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CEREDIGION
County Council

Ceredigion County Council: Risk Management Policy & Strategy



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1 Foreword

- 1.1 Welcome to the Risk Management Policy and Risk Management Strategy document for Ceredigion County Council.
- 1.2 Effective risk management allows the Council to:
 - Have increased confidence in achieving our priorities and outcomes.
 - Constrain threats to acceptable levels.
 - Take informed decisions about exploiting opportunities.
 - Ensure that we get the right balance between rewards and risks.
 - Improve partnership working arrangements and corporate governance.
 - Protect people, assets and council's reputation.
 - Maximise opportunities.
- 1.3 Ultimately, effective risk management will help to ensure that the Council maximises its opportunities and minimises the impact of the risks it faces, thereby improving ability to deliver priorities, improve outcomes for residents and mitigating legal action and financial claims against the council and damage to its reputation.
- 1.4 The Risk Management Policy and Strategy document provides a comprehensive framework and process designed to support Members and Officers in ensuring that the Council is able to discharge its risk management responsibilities fully. The policy outlines the objectives and benefits of managing risk, describes the responsibilities for risk management, and provides an overview of the process that we have in place to manage risk successfully.
- 1.5 The Council will review the Policy and Strategy at least every three years and any variations from this policy will be reviewed by the Governance and Audit Committee, prior to approval by Cabinet.
- 1.6 This Policy and Strategy is underpinned by a complementary risk Management Framework document, which should be read in conjunction with this document.

2 Risk Management Policy

Risk Management Policy Statement

- 2.1 Ceredigion County Council recognises that a proactive approach to risk management is a vital aspect to achieving its vision of delivering value for money sustainable bilingual public services that support a strong economy and healthy environment while promoting well-being in our people and our communities.
- 2.2 The Council has established an effective Risk Management Strategy that is becoming embedded into the culture of the organisation through review, training, continuous discussion at Leadership Group, the identification of service risks and the expectation that all service risks are reported on a quarterly basis. This contributes to the achievement of the Corporate Strategy and in particular its organisational effectiveness.
- 2.3 The Council identifies, analyses, manages and applies cost-effective control of the risks it faces in order to:
1. Ensure that statutory obligations and policy objectives are met.
 2. Ensure the Council achieves its Corporate Well-being Objectives and the National Well-being Objectives through improved service delivery.
 3. Ensure the successful delivery of major and innovative projects.
 4. Establish and maintain effective ways of working in partnership.
 5. Preserve and promote the reputation of the Council.
 6. Improve decision-making, planning, prioritisation and optimise operational efficiency.
 7. Safeguard its elected Members, employees, service users, pupils and all other stakeholders to whom the Council has a duty of care.
 8. Learn from previous opportunities, threats, successes and failures to inform future management of risks through introducing new structures, advice, templates and guidance to staff, as well as closer monitoring.
- 2.4 The appraisal and management of risk is applied to all Ceredigion County Council processes and in particular forms part of our:
- Policy making, audit and review
 - Health & Safety policy and strategy
 - Financial planning and control
 - Strategic planning and objective setting
 - Business and service planning and delivery
 - Reporting and decision-making processes
 - Performance management
 - Project and Change management processes

- 2.5 It is acknowledged that some risks will always exist and will never be eliminated, however all employees must consider risk and accept responsibility for managing risks associated with their area of authority.
- 2.6 The Chief Executive has overall responsibility for securing adherence to the Council's policy on Risk Management.
- 2.7 Risk Management Policies, Strategies and Processes will be reviewed for efficiency effectiveness and compliance as part of the management review cycle.

3 Risk Management Strategy

Purpose

3.1 The Risk Management Strategy sits alongside the policy statement, and sets the actions required to meet a series of risk management objectives.

Objectives

3.2 The objectives of this Strategy are to:

- Embed and integrate risk management into the culture of the Council.
- Assign roles, responsibilities and accountability for risk management activities within the Council. The “Three Lines of Defence Model” is incorporated into Internal Audit’s assurance mapping to obtain assurances from management, internal audit and external sources of assurance e.g. regulators & inspectorates.
- Raise the awareness of the need for risk management by all those connected with the Council’s delivery of services.
- Prevent injury, damage and losses to reduce the cost of risk.
- Enhance the realisation of opportunities and resulting benefits.
- Ensure consistency throughout the Council in the management of risk.

