

# FAREHAM

## BOROUGH COUNCIL

### RISK MANAGEMENT POLICY (draft)



#### Introduction

Risk is a fact of life. The day to day management of an organisation and delivery of services involve foreseeing and averting problems and maximising opportunities. Risk management is not about risk avoidance but risk awareness.

Fareham Borough Council recognises that risk management is an intrinsic part of Corporate Governance. It seeks to ensure that every member and employee of the Council has regard for the management of risks throughout the organisation to ensure that the Council's resources that our customers rely on are not squandered as a result of uncontrolled risk.

However, our aim is to put dealing with risks and opportunities at the forefront of our process, rather than tie up resources in the management of a rigid supporting framework. Instead we will *implement robust and integrated risk management arrangements*, as required by our Local Code of Corporate Governance, by adopting and adhering to a number of key principles.

This document therefore sets out our approach to risk management, as determined by the Chief Executive's Management Team, and endorsed by the Audit and Governance Committee.

#### Overriding Principle

The overriding principle of this policy is:

Risk Management is an integral part of basic everyday management and decision making and is not a separate corporate process.

## The Purpose of Risk Management

The Council has defined the purpose of its risk management arrangements as:

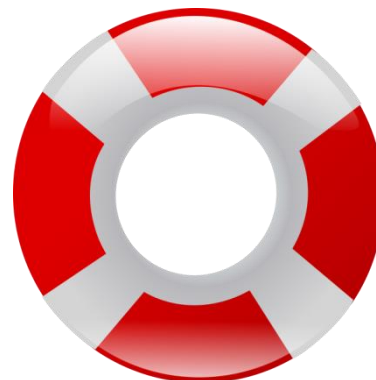
We want to know what risks we are facing  
We want to know when opportunities arise

We want to be aware of what actions we are  
relying on  
We want to know if there are additional actions  
we need to take



So that we can....

Prevent bad things from  
happening  
Not miss out on good things



So that we can....

Avoid injury to people  
Minimise avoidable cost  
Maximise resources available  
Deliver the purposes of the services we  
provide  
Inspire confidence in our stewardship in our  
customers and tax payers



## The 7 Principles of Risk Management at Fareham Borough Council

The basic principles in which risk management operates at the Council are summarised below:

### 1. Risk Ownership in Services



- Risks are owned at the service level.
- Identifying and managing the risks of a service is an integral part of managing the service. This includes horizon scanning to identify new and changing risks and opportunities.
- Every service, system and project has an owner with responsibility for it.
- The owner for most risks is usually clear from the roles and responsibilities in the service.
- Managers make sure that employees are well briefed and actively involved in identifying and understanding risks and determining the actions they need to take to contribute to the management of risks.
- This means everyone should work to understand and remove the things that impede achievement of their purpose.

### 2. Competent and Responsible Employees



- We employ competent and responsible managers and employees.
- This is underpinned by strong recruitment and performance management processes and, where necessary, corrective action.
- We trust managers to manage well which includes the identification and management of risk and opportunity in their service area.
- We trust employees to carry out the actions required of them to mitigate risks.
- It is incumbent on all to be:
  - a) proactive in giving confidence to others that key risks are being managed effectively, by using appropriate reporting and assurance methods.
  - b) proactive in obtaining assurances from others involved in carrying out actions which help manage risks for which they are responsible.

### 3. Experts Pulled in to Advise



- Service managers who need help to manage specific risks pull in experts when required.
- This could also involve having a conversation with a senior manager or fellow manager who has been in a similar situation.
- Certain risks are cross cutting and also need ownership at a corporate level to lead on translating, learning and providing support and solutions to service managers.
- A list of experts for those risk areas where ownership is not clear from the organisational structure is maintained as Appendix 1 to this policy.

### 4. Process is supported by Having Conversations



- Further risks may be identified by others (e.g. team members, other managers, legal services, internal audit) which are brought to the service manager's attention by having conversations.
- Further risks may also be identified by having conversations with parties outside of the Council.
- Where ownership for a risk is not clear interested parties meet to agree a way forward.



