

# **Truro City Council**

## **Risk Management Strategy**

### **1. Introduction**

1.1 Truro City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

1.2 In discharging this accountability, Members and senior managers are responsible for putting in place proper arrangements for the governance of the Authority's affairs and the stewardship of the resources at its disposal.

1.3 Accordingly, the Council is adopting a Code of Corporate Governance, which is consistent with the principles, and reflects the requirements of, the CIPFA/SOLACE framework document "Corporate Governance in Local Government in England and Wales - A Keystone for Community Governance".

1.4 A key part of the code concerns the management of risk and the Council is committed to the development of a pro-active risk management strategy. This strategy requires that all managers and employees take responsibility for the cost effective control and management of risk in all aspects of their activities.

1.5 The strategy has the full support of Council Members and the Town Clerk who recognise that the reduction of injury, illness and loss benefits not only the Council but all stakeholders in Council services, and that the practice of risk management is inseparable from the principles of corporate governance and the duty to demonstrate Best Value in all areas.

1.6 The Council is therefore committed to the integration of risk management into all working practices and management processes throughout the organisation.

### **2. Definition of Risk Management**

2.1 Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and implement its strategies. The Objectives of the Council are included in Appendix A.

2.2 Risk management can be defined as "the culture, processes and structures that are directed towards effective management of potential opportunities and threats to the organisation achieving its objectives".

2.3 It is the process of identifying risks, evaluating their potential consequences and determining and implementing the most effective way of controlling and monitoring them.

### **3. Key Elements of Risk Management**

3.1 Risk management involves four main processes:

- Risk Identification and Assessment
- Management and Control of Risks
- Monitoring and Reporting of Risks
- Communicating Risk Management

3.2 The Council's Risk Management Strategy addresses each of these aspects to ensure that its overall objectives are achieved.

3.3 The key objectives of the strategy and how these will be achieved are set out in the Risk Management Policy statement attached as Appendix B.

#### **4. Risk Identification and Assessment**

- 4.1 Facilitated risk assessment workshops and training will be provided for nominated employees to brainstorm the risks and threats that will impact on both strategic and operational performance.
- 4.2 The broad range of potential risks facing the Council are categorised under strategic and operational headings at Appendix C.
- 4.3 Risks are linked with key corporate objectives and a Risk Register will be set up and maintained to provide a basis for identifying the Council's overall risk profile.
- 4.4 The Town Clerk/Responsible Financial officer is responsible, in consultation with operational managers, for identifying and monitoring the key strategic risks.
- 4.5 Further ongoing operational risk identification takes place via updating and monitoring processes which will be the responsibility of employees to implement advised and supported by the Town Clerk/Responsible Financial officer.
- 4.6 Each risk is assessed in terms of probability and impact and priorities are established for the review of risks with high combined values of probability and impact.
- 4.7 Existing control measures, together with alternative controls, are identified for each risk and a responsible manager or managers identified for each.
- 4.8 To facilitate an assessment of the risk management implications in the Council's decision making processes, all reports to Council Committees include, where appropriate, the inclusion of "Risk Management Implications".
- 4.9 To ensure a fully integrated approach risks are linked to corporate objectives, service plans and key performance indicators.

#### **5. Management and Control of Risks**

- 5.1 The Risk Register records the expected frequency and consequences (impact) for each risk and any existing control measures in place.
- 5.2 Risks can then be ranked in terms of significance to the Council to enable risk improvement measures to be prioritised against available resources.
- 5.3 Options for further controls are also identified for each risk and evaluated to ensure that cost effective control solutions are not overlooked.
- 5.4 Whilst Senior Managers have overall responsibility for the implementation of the Risk Management Strategy, it is the responsibility of all managers to co-ordinate risk management activity in their service areas and to ensure that effective management and control arrangements are put in place.
- 5.5 To clarify and emphasise the importance of risk management the Council's Financial Regulations will be amended to include a section on "Risk Management and Control of Resources" covering key controls and procedures and stating the responsibilities of the Town Clerk/Responsible Financial officer.

#### **6. Monitoring and Reporting of Risks**

- 6.1 Progress in managing risks is reported on an annual basis to minimise potential losses and ensure that control measures are implemented and reviewed. This is facilitated using the Risk Register.
- 6.2 The Town Clerk/Responsible Financial officer produces an annual governance statement to the Finance & General Purposes Committee covering:
- A review of the previous year's risk management activities.

