

Doncaster East Internal Drainage Board

RISK MANAGEMENT STATEMENT, STRATEGY AND REGISTER

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Risk Management Strategy Statement

Risk is a feature of all businesses. Some risks will always exist and can never be eliminated; they therefore need to be appropriately managed.

The Board recognises that it has a responsibility to manage risks and supports a structured and focused approach to managing them by approval of a Risk Management Strategy.

The Board's Risk Management objectives are to:

- Embed risk management into the culture and operations of the Board.
- Adopt a systematic approach to risk management as an integral part of service planning.
- Manage risk in accordance with best practice.
- Ensure all employees have clear responsibility for both the ownership and cost of risk and the tools to effectively reduce/control it.

These Objectives will be achieved by:

- Establishing clear roles, responsibilities and reporting lines within the organisation for risk management.
- Incorporating risk management in the Board's decision making and operational management processes.
- Reinforcing the importance of effective risk management through training.
- Incorporating risk management considerations into Service/Business Planning, Project Management, Partnerships and Procurement Processes.
- Monitoring risk management arrangements on a regular basis.

The Benefits of Risk Management include:

- A safer environment, protecting employees and others from harm.
- Improved public relations and reputation for the organisation.
- Improved efficiency within the organisation.
- Reduction in probability/size of uninsured or uninsurable losses.
- Competitive Insurance Premiums (as insurers recognise the Board as being a "low risk").
- Maximising efficient use of available resources.

1. Risk Management Strategy

1:1 Introduction

Risk management is not just about financial management, it is about achieving the objectives of the Board to deliver a high-quality public service. The failure to manage risks effectively can be expensive in terms of litigation, reputation and the ability to deliver on the ground on time and within budget.

Board Members are ultimately responsible for risk management as risks threaten the achievement of policy objectives and they should regularly:

- (a) Identify and update key risks facing the Board.
- (b) Evaluate the potential consequences to the Board should an event identified as a risk materialise.
- (c) Decide upon appropriate measures to manage risks or their consequences.

1:2 Purpose, Aims and Objectives

The purpose of the Risk Management Strategy is to effectively manage potential opportunities and threats which may result in the Board being unable to deliver its objectives.

The aim of the Risk Management Strategy is to:

- (a) Integrate Risk Management into the culture of the Board.
- (b) Raise awareness of the need for Risk Management by all those connected with the delivery of services (including partners).
- (c) Minimise 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.
- (d) Introduce a robust framework and procedures for identification, analysis, assessment and management of risk, and the reporting and recording of events.
- (e) Minimise the cost incurred should the risk materialise.

To achieve this, the following Strategy is proposed:

- (a) Establish clear accountabilities, roles and reporting lines for all employees.
- (b) Acquire and develop the necessary skills and expertise.
- (c) Provide for risk assessment in all decision-making processes.
- (d) Develop procedures and guidelines for use across the organisation.
- (e) Develop arrangements to measure performance of risk management activities against the aims and objectives.
- (f) To make all partners and service providers aware of the Board's expectations on risk.

The 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 where risk should be managed and Board and employee roles and accountabilities.
- 2:2 The Senior Management Team will be responsible for the Board's overall risk management strategy and will report to the Board.

3. Skills and Expertise

- 3:1 The Board must ensure that it has the skills and expertise necessary to discharge its responsibilities competently. It will achieve this by providing risk management training for Members and employees as appropriate.

4. Embedding Risk Management

- 4:1 Risk management is an important part of the service planning process and will enable risks from a number of areas to be properly considered. Over time, the Board aims to demonstrate that there is a fully embedded process.
- 4:2 This document provides a framework to be used by 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 the recommendations being made. The Board will need to demonstrate that it took reasonable steps to consider the risks involved in a decision.
- 5:2 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 Board (including new and amended policies and strategies) should include an assessment of risk to demonstrate that risks (both threats and opportunities) have been addressed.

6. Risk Evaluation

- 6:1 A risk register should be used to record the Board's objectives and the risks to achieving these. Once these have been identified, an assessment of the impact and likelihood of occurrence will be made using knowledge of current controls and assurances, and a risk score will be determined. Any gaps in controls and/or assurance should then be identified and an action plan for improvement developed.
- 6:2 The risk score is obtained using the risk matrix shown overleaf:

Probability

- 1. Very Unlikely
- 2. Possible
- 3. Probable
- 4. Likely
- 5. Very Likely

Severity

- 1. No Injury/negligible impact
- 2. Minor injury/impact
- 3. Moderate injury/impact
- 4. Major injury/impact
- 5. Fatality/major failure or breach

Low Risk	1 to 5
Medium Risk	6 to 11
High Risk	12 to 25

SEVERITY

5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5

PROBABILITY

Risk Rating (RR) = Severity (S) x Probability (P)

Examples:

High Risk - could have a catastrophic effect on the operation/service delivery and may result in all or some of the following impacts:

- Major financial loss.
- Major service disruption.
- Major impact on the public.
- Complete failure or extreme delay to a project.
- Death or severe injury of an individual or several people.
- Many individuals' personal details being compromised/revealed.
- Adverse publicity on national scale.

Medium Risk - will have a noticeable effect on the operation/service delivery and may result in all or some of the following impacts:

- Significant financial loss.
- Degree of disruption or impact on the public.
- Adverse effect/delay on project.
- Some individual personal details compromised/revealed.
- Adverse publicity in local press.
- Moderate injury or discomfort to an individual or several people.

Low Risk - where the consequences will not be severe and any associated losses and or financial implications will be low and may result in all or some of the following impacts:

- Negligible effect on service delivery.
- Isolated individual personal detail compromised/revealed.
- Minor injury to individuals or damage to property.

7. Review of Risk Registers

- 7:1 The Dynamic Risk Register will be reviewed at least monthly by the Senior Management Team to ensure the action plan is being implemented and to identify and assess any new or revised risks. An update will be given to each Board meeting.
- 7:2 The Business Risk Register will be reviewed at least quarterly by the Senior Management Team who will highlight any changes to the Board. The Board will formally review and update the document annually.

Reviewed and updated May 2020