### 5. Identifying Opportunities to Share

- The organisation shares information about risks being managed at the service level and identifies common issues that may turn them into cross cutting or corporate risks.
- It is the responsibility of managers to appreciate the roles and responsibilities of other services and when risks and solutions they have identified in their service might be relevant to them, and to bring it to their attention.
- We provide an environment that encourages all employees to feel part of one organisation and to be aware of the full range of services provided by the Council and to notice and pass on information that may be of value to another service. *(The eyes and ears of the borough)*
- Experts and support services are in an ideal position to appreciate when problems and solutions being identified for one service could be relevant to another. *(The eyes and ears of the organisation)*

## 6. Escalation of Issues



- Employees are trusted to identify when issues need to be escalated in order to alert supervisors, managers and senior managers, or so that resources can be diverted to help with the management of the risk.
- The culture of the organisation makes employees comfortable in escalating problems.
- Our aim is to avoid feeding too much detail upwards to allow managers to see the important issues clearly and react quickly.

## 7. Incident Management and Review



- Incidents are risks that have occurred and are a measure of how well we are achieving our purposes.
- Most Incidents are directly managed by the service or escalated if corporate awareness or support is needed.
- Some incidents may require the lead to be taken by another service, e.g. insurance claims.
- After the incident a review is undertaken to identify any actions that may be needed to prevent recurrence.
- Questions to be asked should include:  
*How did it happen, was it predictable, could it happen again, what could we do to prevent it?*
- Conversations with Senior Managers take place, as appropriate, to understand incidents and facilitate learning and to provide feedback on actions taken to prevent recurrence.

## Other Components of our Risk Management Arrangements

Other components of our governance framework which also assist in the management of risk are:



In particular Horizon Scanning by CXMT and internal audit will assist in identifying responsibility for new areas of risk

## Monitoring and Reporting

**Level 1 – Managers:** Discussions are held with a selection of managers every 6 months to gain assurance that the principles are working in their areas. The conversation includes:

- a) Their perceptions of their current top risks
- b) Any new or changes in risk/opportunities they have identified

- c) Any mitigating actions they have taken recently to strengthen risk management arrangements
- d) Any incidents that have occurred and the lessons learnt/ actions taken as a consequence.

**Level 2 – CXMT:** A summary of these discussions is presented to the Chief Executive's Management Team where further topics being managed at the corporate level are noted. The top risks at the corporate level are agreed.

**Level 3 – A&G:** The top risks and incidents in the period are then presented to the next Audit and Governance Committee. Where appropriate, the manager involved in managing a key risk/incident also attends the Committee.

### **Annual Assurance on Arrangements**

The Chief Executive's Assurance Group carries out an annual review of the effectiveness of the framework for identifying and managing risks and for performance and demonstrating accountability.

This includes a review of the Head of Internal Audit annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control.

### **Maintaining the Policy**

This policy is not expected to be a static document and will be updated as implementation of the arrangements identifies a need for clarification, revision or expansion.

## Appendix 1

### Risk Leads/Experts for Cross Cutting Risks

<b>Risk Subject</b>	<b>Risk Lead</b>
<b>Data Protection</b>	Head of Democratic Services
<b>Information Security</b>	Head of Personnel and IT
<b>Emergency Planning and Business Continuity</b>	Head of Parking and Enforcement
<b>Fraud and Corruption</b>	Head of Finance and Audit
<b>Governance</b>	Head of Finance and Audit
<b>Procurement</b>	Head of Democratic Services (process) Fareham's Solicitor to the Council (compliance with the law)
<b>Health and Safety of Employees</b>	Head of Environmental Health
<b>Health and Safety of the public</b>	Relevant Head of Service in conjunction with Head of Environmental Health
<b>Partnerships</b>	Head of Corporate Services
<b>Safeguarding</b>	Head of Environmental Health
<b>Trees</b>	Head of Development Management