- Changes in the last annual assessment in the nature and extent of significant risks.
- The scope and quality of management's ongoing monitoring of risks and of the system of internal control.
- The incidence of significant control failings or weaknesses.

6.3 The Town Clerk/Responsible Financial officer also publishes an assurance statement, attached to the annual statement of accounts, summarising the main processes that have been in place for risk management and internal control, and the findings of the annual review of their effectiveness.

6.4 The Senior managers will report on risk management activities to the Finance & General Purposes Committee at least biannually and meet on a regular basis to:

- Consider progress on the overall risk programme
- Review the Risk Register
- Consider current issues and significant risk management developments
- Decide on future plans for risk management activity and initiatives

6.5 Managers are responsible for monitoring the control measures identified in the Risk Register for their Service and for reporting on progress to the Town Clerk/Responsible Financial officer.

## **7. Communicating Risk Management**

7.1 A two-way process will be developed which will allow the dissemination of information from the Council, Finance Committee and the Town Clerk/Responsible Financial officer to all employees.

7.2 This process will include distribution of the Risk Management Strategy to all employees with guidance on the role they have to play.

7.3 To establish a culture of risk awareness at all levels of the organisation the Town Clerk/Responsible Financial officer will consider the use of internal bulletins and newsletters.

7.4 Induction training for staff will be extended to include an introduction to risk management and the Departmental Managers will consider the training needs of existing staff.

## **8. Links with Health and Safety**

8.1 It is recognised that health and safety considerations will be an important feature in many of the key risks identified on the Risk Register and that the health, safety and welfare of all employees and Council stakeholders should be paramount.

8.2 The effective management of health and safety within the Council therefore forms an integral part of the Risk Management Strategy.

## **9. Roles and Responsibilities**

9.1 The responsibility for compliance with corporate governance requirements and for implementing this risk management strategy lies ultimately with Elected Members and the Town Clerk.

9.2 The Town Clerk/Responsible Financial officer has specific responsibility for risk management and compliance/regulation issues and reports thereon to the Finance & General Purposes Committee.

9.3 The Finance & General Purposes Committee is responsible for ensuring that the Council implements appropriate internal control procedures, internal audit and risk management processes and reports on its adequacy and effectiveness. These duties have been delegated to the Audit & Risk Management sub-committee.

9.4 The principal roles and responsibilities are summarised below:

Finance & General Purposes Committee.

Give approval to the risk management strategy. Agree the structures and processes for the planning and monitoring of risk management across the Authority. It will also identify and review the Council's key strategic risks.

Elected Members

Gain an understanding of risk management and its benefits. Ensure that officers develop and implement a corporate approach to risk management

Town Clerk/Responsible Financial officer

Ensure that the Risk Management Strategy is implemented and observed by all Services in the Authority. They will also identify the Council's key strategic risks.

Support the Council and service departments in the effective development, implementation and review of the risk management strategy. Further to ensure that the Risk Register is kept up to date

Managers

To ensure that risk is managed effectively in their area of responsibility in accordance with the agreed corporate strategy.

Employees

Manage risk effectively in their job.

**10. Review of Strategy**

10.1 It is acknowledged that the successful implementation of this strategy will require the commitment of Members and staff at all levels of the organisation if a culture of risk management is to be embedded in the Council.

10.2 Modifications to the strategy will be required in future to reflect issues arising from implementation and future developments.

10.3 The strategy will therefore be reviewed annually and updated and amended as necessary.

<i>Signed</i>	<i>Signed</i>
Mayor	Town Clerk
5th December 2016	

## Appendix A

### Corporate Objectives

The Objectives are reviewed annually as part of the estimate approval process.

#### Overall Mission Statement

To continually improve services and provide a better quality environment for people to live, work and visit, constantly improving the local parks and amenities, which contribute towards a feel good factor, a healthy lifestyle, and improve the socio-economic standard.

