ISLE OF ANGLESEY COUNTY COUNCIL		
Report to:	Audit and Governance Committee / Executive	
Date:	23 July 2019 / 16 September 2019	
Subject:	Risk Management Policy Statement	
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Nature and Reason for Reporting: Audit committees are a key component of corporate governance and are an important source of assurance about an organisation's arrangements for managing risk. Further, the Committee's terms of reference require the Committee to oversee the Council's risk management policy and its implementation in practice.		

1. INTRODUCTION

1.1. As part of its arrangements for good corporate governance, the Council needs to have a clear statement of its overall policy in relation to managing risks in the achievement of its objectives and the delivery of its services. This document outlines the responsibilities for identifying, managing and monitoring those risks.

1.2. The Senior Leadership Team has been consulted on the contents but the ultimate responsibility for approval lies with the Executive.

2. RECOMMENDATION

2.1. That the Committee considers and comments on the Risk Management Policy Statement before its submission to the Executive for approval.
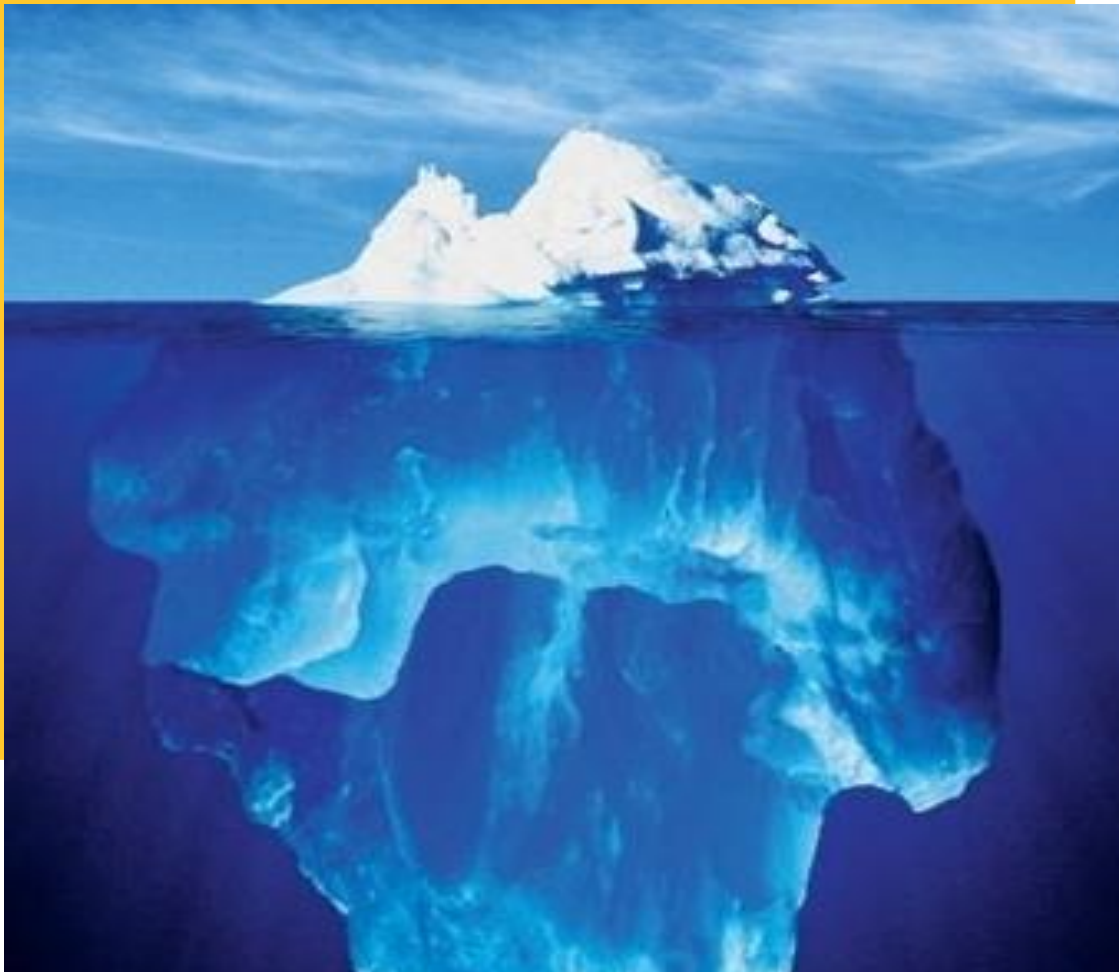
Risk Management Policy Statement
May 2019

RISK MANAGEMENT POLICY STATEMENT

The Isle of Anglesey County Council is a diverse organisation committed to providing quality, sustainable and value for money services for our community.

Risk is an unavoidable part of delivering these services and in a world where organisations process enormous amounts of data at increasingly rapid rates, identifying and mitigating risks is a challenge for any organisation. Consequently, many contracts and insurance agreements require solid evidence of good risk management practice.

This risk management policy statement and supporting documentation form an integrated framework that supports the Council in the effective management of risk. In implementing our framework, we seek to provide assurance to all our stakeholders that the identification and management of risk plays a key role in the delivery of the Council's vision and other strategic objectives.

We define[1] risk and risk management as:

> *Risk: The effect of uncertainty on objectives*
>
> *Risk Management: Coordinated activities to direct and control an organisation with regards to risk*

We recognise that there are risks involved in all our activities. We have a duty to manage these risks in a balanced, structured and cost-effective way. Therefore, the process for identifying, assessing, managing and monitoring risk is an integral part of our management processes. As a result, we will be in a stronger position to deliver quality services, achieve our objectives and provide value for money.

