviewing, monitoring and ensuring risks are controlled. Directors and Heads of Service will also be responsible for ensuring risks are escalated for control and mitigation when necessary.

Cabinet Members have joint-ownership / ownership for Corporate, Directorate and Service Risks where they can help control the risk.

All Members are responsible for considering the current and long-term risks associated with policy decisions.

All officers and managers are responsible for Identifying opportunities and managing risks effectively in their jobs, reporting any risk management concerns, incidents and 'near misses' to their line managers. Officers and managers are responsible for identifying, evaluating and controlling operational risks and for ensuring they are documented on relevant risk registers/trackers/reporting templates. Officers and managers are responsible for escalating risks for control and mitigation when necessary.

Internal Audit is responsible for providing an independent and objective opinion to the Council on the effectiveness of the risk management policy and arrangements.

Audit Committee are responsible for challenging and providing independent assurance to Members on the adequacy of the Risk Management Policy and Framework, the development and operation of risk management in the Council and monitoring progress in addressing risk related issues reported to the Committee.

The Senior Information Risk Owner (SIRO) is responsible for ensuring that information risks are treated as a priority for all business outcomes and providing board-level accountability and assurance that information risks are being addressed.

The 'Responsible Officer' is responsible for the management, monitoring and control of an identified risk. The responsible officer is the person who is able to do something to control the risk. The responsible officer will escalate risks for control and mitigation when necessary.

More detailed information on Risk Management roles and responsibilities can be found in the Council's Risk Management Framework associated with this Policy.

6. Risk Management Cycle

The Council implements a 'Four Step' Risk Management Cycle across the Council to provide a consistent approach to managing risk.

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Risks will be identified by considering the hazards that could happen and, if they did, their adverse or other impact.

Current and long-term risks will be formally identified, categorised and reviewed during annual corporate, directorate and service planning.

Identified risks will be categorised as: strategic (long-term or external) risks, operational risks arising from Council activity or service delivery; financial risks to budget planning, control or resilience; regulatory risks resulting from legislative frameworks, and; governance risks resulting from the leadership, management, decision-making or control of the Council. Risk categorisation will help clarify the nature of risks and help identify whether a particular risk is a corporate, directorate or service level risk.

Identified risks will be evaluated according to the likelihood they will occur and the impact they will have should they occur.

Once risks have been identified and evaluated, decisions will be made concerning how to respond to specific risks by taking action to improve the outcome as detailed in the Risk Management Framework associated with this Policy. When considering how to respond to risks, the Sustainable Development principle (Well-Being of Future Generations Act 2015) will be applied.

The outcomes from the operation of the Risk Management Cycle will be recorded in the appropriate Risk Registers.

Risks will be controlled and monitored at the appropriate forum on a monthly basis and more frequently if necessary.

More detailed information on Risk Management Cycle can be found in the Council's Risk Management Framework associated with this Policy.

7. Risk Escalation

Risks will be escalated when the impact from a risk, or decisions or actions needed to mitigate or control the risk, is beyond a single service or directorate, or when the risk tolerance line has been exceeded; or for other reasons outlined in more detail in the Risk Management Framework associated with this Policy.

8. Risk Management Communication

This Policy and the associated Risk Management Framework seeks to help embed risk management into the Council's culture. This will require effective staff and Member communication and training. Risk identification and evaluation is integrated into corporate and service planning. Cabinet and CMT and individual Directors and Heads of Service must champion and make arrangements for embedding risk management throughout the Council. The Council will disseminate best practice in risk management from its own experience and that of others.

9. Corporate Risk Management Framework

This policy should be read in-conjunction with the corporate Risk Management Framework, which aims to help managers and Members at all levels apply risk management principles consistently across their areas of responsibilities.