3.3 These objectives will be achieved by the following actions:

- Incorporate risk management considerations into all levels of business planning.
- Incorporate risk management considerations into all levels of programme, project and partnership arrangements.
- Provide skills training and development for all elected Members, managers and staff, in the effective management of risk.
- Regularly monitor and report risks to identify trends and likely direction of risks for Members and Senior Managers to be aware of when making decisions.
- Provide risk appetite scores in each Corporate Risk Register to support informed decision making in line with the risk appetite along with reduced uncertainty and improved consistency.
- The Governance and Audit Committee monitor the effective development and operation of corporate risk management in the Council, the progress in addressing risk-related issues reported to the Committee and consider the Corporate Risk Register on a quarterly basis.
- Make the Risk Management Framework available to all elected Members, staff, the public and other stakeholders on the Council’s intranet and website and communicate via management channels.
- Make the Corporate Risk Register available to all Members on a quarterly basis.
- Provide risk management training for Leadership Group and all managers with the aim of ensuring that they have the skills necessary to identify, appraise and control the risks associated with the services they provide.

Definitions

3.4 Ceredigion County Council defines Risk as:

“the possibility that something might happen that will have a detrimental impact on the achievement of the Council’s objectives, reputation, or service delivery’. Risk is measured in terms of impact and likelihood.”

3.5 Risk Management is the planned and systematic processes, by which key risks are identified, evaluated and managed enabling maximisation of benefits and minimisation of potentially negative consequences to the Council and its partners. Risks can be broken down and further defined as risk management allows the Council to:

- a) Identify risks in the context of Corporate objectives, including potential opportunities.
- b) Assess risks to determine the likelihood and impact of each risk.
- c) Determine the response to each risk individually.
- d) Develop the necessary actions, controls and processes to implement the chosen response to each risk.
- e) Communicate the approach to risk management and the results of risk management activity.
- f) Maximise opportunities.

3.6 Managing risks informs strategic and business planning and helps the Council to meet the Corporate Well-Being objectives set out in its Corporate Strategy 2017- 2022, improve service delivery and enhance value for money.

Risk Culture

3.7 A strong business wide risk culture is an important aspect of strong corporate governance. Risk Culture is the shared values, attitudes and practices that characterise how the Council considers risk on a day-to-day basis by:

- a) Raising awareness of risks faced by the Council.
- b) Understanding of the business and the relevance of risk.
- c) Clear ownership of risks.
- d) Clearly defined responsibilities for risk management activity.
- e) Effective monitoring and reporting of the effectiveness of risk.

3.8 While the Council should not be risk averse, the principles contained within this policy ensure that the Council strikes the right balance in its approach to business opportunity and risk management. To assist in achieving this, risk appetite is an integral part of the risk management process with the Corporate Risk Register including risk appetite scores that the authority is willing to tolerate. This is to ensure that the risk culture supports informed decision making in line with the risk appetite.

Roles & Responsibilities

- 3.9 Responsibility for effective risk management rests with all Members and Officers of the Council. Given the diversity of Council services and the wide range of potential risks, it is essential that responsibility for identifying and taking action to address potential risks is clear.
- 3.10 The Governance and Audit Committee is responsible for monitoring the effective development and operation of corporate risk management in the Council.
- 3.11 The allocation of further roles and responsibilities are set out in Appendix 1.

Resourcing Risk Management

- 3.12 Risk management is not a new issue and every Member and Officer is responsible for considering risk implications as they relate to their actions.
- 3.13 The Leader of Ceredigion County Council, supported by the Chief Executive is responsible for ensuring that a Risk Management Policy and Strategy is in place, taking overall responsibility for securing adherence to the Council's Policy on Risk Management and providing objective assurance on the effectiveness of the risk management procedures in place.
- 3.14 Corporate Directors support the Chief Executive Officer and Leadership Group in promoting risk management across the Council, securing adherence to the Policy and providing assurance that this is being successfully achieved. They provide line management support to Corporate Lead Officers in relation to risk management where risks are escalated or where an impasse is reached.
- 3.15 The designated Corporate Lead Officer for Risk at Leadership Group Level is the Corporate Lead Officer Policy, Performance & Public Protection. They have delegated responsibility for securing adherence to the Council's Policy on Risk Management and providing objective assurance that this is being successfully achieved along with the effectiveness of the mechanisms used to control identified risks. They are also responsible for challenging colleagues around risk scoring, setting mitigating actions and whether actions have been delivered.
- 3.16 The Performance and Research team will act as a link between elected members, and Leadership Group for all aspects of risk management. Further details of the Roles and Responsibilities are contained in Appendix 1.

