



# **RISK & OPPORTUNITIES MANAGEMENT STRATEGY FOR 2017/20**

**A Practical Guide to Risk and Opportunity  
Management in North Hertfordshire District Council**

**November 2017**

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# 1 INTRODUCTION & PURPOSE

- 1.1 The purpose of the Risk & Opportunities Management Strategy is to provide a framework to define how risks and opportunities will be handled within North Hertfordshire District Council. It provides information on roles and responsibilities and processes and procedures. It sets the context in which risks are managed, in terms of how they will be identified, assessed, managed and reviewed.
- 1.2 In order to reflect the fact that the Council sometimes has to take risks in order to evolve and achieve its objectives, the definition of risk is, **“Something that may have an impact on the achievement of our objectives. This could be an opportunity as well as a threat.”**
- 1.3 This Strategy enables the Council to have a better understanding of the risks and opportunities it faces and how it can manage or capitalise on these effectively. By employing these techniques, the Council can become risk aware rather than risk averse. This is increasingly important in the current climate when the way that the Council operates has to change.
- 1.4 NHDC’s approach to risk management has been developed to support the key requirements of good corporate governance:

**Openness and Inclusivity** - Our approach to managing risks will be open and transparent and blame will not be attributed if decisions made in good faith turn out to be the wrong decisions. Officers, Members, partners, members of the public and outside organisations have access to information on our current risks and opportunities, including how we are managing them. Risk management supports and enhances our decision making process and all committee reports include information on the risks and opportunities in taking or not taking a recommended course of action.

**Integrity** - The control environment, which includes risk management, supports the integrity of the Council. The risk management framework is key to taking informed decisions and continued service delivery.

**Accountability** - There is clear accountability for our risks. This includes the risk section in committee reports; an Annual Governance Statement, approved by the Finance, Audit and Risk Committee and included in the Council’s Annual Accounts; an annual report to Council on risk management; and the regular internal and external audit inspections of our risks.
- 1.5 NHDC expects its officers and councillors to have a level of understanding of how risks and opportunities can affect the performance of the Council, thereby ensuring we achieve our objectives, and to regard the management of risk as part of their everyday activities.
- 1.6 The Risk & Opportunities Management Strategy is an essential element of strategic planning. NHDC has clear long-term goals and plans to achieve them. The Risk & Opportunities Management Strategy sits under the broader umbrella of the Corporate Plan.
- 1.7 The Council’s key partners and contractors must have their own risk management plans to suit the particular circumstances of their business and their key stakeholders. The Council has major shared objectives with its partners and the principles of our approach to risk will guide how we seek to tackle these objectives in a joined-up way. Wherever practicable, joint risk registers are put in place with key partners/contractors.
- 1.8 So that it can manage and demonstrate how well it has embedded risk management, the Council undertakes a regular review of the implementation of the Strategy across the organisation. This includes a review of the implementation of the risk management strategies of its key contractors and partners.

- 1.9 The Chief Executive and Leader of the Council have signed a Risk & Opportunities Management Policy Statement. This demonstrates how critical the risk management process is to the Council.

## 2 OBJECTIVES, PRINCIPLES & IMPLEMENTATION

### Corporate Governance

2.1 NHDC revised its [Local Code of Corporate Governance](#) in 2017 and it includes risk management as one of the seven key principles:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- **Managing risks and performance through robust internal control and strong public financial management.**
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The Chief Executive and Leader of the Council must satisfy themselves that NHDC has effective corporate governance arrangements in place so that they can sign and publish an Annual Governance Statement with the annual accounts. An integrated risk management framework is an essential element of this.

### Aim and Objectives

2.2 The purpose of the Risk & Opportunities Management Strategy is to provide a framework to drive forward the embedding of risk management throughout the Council, in its activities and partnership arrangements. This framework defines how risks and opportunities will be handled within North Hertfordshire District Council.

2.3 The Risk & Opportunities Management Strategy does not mean NHDC is required to take greater risks, but rather it enables the Council to have a better understanding of the risks and opportunities it faces and of how it can best manage or capitalise on them. By employing these techniques, the Council has become risk aware rather than risk averse.

2.4 Hence the objectives of the Risk & Opportunities Management Strategy are to:

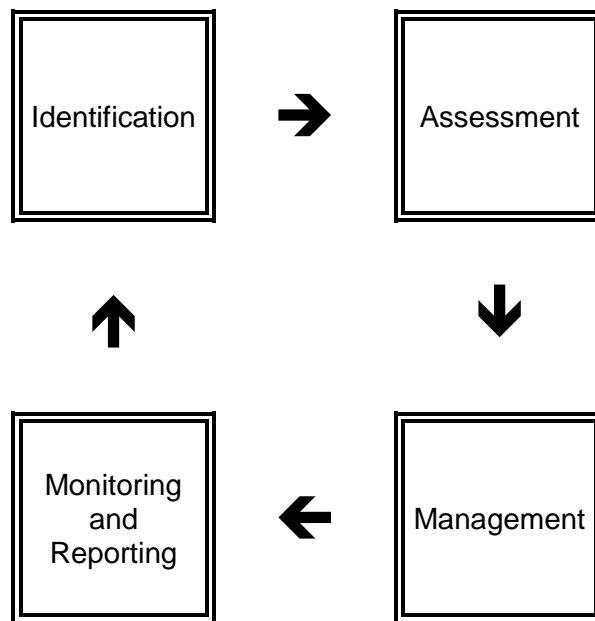
- Ensure that the Council achieves its objectives and is not overly risk averse.
- Integrate risk management into the culture of NHDC.
- Manage risk in accordance with best practice.
- Anticipate and respond to changing social, economic, environmental and legislative requirements.
- Prevent injury, damage and losses and reduce the cost of risk.
- Raise awareness of the need for risk management by all those connected with the Council's delivery of services, including our partners and contractors.

