

Risk Management Strategy

June 2022 Version 2.0

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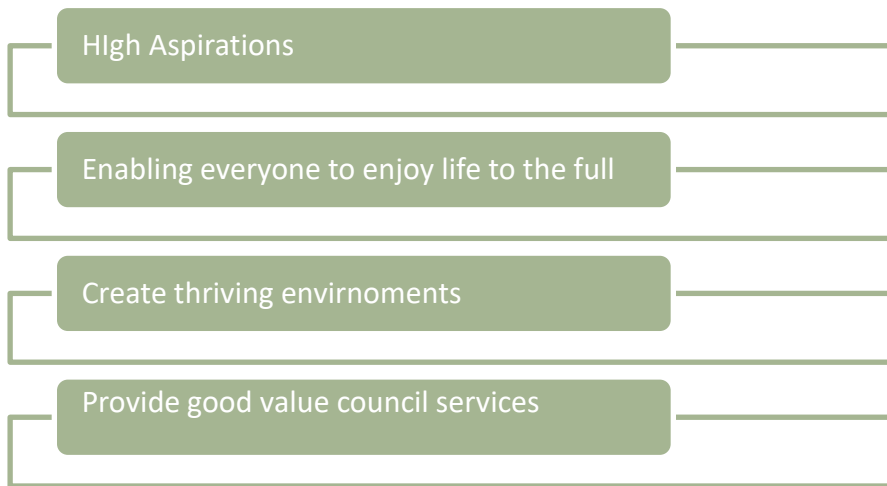
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Introduction and Risk Management vision

The aim of the strategy is to provide an effective framework for the Council to manage the key risks facing our services in line with our risk appetite and the successful delivery of the outcomes of our Corporate Plan, which sets out four priorities:



The Risk Management Strategy recognises that whilst there have been several years of unprecedented challenges for the council in delivering its services and corporate priorities, we continue to be responsive of risk to meet the needs of the council with further frequent reporting and assurance.

Risk management strategy 2.0

The strategy seeks to encourage well measured ethical risk taking where it is likely to lead to sustainable improvements in service delivery to the people of Lincolnshire. It is there to support both the management of threats and the taking of opportunities. It is important that we continue to be transparent and have accountability especially as we are a public service, spending public money. By utilising the risk strategy, this focuses on these elements.



Our strategic risk management

Our Strategic approach to risk management is to make informed decisions and realise opportunities which are vital to successful transformational change.

- To set the 'tone from the top' on the level of risk we are prepared to accept on a different service activities and priorities.
- Continue to understand our 'risk appetite' with senior leaders incorporating the different risk categories, acknowledging that how we 'think about risk' will be different depending on the context of corporate impact and sensitivity.
- Acknowledging that even with good risk management and our best endeavors - things can go wrong. Where this happens, we use the lessons learnt to try and prevent it from happening again which includes issues as well as risks.
- Developing leadership capacity and skills in having clear understanding of the risks and issues facing the council in delivering our services and how we manage these. Risk management should be integral to how we run council business / services.
- Supporting a culture of well measured risk taking throughout the council's business, including strategic and operational. This includes setting risk ownership and accountabilities and responding to risk in a balanced way – thinking about the level of risk, reward, impact, and cost of control measures. This includes financial risk taking and being comfortable with taking more risk in this area but in a balanced and proportionate way.
- Further strengthen how risks are controlled and measured – being more accountable and with measurable indicators.
- Ensuring our approach to risk management is proportionate to the decision being made.
- Effective and flexible reporting and monitoring with board / executive intelligence on the key risks facing the council.
- Good practice tools and training to support management of risks which is applied consistently throughout the council.
- Keep abreast of best practice throughout the industry – including the external review of our risk management practices.



Achieving success - Implementing our Strategic Risk Management Strategy

Our risk appetite statement is **creative and risk aware**.

'The council wishes to be creative and open to consider all potential delivery options with well measured risk taking whilst being aware of the impact of its key decisions'

This means that our risk and assurance systems need to be working well so that we create an environment of 'no surprises'. Whilst working within this overall context – 'tone from the top' – it is acknowledged that our risk appetite will vary depending on the nature of the service. For example, the council's appetite for risk taking on safeguarding adults and children is more cautious. Where the council undertakes operations or initiatives outside the agreed risk appetite this must be reported and monitored through the appropriate executive director. This helps promote informed decision-making based on risk awareness.

Leadership

- **Executive & Corporate Leadership Team (CLT)** has the ultimate accountability for the risk environment, and is responsible for approving and reviewing risk policies. Setting the level of risk the council is prepared to accept - its 'risk appetite'

Escalation

- **Audit Committee** is responsible for overseeing the effectiveness of the council's risks management arrangements, challenging risk information and escalating issues to CLT / the Executive.

Oversight & Co-ordination

- **Risk & Safety Groups or equivalent groups (Corporate & Directorate)** are responsible for the facilitation and co-ordination of risk management activity across the council.

Ownership

- **Directorates & Services** are the 'risk takers' and are responsible for identifying, assessing, measuring, moitoring and reporting significant risks assoricated with their functions or activities which feed into directorate and strategic risks;

Assurance

- **Elected Members / Management / Corporate functions / third parties & internal audit** as part of the council's combined assurance model give assurance on the management of risks and the operation / performance of controls.