Corporate Governance

- 3.17 In accordance with the CIPFA / SOLACE Guidance on Corporate Governance, the County Council has adopted a Local Code of Corporate Governance setting out the framework through which it will carry out its responsibilities to deliver effective services.

- 3.18 Principle F of the above CIPFA guidance states: Managing Risks and performance through robust internal control and strong public financial management in the above framework recognises that ‘Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities’.
- 3.19 This Risk Management Strategy ensures that the Council’s Risk Management Policy is fully embedded into the Council’s strategic and operational planning and monitoring processes.

Involvement of other Related Groups

- 3.20 There are a number of other officer groups in existence, which will deal with specific areas of risk management. These include:
- Health and Safety Forum
 - Personal Safety Group
 - Emergency Planning and Business Continuity Management Group
 - Ceredigion Severe Weather group
 - Information Technology (Strategy)
 - Information Management Group
 - SIRO – Information Risk Group
 - Capital Monitoring Group
 - Corporate Project Management Group
 - Development Group
 - Asset Management Group

Internal Audit

- 3.21 As the 3rd line of defence, the Council’s Internal Audit service will provide objective assurance to Leadership Group, Governance & Audit Committee and Council on the robustness and effectiveness of the risk management procedures. Internal Audit will periodically review the Corporate Risk Register and evaluate the Corporate Risk Management procedures including the reporting of risks.
- 3.22 The Annual Internal Audit Plan is risk-based and is aligned to the Corporate Risk Register to ensure resources are prioritised according to risk. Internal Audit will periodically evaluate the management of key risks included in Risk Registers. All red risks within the Corporate Risk Register will be included in the Internal Audit plan of work over a rolling two-year period and periodic reviews of Service Risk Registers will also be included in the Internal Audit plan.
- 3.23 Internal Audit will provide objective assurance that risks are being managed appropriately for each completed audit engagement. The auditor will identify risks and test the controls in place to mitigate these risks. Audit findings will be reported to the

relevant Corporate Lead Officer and Corporate Managers together with a resulting action plan including risks identified, areas for improvement and management actions required to mitigate risks.

- 3.24 Checks will be undertaken by Internal Audit to ensure agreed actions are implemented by management.
- 3.25 Leadership Group will receive copies of all finalised external audit reports and internal audit progress reports to assess if implemented actions sufficiently address the identified risks and whether any changes are required to the Corporate Risk Register.

Partnerships

- 3.26 Collaboration projects and subsequent partnership working will adhere to the internal Collaboration Projects Protocol. The protocol establishes the process to be followed when entering into a new project/partnership, how to review and assess current projects/partnerships and how to end our involvement in a project/partnership. All templates that make up the protocol will include risk identification, assessment or monitoring.

National Risks

- 3.27 The National Risk Register (NRR) published by the UK Government and updated in 2023, is the government's assessment of the most serious risks facing the UK.
- 3.28 The risks that meet the threshold for inclusion in the NRR would have a substantial impact on the UK's safety, security and/or critical systems at a national level.
- 3.29 The NRR includes information about risks themes:
- Terrorism
 - Cyber
 - State threats
 - Geographic and diplomatic
 - Accidents and systems failures
 - Natural and environmental hazards
 - Human, animal and plant health
 - Societal
 - Conflict and instability

Community Risks

- 3.30 The Dyfed Powys Local Resilience Forum Community Risk Register outlines specific risks that may cause a civil emergency in the Dyfed Powys Police region. Inclusion of a risk in the Community Risk Register, doesn't mean it will happen. It means it is recognised as a possibility and organisations have made arrangements to reduce its impact.

