The Witham Fourth District Internal Drainage Board

Risk Management Strategy

and

Risk Register

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Risk Management Strategy

1. Purpose, Aims and Objectives

1.1 The purpose of the Boards Corporate Risk Management Strategy is to effectively manage potential opportunities and threats to the Board achieving its objectives.

1.2 The Boards Corporate Risk Management Strategy has the following aims and objectives;

- Integration of Risk Management (RM) into the culture of the Board
- Raising awareness of the need for RM by all those connected with the delivery of services (including our partners)
- Enabling the Board to anticipate and respond to changing social, environmental and legislative conditions
- Minimisation of injury, damage, loss and inconvenience to staff, members of the public, service users, assets etc. arising from or connected with the delivery of the Board services
- Introduction of a robust framework and procedures for identification, analysis, assessment and management of risk, and the reporting and recording of events, based on best practice
- Minimisation of the cost of risk

1.3 To achieve these aims and objectives, the following strategy is proposed;

- Establish clear accountabilities, roles and reporting lines for all employees
- Acquire and develop the necessary skills and expertise
- Provide for risk assessment in all decision making processes of the Board
- Develop a resource allocation framework to allocate (target) resources for risk management
- Develop toolkits, procedures and guidelines for use across the Board
- Develop arrangements to measure performance of Risk Management activities against the aims and objectives
- To make all partners and service providers aware of the Boards' expectations on risk, both generally as set out in its Risk Management Policy and where necessary in particular areas of the Boards' operations

1.4 The Witham Fourth District Internal Drainage Board has adopted the Audit Commission definition of Risk:

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

2. Accountabilities, Roles and Reporting Lines

2.1 A framework has been implemented that has addressed the following issues:

- The different types of risk – Strategic and Operational
- Where it should be managed
- Corporate, Departmental and RM Unit roles and accountabilities
- The need to drive the policy throughout the Board
- Prompt reporting of accidents, losses, changes etc.

2.2 In many cases, RM follows existing service management arrangements.

2.3 Strategic risk is best managed by the Governance and Risk Committee (GRC) who will report to the Board.

2.4 The Board's Chief Executive will be responsible for the Boards overall RM strategy, and will report directly to the RGC.

2.5 The Board's Chief Executive will be responsible for the Boards overall Health and Safety policy and will report to the RGC.

2.6 It is envisaged that the development of a RM strategy will encourage ownership of risk and will allow for easier monitoring and reporting on remedial actions / controls.

3. Skills and Expertise

3.1 Having established roles and responsibilities for RM, the Board must ensure that it has the skills and expertise necessary. It will achieve this by providing Risk Management Training for Executive Officers and where appropriate providing awareness courses that address the individual needs of both the manual workforce and office staff.

3.2 Training will include seminars focusing on best practice in RM and awareness courses will also focus on specific risks in areas such as the following:

- Partnership working
- Project management
- Operation of Board vehicles and equipment
- Manual labour tasks e.g. Health and Safety issues

4. Embedding Risk Management

RM is an important part of the service planning process. This will enable both strategic and operational risk, as well as the accumulation of risks from a number of areas to be properly considered. Over time the Board aims to be able to demonstrate that there is a fully embedded process.

This strategy provides a framework to be used by all levels of staff and Members in the implementation of risk management as an integral part of good management.

5. Risks and the Decision Making Process

5.1 Risk needs to be addressed at the point at which decisions are being taken. Where Members and Officers are asked to make decisions they should be advised of the risks associated with recommendations being made. The training described in the preceding section will enable this to happen.

5.2 The Board will need to demonstrate that it took reasonable steps to consider the risks involved in a decision.

5.3 There needs to be a balance struck between efficiency of the decision-making process and the need to address risk. Risk assessment is seen to be particularly valuable in options appraisal. All significant decision reports to the RGC (including new and amended policies and strategies) should include an assessment of risk to demonstrate that risks (both threats and opportunities) have been addressed.