#### Objectives

- ❖ To provide a leadership role for the community and promote and enhance the economic, environmental and social well-being of the City of Truro for the benefit of its residents, business and visitors.
- ❖ To enable people residing, working or visiting the City to enjoy a meaningful, pleasant and safe time.
- ❖ To provide facilities where everyone can enjoy their leisure time within the City.
- ❖ To continue to operate the Council in an efficient, economic and sustainable manner, seeking if possible to improve its performance and to continue to adopt good employment practices.
- ❖ To provide assistance and encouragement to groups within Truro in the promotion and development of their activities, including the pursuit of community assistance.
- ❖ To provide an opportunity for people living and working within the City of Truro to influence the work of the Council by means of consultation and partnership.
- ❖ To support sustainable growth within the City Centre to serve the day-to-day shopping, leisure, business, service, cultural and educational needs of the local community both for people who live and work in the City and visitors. To assist with the integration of the Newham Industrial Estate into the City community.
- ❖ To ensure that all the Council's initiatives are sustainable.
- ❖ To support and consult the community in achieving involvement in and being responsible, for its own development and sustainability.

## APPENDIX B

### **Risk Management Policy Statement**

Truro City Council is aware that, as a large organisation, it is exposed to a very wide range of risks and threats to the delivery of key services to the community it serves.

The Council recognises that it has a responsibility to identify, evaluate and manage those risks, which threaten the achievement of its corporate objectives, and to the management of the health and safety of its service users, employees, partners and the public at large. It therefore supports a structured and focused approach to the management of these risks by the adoption of a corporate risk management strategy. In this way the Council will better achieve its corporate objectives and enhance the value of services it provides to the community.

The objectives of the Risk Management Strategy are:

- To integrate risk management into the culture of the Council and its performance management processes.
- To identify, evaluate and manage risk in accordance with best practice.
- To anticipate and respond to changing social, environmental and legislative requirements.
- To prevent injury, damage and losses and reduce the cost of risk.
- To raise and promote awareness of the need for risk management by all those connected with the delivery of the Council's services.

These objectives will be achieved by:

- Establishing clear roles, responsibilities and reporting lines for risk management within the Council.
- Establishing and maintaining a Risk Register.
- Providing opportunities for shared learning across the Council.
- Offering a framework for allocating resources to identified priority areas of risk.
- Incorporating risk management considerations into decision making processes.
- Reinforcing through training the importance of effective risk management as part of the everyday work of employees.
- Monitoring arrangements on an ongoing basis.

## APPENDIX C

### Categories of Risk

The following categories are neither prescriptive nor exhaustive but provide a framework for the identification of a broad range of possible risks facing the Council.

The strategic risks need to be taken into account in judgements about the Council's medium to long-term goals and objectives.

The operational risks are those that managers and staff may encounter in the daily course of their work.

#### STRATEGIC

- Political: those associated with a failure to deliver either local or central government policy, or to meet the local administration's manifesto commitments;
- Economic: those affecting the Council's ability to meet its financial commitments, including internal budgetary pressures, the failure to purchase adequate insurance, inadequate reserves or the consequence of investment decisions;
- Social: those relating to the effects of changes in demographic, residential or socio-economic trends on the Council's ability to deliver its objectives.
- Technological: those associated with the Council's capacity to deal with the pace/scale of technological change, or its ability to use technology to address changing demands. Also include the consequences of internal technological failures on the Council's ability to deliver its objectives.
- Legislative: those associated with current or potential changes in national or European law (eg TUPE , Health and Safety , Human Rights , Freedom of Information, Data Protection etc)
- Environmental: those relating to the environmental consequences of progressing the Council's strategic objectives.
- Competitive: those affecting the competitiveness of the service (in terms of cost or quality) and/or its ability to deliver best value.
- Customer/Citizen: those associated with the failure to meet the current and changing needs and expectations of customers and citizens.

NB Managing strategic risks is a core responsibility for senior managers in close liaison with Elected Members. Strategic risk assessments should be undertaken as part of the community, corporate and service planning process, and as a key element of service reviews.

#### OPERATIONAL

- Professional: those associated with the particular nature of each profession.
- Financial: those related with financial planning and control and the adequacy of insurance cover;
- Legal: those related to breaches of legislation and/or compensation claims against the Council;
- Physical: those related to fire, security, accident prevention and health and safety (eg hazards and risks associated with buildings, vehicles, plant and equipment etc);
- Contractual: those associated with the failure of contractors to deliver services or products to the agreed cost and specification;
- Technological: those relating to a reliance on operational equipment (eg IT systems failure, equipment and machinery failure etc);

- Environmental: those relating to pollution, noise, or the energy efficiency of ongoing service operations.