3.31 The top risks identified include:

- Impact of Brexit
- Pandemic Flu
- Flooding
- Other Severe Weather (such as storms, gales, low temperatures, heavy snow, heat waves and drought)
- Loss of Infrastructure
- Pollution
- Animal Disease
- Industrial Incidents
- Transport Incidents
- Financial Resilience
- Workforce resilience capability and capacity
- Cyber Attack

Corporate Risks

3.32 The corporate risk register identifies potential developments or occurrences which, were they to occur, would jeopardise the Council's ability to achieve its priorities, provide services as planned and fulfil its statutory duties. Specifically, it is those risks which have a high-risk score and are deemed necessary to be managed at corporate, rather than service level.

External Contracts

3.33 The central Procurement Team maintains a Contracts Register.

3.34 The Council will consider all potential risks around supply and service delivery when preparing for the procurement, and mitigate these through due diligence questions in tenders and appropriate measures in contracts. Subsequent contract management, monitoring of key contracts and good relationships with suppliers will allow for early identification of risks arising during the lifetime of the contract, and for appropriate action to be taken when necessary.

3.35 Central Procurement will establish networks with other authorities and agencies and share risk management information and raise awareness of potential risk issues that could impact on the Council from a procurement perspective.

Reviews

3.36 The Risk Management Policy and Strategy will be reviewed every three years (or more frequently if required by changes to statutory legislation) and both the Governance and Audit Committee and Leadership Group will be consulted prior to finalising and submitting the policy to Cabinet for approval.

- 3.37 The Corporate Risk Register will be reviewed by Leadership Group and the Governance and Audit Committee at each of their meetings and will be made available to all managers through the Teifi performance system.
- 3.38 Service risks will also be held on the Teifi performance system and available to all managers.
- 3.39 Other Risk Registers to be reviewed as part of the appropriate partnership and management arrangements.

Appendix 1: Roles and Responsibilities

Everyone has a role to play in an integrated risk management framework, for example everyone has a responsibility to report any identified new risks. Combining shared leadership with a team approach will help contribute to its ultimate success. Roles as identified at present are:

GROUP / STAKEHOLDER	ROLE DESCRIPTION
CABINET MEMBERS	<ul style="list-style-type: none"> To approve and review the Risk Management Policy and Strategy underpinned by the Risk Management Framework in order to protect its assets and as an integral part of its vision for Ceredigion.
GOVERNANCE AND AUDIT COMMITTEE	<ul style="list-style-type: none"> To provide independent assurance to full Council and management of the adequacy of the risk management framework. To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council. To monitor the effective development and operation of risk management in the Council. To monitor progress in addressing risk-related issues reported to the Committee. To consider the Corporate Risk Register as an agenda item.
SCRUTINY COMMITTEES	<ul style="list-style-type: none"> Use the Corporate Risk Register to help prioritise matters on the work programme. Integrate an awareness of risk management into their work through wider reviews of policy development. Report any newly identified risks through the course of their work. Support Governance and Audit Committee in relation to understanding where and how strategic risks are emerging, in relation to matters of emerging concern arising from regular financial, performance or risk reporting, and in the most effective method of understanding and evaluating risk management arrangements.
CHIEF EXECUTIVE OFFICER	<ul style="list-style-type: none"> Promote Risk Management and its benefits throughout the Council. To take overall responsibility for securing adherence to the Council's Policy on Risk Management and provide assurance that this is being successfully achieved. Appoint a Corporate Lead Officer to take responsibility for risk management.
LEADERSHIP GROUP (LG)	<ul style="list-style-type: none"> Recommend the approval of Risk Management Policy and Strategy underpinned by the Risk Management Framework.

