

TORFAEN COUNTY BOROUGH COUNCIL

RISK MANAGEMENT POLICY

SEPTEMBER 2019

1. Background

Torfaen County Borough Council has a responsibility to put in place a strategy and process for managing risk.

Risk is the combination of the likelihood and impact of an event or action or lack of action that could adversely affect the ability of the Council in achieving its responsibilities and its ability to successfully deliver services.

Risk management is an essential part of good corporate governance and identifies the impact on the delivery of the Council's Services.

2. General Policy Statement

Risk management is a process that is continuous; the process is not about eliminating risk but about understanding risk and managing risk more effectively.

It is the policy of Torfaen County Borough Council's to pro-actively identify, understand and manage the risks inherent in our services and to encourage responsible, informed risk taking.

The benefits of having an effective Risk Management Process are to improve our process for making decisions because decisions are made on the full facts weighing up the benefits of particular actions against any risks that may be created

3. Policy Aims

Torfaen County Borough Council aims to ...

Implement effective risk management as a key element of good governance and rigorous performance management; and

Develop a framework for putting the risk management policy into practice and ensure responsibility is allocated.

Recognise the long term risks identified by the Public Service Board (PSB), whilst the Council works to identify and monitor short term operational risks.

This will deliver ...

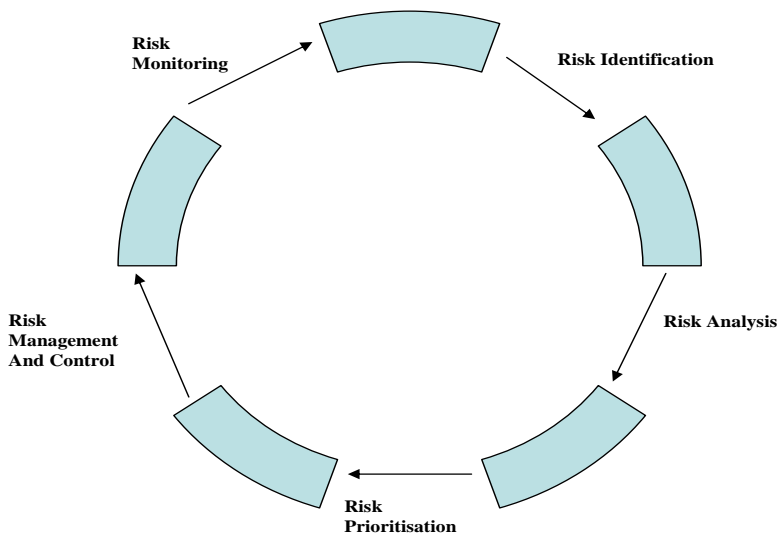
A process of risk identification, analysis, prioritisation, action, monitoring and reporting:

A clear understanding of roles and responsibilities; and

An increased awareness of the top risks facing the organisation.

4. Corporate Framework

Effective risk management forms part of a continuous cycle which is reflected in the continuous process cycle as outlined in the diagram below.



The '5 by 5' matrix shown below will be used to ensure a consistent approach is in place. When risks are identified there will be an assessment of the mitigating activities that can be implemented to reduce the risk.

IMPACT	(5) Catastrophic	Medium	High	Very High	Very High	Very High
	(4) Significant	Medium	Medium	High	Very High	Very High
	(3) Moderate	Low	Medium	Medium	High	High
	(2) Minor	Low	Low	Medium	Medium	Medium
	(1) Insignificant	Low	Low	Low	Low	Low
		Low	Medium	Medium	High	High
		(1)	(2)	(3)	(4)	(5)
		<u>LIKELIHOOD</u>				

5. **Corporate Context**

Risk should be considered in the context of the various priority plans and obligations of Torfaen County Borough Council. All risks captured in the Council's Risk Register are now monitored on a quarterly basis by the Corporate Governance and Risk Management Group. Those Very High and High Risks form the focus of detailed consideration by the Leadership Team although all risks will be reviewed.

Although risks associated with individual projects are captured within the dedicated project plans, significant project risks will also be monitored through the Council's Risk Register.

6. **Roles & Responsibilities within the Risk Management Framework**

The role and responsibilities within Torfaen County Borough Council which are accountable through the risk management framework are listed below.

Relevant Executive Member ...

To ensure there is an effective Risk Management Policy in place and to approve any changes to the policy.

Council's Leadership Team ...

To review and monitor the Council's Risk Register on a quarterly basis.

To determine and regularly review the risk appetite of the Council.

To identify new risks and the impact of legislative changes; will advise elected members of the risk management implications of decisions.

Corporate Governance and Risk Management Group ...

To support the Council's Leadership Team to develop and secure an effective meaningful risk management process and culture within Torfaen County Borough Council

To work closely with Chief Officers to develop, implement and maintain a workable risk management policy.

To put in place mechanisms to ensure the effective implementation of that policy in defining objectives and formulating specific output measurements.

To develop, implement, monitor and review processes to minimise risks.

To identify new and additional risks.

To maintain the Council's Risk Register.

To review all risks for relevance, completeness and consistency.

To monitor implementation of actions on a quarterly basis.

To monitor and report on a regular basis to the Leadership Team, relevant Executive Member, Cross Cutting Resources and Business Overview & Scrutiny Committee, Audit Committee and Cabinet with regard to the activities of the Group and the

effectiveness of risk management as an element of Corporate Governance with relation to the Council's Annual Governance Statement (AGS).

To review, when necessary, policies and procedures.

Chief Officers & Heads of Service ...

To identify and analyse risks.

To produce risk management plans and introduce risk control measures.

To monitor progress of the planned actions on a quarterly basis to ensure aims are achieved.

To communicate the risk management process to all staff.

To continually monitor all risks that are the responsibility of their service area and ensure actions to mitigate risks are fully implemented.

- To regularly update the Council's Risk Register and provide quarterly updates to the Corporate Governance and Risk Management Group via the quarterly risk monitoring spreadsheet to:
- Ensure risks are still relevant and scored appropriately
- Include quarterly updates on the activities that have taken place the previous quarter to mitigate the risk, stating if those activities have impacted on the risk score and if not why not.

Audit Committee ...

To seek assurance that risks are being effectively monitored and managed and the policy is working effectively.

Employees & Elected Members ...

To manage risk effectively in their roles and to be aware of the risk implications of any decisions taken.

7. Guidance Documents

To enable officers to accurately identify and monitor their risks a number of guidance documents have been provided and are listed below:

[..\..\..\Members Common\Corporate Governance & Risk Group\Guide to Identifying & Managing Risks.docx](#)

8. Further Information

For further information regarding the Torfaen County Borough Council Risk Management Policy and Guidance please contact;

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