Risk Management guidance

Every aspect of the council’s work involves some level of risk. Policy making, decision making, financial management and day to day delivery of services, all of these involve risk. The council does not advocate that all risk is removed from its work – instead, it requires us to be ‘risk aware’ – balancing quality, cost, and risk in our work on behalf of the council. It requires that we take steps to ensure that the identified risk is kept within acceptable parameters - with ‘no surprises’.

Risk management also ensures that we maintain our public sector ethos and keep an ethical mindset. **‘How we do it’** is as important as **‘what we do’** when making decisions within risk management. Our risk management arrangements enable us to manage uncertainty in a systematic way at all levels of the council’s business – see below.

Strategic



- Future decisions of the business

Change



- Turning strategy into action including programme and change management

Operational



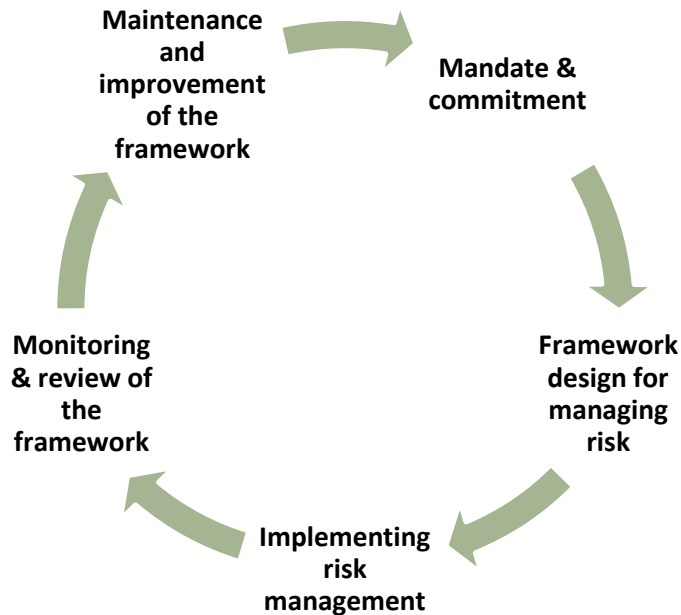
- Day-to Day operations including people, customer experience, processes, information security, finance, business continuity etc

A formal risk assessment – producing a risk register that will be monitored and recorded on our Risk Management software, Sharp Cloud is required for all services, in particular:

- Strategic risks
- Key projects and programmes including those through the Transformation programme and determined by our corporate plan and project management guidance
- New service strategies that have a greater impact on people, finance, and the council.

Risk Management and assurance framework

As part of the council's combined assurance model, elected members, management, third parties and Internal Audit give assurance on the management of risks and the operation / performance of controls.



Combined Assurance

- Management
- Corporate / third party
- Internal Audit

Giving assurance on service delivery, management of risks, operation of controls and / or performance

Key decisions

All key decisions presented to the Executive must clearly show the key risks associated with the decision (recommendations), the potential impact and how these will be managed. This helps promote informed decision making, particularly in an environment of uncertainty and change.

Risk Management support

The Insurance and Risk Management Team helps support management and promotes good practice.

The key roles of this team are:

To co-ordinate and maintain the council's strategic risk register, including identifying any emerging risks and issues.

To develop and co-ordinate the implementation of the Risk Management Strategy

Provide guidance on risk management including relevant tools on how to identify risks and measurable controls

To support members and senior managers to help identify their and the council's risk appetite and also identify and manage risks and issues facing the council

Promote good risk management through training via e-learning, face to face and virtual events / publications

Measuring / monitoring the successful implementation of the Strategic Risk Management Strategy priorities by demonstrating that the council:

- Has a culture which supports well thought through risk taking and innovation, with leadership who support, own and lead on risk management
- Enables members, management and staff to make decisions that are in accordance with the council's risk appetite
- Learns when things go wrong and have no major surprises that could adversely affect the trust and confidence of the people of Lincolnshire in the services the council provides.

Our risk management guidance sets our requirements and gives people the tools to help them identify and manage risks effectively. We have developed some simple guidance and tools on our risk management pages within the Insurance and Risk hub on Share point.

On Lincs2Learn, you will find two courses, one on Strategic Risk Management and the other one is on Operational Risk Management.

For further assistance and guidance, you can also contact the risk management team on the following email address:

Riskmanagement@lincolnshire.gov.uk

Glossary of terms

Word	Description
Impact	Impact (often referred to as a consequence) to the organisation should the risk materialise
Risk	ISO 3100: An effect (positive or negative) of uncertainty on objectives / actions
Corporate Plan	The Council's plan of action
Commissioning Strategies	A collection of strategies to ensure services which are sourced externally are sourced correctly
Strategy	An overarching set of guidelines to a particular topic
Risk Appetite	The level of risk an individual or organisation is willing to take
Combined Assurance	Reports providing reassurance against procedures / processes & services within the council
Tone from the Top	The guidance provided from the top management / member level of the council
Operational	Relating to functions which do not directly cause significant impact to the council as whole
Risk Assessment	An analysis of a risk
Emerging risks	Possible risks which may impact the council
Risk Management	The monitoring, analysis, and control of risks
E-Learning	An online based learning facility providing training to employees
Measured Controls / Unmeasured Controls	A measured control is objective, which means it is based on facts that can be measured and tested rather than being ambiguous. An unmeasured control is subjective, which means it is based on a belief in a particular action or activity. Where possible use measured controls as these give a higher level of assurance.

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