Failure to identify, assess and manage risks may result in considerable unbudgeted expenditure and damage to the Council's reputation.

Risk Appetite

As a large and diverse organisation, appetite for risk will vary according to the activity undertaken and different appetites and tolerances to risk apply throughout the organisation. We recognise that the Council must accept some risk so that we can achieve our objectives. Therefore, our policy is to ensure a culture of knowledgeable risk taking. Our risk appetite helps us to determine what a material risk is; what is a high risk is and what a low risk is (Risk Management Assessment Matrix refers). By deciding risk appetite, the Council is able to more effectively prioritise risk for mitigation and better allocate resources.

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[1] As defined by ISO 31000:2018

Objectives

The objectives of the Council's risk management activities are to:

- Develop a consistent approach to risk management across the Council.

- Embed risk management as an integral part of the management process within the Council, and ensure clear links with Service Delivery Plans.

- Ensure a proactive risk aware culture across all parts of the Council, where management takes, and does not take, risks knowledgeably in all major decisions and actions.

- Maintain and improve customer confidence in our ability to deliver on our commitments.

- Reduce the possibility of unplanned activity or financial costs, and the impact of such surprises on the Council's reputation and ability to deliver our objectives.

- Manage risk in accordance with best practice and statutory obligations

- Work with our partners and providers to develop a common approach to achieving these risk management objectives.

Principles

The following key principles set out how the Council will achieve our risk management objectives:

- Risk management is a continuous process and not an event. The process for managing risk ensures that key risks are identified, evaluated, continuously monitored, and mitigated where necessary to an acceptable level.

- The identification, assessment, management and reporting of risk information is timely, accurate, relevant and gives adequate coverage of the key risks in order to support management decision making.

- The process for managing risk is an integral part of management and the successful completion of any activity, project or process.

- Risk management is all encompassing but not burdensome or bureaucratic, nor adds unreasonably to the cost of running the Council.

Roles and Responsibilities

The key roles and responsibilities are:

The Senior Leadership Team

The Chief Executive is responsible for effective management of risk across the Council, supported by the Senior Leadership Team and those officers charged with statutory responsibility for particular services.

The Chief Executive and Senior Leadership Team are responsible for ensuring that the Corporate Risk Register is accurate and that the Council manages its risks well.

Penaethiaid

Each Head of Service is responsible for implementing the risk management framework and ensuring that service risks are well managed within their area of responsibility. Collectively, Penaethiaid are responsible for supporting the Chief Executive and Senior Leadership Team to manage corporate risks.

Elected Members

Responsible for good governance in the delivery of services to the community and overseeing that Council officers have effective risk management arrangements in place.

The Executive

Responsible for approving the Council's Risk Management Policy Statement, risk appetite and for overseeing the Corporate Risk Register.

Audit and Governance Committee

Responsible for reviewing the appropriateness of the risk management and assurance processes.

Corporate Scrutiny Committee

Scrutinise major critical risks.

All Employees

All employees have a duty to manage risk.

Risk Management Procedures

The Council's Risk Management Guidance provides further guidance to support this policy statement.

RISK MANAGEMENT ASSESSMENT MATRIX

LIKELIHOOD					5	4	3	2	1
Event is almost certain to occur in most circumstances	> 70%	Almost Certain	A						
Event likely to occur in most circumstances	30-70%	Likely	B						
Event will possibly occur at some time	10-30%	Possible	C						
Event unlikely but may occur at some time	1-10%	Unlikely	D						
Event rare and may occur only in exceptional circumstances	< 1%	Rare	E						
					5	4	3	2	1
					Insignificant	Minor	Moderate	Major	Catastrophic

	Insignificant	Minor	Moderate	Major	Catastrophic
Service	No impact on service quality; minor delays in providing non-critical services	Minor impact on service quality; very short delay in providing a single critical service, or a significant delay to other operations	Significant fall in service quality; short term disruption to critical services, or long term disruption to other operations	Long term disruption to single critical service	Long term disruption to multiple critical services
Reputation	Public concern restricted to local complaints	Minor adverse local / public / media attention and complaints	Serious adverse local or minor adverse regional or national media attention	Serious negative regional or national criticism	Prolonged regional and national condemnation
Financial Cost (£)	< £50k	£50k - £250k	£250k - £750k	£750k - £3m	> £3m
Health & Safety	Near miss or minor injury not requiring any professional medical treatment	Minor injury requiring professional medical treatment	Serious injury	Single fatality	Multiple fatalities
Safeguarding	n/a	Isolated non-compliance with procedures	Continued non-compliance with procedures	Isolated safeguarding incident	Multiple and related safeguarding incidents
Regulation	Not reportable to regulator	Reportable incident to regulator, follow up not required	Report of a breach to regulator that requires immediate correction	Prosecution by regulator leading to fines and intervention that requires a major project to rectify the situation	Significant prosecution by regulators leading to significant fines and large-scale intervention
Projects	<5% increase to project time or cost; minor impact on project objectives or scope	5% - 20% increase to project time or cost; impact on project objectives or scope requiring SRO approval	20% - 50% increase to project time or cost; impact on project objectives or scope is unacceptable to SRO	>50% increase to project time or cost; project fails to meet objectives or scope	n/a

IMPACT