5.4 This process does not guarantee that decisions will always be right, but it will demonstrate that the risks have been considered and the evidence will support this.
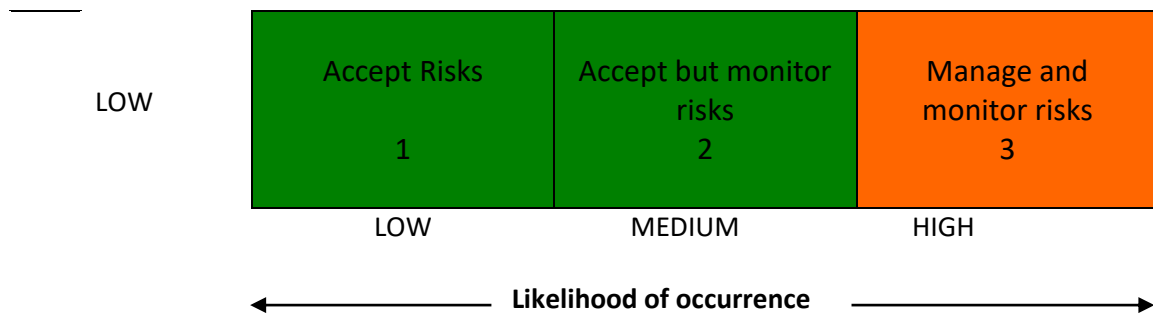
6. Risk Evaluation

6.1 A risk register should be used to record the Board objectives and the risks to achieving these. Once these have been identified an assessment of the impact and likelihood of occurrence is made using knowledge of current controls and assurances and a risk score determined. Any gaps in controls and/or assurance should then be identified and an action plan for improvement developed.

6.2   Having identified areas of potential risk, they must be analysed by impact and likelihood. This is to be done by recording the results using the risk matrix below:

RISK ASSESSMENT MATRIX

Impact			
HIGH	Considerable management required 3	Must manage and monitor risk 6	Extensive Management required 9
MEDIUM	Risks may be worth accepting with monitoring 2	Management effort worthwhile 4	Management effort required 6

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	LOW	MEDIUM	HIGH
LOW	Accept Risks 1	Accept but monitor risks 2	Manage and monitor risks 3

← Likelihood of occurrence →

The high, medium and low categories for impact and likelihood are defined as follows:

IMPACT

- *High* – will have a catastrophic effect on the operation/service delivery. May result in major financial loss (over £100,000). Major service disruption (+ 5 days) or impact on the public. Death of an individual or several people. Complete failure of project or extreme delay (over 2 months). Many individual personal details compromised/revealed. Adverse publicity in national press.

- *Medium* – will have a noticeable effect on the operation/service delivery. May result in significant financial loss (over £25,000). Will cause a degree of disruption (2 – 5 days) or impact on the public. Severe injury to an individual or several people. Adverse effect on project/significant slippage.   Some individual personal details compromised/revealed. Adverse publicity in local press.

- *Low* – where the consequences will not be severe and any associated losses and or financial implications will be low (up to £10,000). Negligible effect on service delivery (1 day). Minor injury or discomfort to an individual or several people. Isolated individual personal detail compromised/revealed. NB A number of low incidents may have a significant cumulative effect and require attention.

LIKELIHOOD

High	Very likely to happen	Matrix score 3
Medium	Likely to happen infrequently and difficult to predict	Matrix score 2
Low	Most unlikely to happen	Matrix score 1

7. Risk Control

7.1   Risk assessment and risk matrices provide a powerful and easy to use tool for the identification, assessment and control of business risk. It enables managers to consider the whole range of categories of risk affecting a business activity. The technique can assist in the prioritisation of risks and decisions on allocation of resources. Decisions can then be made concerning the adequacy of existing control

measures and the need for further action. It can be directed at the business activity as a whole or on individual departments/sections/ functions or indeed projects.

8.   Review of Risk Register

8.1   The risk register (Appendix A) will be kept under constant review by senior management to ensure the action plan is being implemented and to identify and assess any new or revised risks.

RISK REGISTER

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