	<ul style="list-style-type: none"> • To ensure Risk Management is implemented across the Council in line with the approved Risk Management Policy and Strategy. • To oversee the establishment and maintenance of a Corporate Risk Register. • To be responsible for the acceptance or removal of a Corporate Risk to or from the Corporate Risk Register. • Allocate responsibility to Corporate Lead Officers to develop action plans for corporate strategic risks. • To consider and approve Risk management plans and initiatives including action plans for the management of Critical Risks. • Consider risks attached to proposals for new / changed policies and service delivery arrangements. • To take collective responsibility for securing adherence to the Council’s Policy on Risk Management and provide assurance that this is being successfully achieved. • Take collective responsibility for confirming the risk score for each risk.
CORPORATE DIRECTORS	<ul style="list-style-type: none"> • Promote Risk Management and its benefits throughout the Council. • To take responsibility for securing adherence to the Council’s Policy on Risk Management and provide assurance that this is being successfully achieved. • To ensure that there are regular reviews of risk within their directorates. • Provide line management support to Corporate Lead Officers in relation to risk management when risks are escalated or where an impasse is reached.
CORPORATE LEAD OFFICER, POLICY PERFORMANCE & PUBLIC PROTECTION	<ul style="list-style-type: none"> • The Corporate Lead Officer Policy & Performance has delegated responsibility for securing adherence to the Council’s Policy on Risk Management and providing assurance that this is being successfully achieved. • To appraise the effectiveness of mechanisms used to control identified risks.
CORPORATE LEAD OFFICER FINANCE & PROCUREMENT	<ul style="list-style-type: none"> • The Corporate Lead Officer Finance & Procurement (Section 151 Officer) is responsible for the insurance provision within the Authority. • To manage financial risks through the Medium-Term Financial Strategy.
CORPORATE MANAGER PARTNERSHIPS & PERFORMANCE, PERFORMANCE & RESEARCH MANAGER AND CORPORATE	<ul style="list-style-type: none"> • Coordinate risk management activity across the Council. • Report on risk management activity to Corporate Lead Officer - Policy Performance & Public Protection. • Maintain a corporate risk register and liaise with Corporate Lead Officers relating to service risks. • Arrange risk management training for officers and Members, appropriate to their needs and responsibilities. • Provide advice and assistance as required.

PERFORMANCE & IMPROVEMENT OFFICER	<ul style="list-style-type: none"> • Review the Risk Management Framework as required.
CORPORATE LEAD OFFICERS	<ul style="list-style-type: none"> • To be responsible for the management of risks within their control in order to safeguard their employees and clients, protect assets and to preserve and enhance service delivery to the citizens by ensuring the successful delivery of the Council's stated objectives. • To ensure that risk management and business continuity are embedded at all levels within their area of responsibility. • To establish and maintain a Service Risk Register on Teifi. • Develop action plans in relation to corporate strategic risks as they relate to their area and record these in the relevant Service Improvement Plan. • To review the suitability of Risk Management plans and initiatives and make recommendations on these to the Leadership Group. • To ensure the timely escalations of risks identified as being of significance to the Council as a whole. • To encourage the availability and sharing of risk information Council-wide. • To share experience on risk, risk management and risk management strategy implementation across the Council. • Responsible for the acceptance of Risk from the Corporate Risk Register or from a Team Risk Register. • Responsible for recommending the escalation of a Risk to the Corporate Risk Register or de-escalation or approving the archiving of a risk. • Review service risks at Corporate Lead Officer Manager meetings on a regular basis. • Notify the Director of Finance of any significant changes in service provision likely to arise if a risk materialises to enable him / her to ensure that appropriate and adequate insurance and financing measures are in place.
CORPORATE MANAGERS	<ul style="list-style-type: none"> • To ensure that risk is managed effectively at all levels in each service area within their particular service areas. • To continue to develop their Team Risk Registers and update them on a regular (at least quarterly) basis. • To ensure the timely escalations of risks identified as being of significant to the Service / Council as a whole. • To ensure that risk management is linked to Service Plans, projects etc. and apply risk management to those risks requiring further action, particularly new developments and "project" work. • Understand and maintain awareness of risk management principles and take responsibility for managing risk within their own working environment.

	<ul style="list-style-type: none"> • Be aware of existing risk assessments related to their area of work and relevant procedures or control measures for adoption in order to reduce identified risks.
EMPLOYEES	<ul style="list-style-type: none"> • To bring to the attention of their line manager any matters that they believe to be a risk to the successful delivery of services or the meeting of the Council's objectives. • Contribute to the identification, assessment and control of risks wherever possible.
INTERNAL AUDIT	<ul style="list-style-type: none"> • The Head of Internal Audit provides objective assurance on the organisation's performance to the Risk Management Framework, the adequacy and effectiveness of risk management procedures and that risks are being managed appropriately.
EXTERNAL AUDIT	<ul style="list-style-type: none"> • Audit Wales are the Council's External Auditors and attend meetings of the Audit Committee and contribute to the assurances on Risk Management provided.