2.5 Good risk management supports and enhances the decision making process, increases the likelihood of the Council meeting its objectives and enables it to respond quickly to new pressures and opportunities. Managers need to consider risk management as an integral part of their job and the Senior Management Team and Cabinet must keep the Corporate Risks faced by NHDC under regular strategic review.

## Principles

2.6 There are four key principles to risk management that underpin the Strategy:

- Identification
- Assessment
- Management
- Monitoring and Reporting



Subsequent sections of the Strategy describe each of these key principles in detail.

## Implementation

- 2.7 The Strategy includes a timetable, thereby setting measurable targets.
- 2.8 The performance and risk software used by NHDC, Pentana Performance, is used to record and monitor the Council's Corporate Risks and Risk Register. This Strategy is also on the intranet.
- 2.9 The Council has both a Senior Officer and Member Risk Management Champion. They facilitate risk management awareness and improvement at both senior management and Member level.
- 2.10 Training is provided to new Service Managers, appropriate staff and Members to promote the awareness and understanding of risk management throughout North Hertfordshire District Council. Guidance is provided to all in respect of their risk management responsibilities.

### 3 IDENTIFYING RISKS & OPPORTUNITIES

- 3.1 The Chief Executive, Deputy Chief Executive and Service Directors/Heads of Service are asked to consider and identify the key risks to their services, as they affect delivery of the Council's objectives. The Council's objectives are:

- **Attractive and Thriving**

To work with our partners to provide an attractive and safe environment for our residents, where diversity is welcomed and the disadvantaged are supported.

- **Prosper and Protect**

To promote sustainable growth within our district to ensure economic and social opportunities exist for our communities, whilst remaining mindful of our cultural and physical heritage.

- **Responsive and Efficient**

To ensure that the Council delivers cost effective and necessary services to our residents that are responsive to developing need and financial constraints.

In the longer term, the Council is working with its strategic partners to deliver the vision of "Making North Hertfordshire a vibrant place to live, work and prosper." Understanding and being aware of the Council's objectives is a critical component to identifying and managing the Corporate Risks.

- 3.2 Service Managers have to identify threats to service delivery and performance in their own work areas, when undertaking projects, letting contracts, formulating or introducing new policies and engaging in partnership working. Service Managers record these risks on the Risk Register.
- 3.3 Managers update Pentana Performance when they have identified a risk or an opportunity. It is important that Managers use the Council's adopted description of risk, which is, "Something that may have an impact on the achievement of our objectives. This could be an opportunity as well as a threat." Managers need to adequately describe the identified threats and opportunities and need to consider the potential consequences. There may be a downturn or improvement in a related performance indicator and the quality of service received by the Council's customers.
- 3.4 Managers are required to consider the aims of any project/procurement/change to service delivery/partnership/policy and to record these as the opportunity. They should then consider the risks involved in delivering this opportunity.
- 3.5 To assist Managers in considering the full scope of the risk, certain risk categories are used. These could relate to the source of the risk, as well as the impact that might be seen on service delivery, finance, reputation and people:

<b>Strategic</b>	Failure to deliver a key objective.
<b>Operational</b>	Risks that relate to the delivery of the service, specifically around day-to-day work.
<b>Information</b>	Risks that relate to loss or inaccuracy of data, systems or reported information and the appropriate transfer and sharing of data.
<b>Reputation</b>	Risks that relate to the Council's brand or image - loss of public confidence.
<b>Financial</b>	Risks that relate to losing monetary resources or incurring unacceptable liabilities (including losses by fraud or corruption).
<b>People</b>	Risks associated with employees, management and to the wellbeing of the public, stakeholders and partners. Opportunities to demonstrate targeted service delivery, or increased opportunity for minority groups in the local community.
<b>Regulatory</b>	Risks related to the regulatory environment and non-compliance.

For example, the consequences of loss of office accommodation due to a fire would affect service delivery (Operational), records could be destroyed (Information) and employees could be injured (People). This is clearly a very simplistic example and the consequences would be considerably worse to those services providing an essential service to the public.

- 3.6 The Council's project management guidance has a Project Risk Log to enable Project Managers to identify the key risks to the delivery of a successful project. This is available on the intranet and has been pre-populated with previously identified key risks to projects. <http://intranet.north-herts.gov.uk/finance-and-procurement/corporate-governance/project-management/nhdc-project-management-framework-12>. A summary of these identified risks should then be added to Pentana Performance, with the Project Risk Log being subject to a frequent review by the Project Manager.
- 3.7 The benefits from any project should be clearly identified and have objective measures of achievement. If possible, Officers should establish baseline data against which improvements can be compared. This will enable the Council to measure the expected benefits from a project.
- 3.8 Managers need to be alive to the general type of external issues that could affect service delivery or projects, for example:
- Worldwide events, such as global recession, rises in fuel availability and prices, exit from the EU, and political, social and environmental upheaval.
  - Changing public expectations to public sector services and an increasingly litigious and compensation-driven response to perceived failures in the provision of public sector services.
  - The expansion of e-government and opportunity for self-access in the way the Council works and serves the community.
- The Council's approach to risk management should be flexible enough to accommodate new and previously unforeseen risks.
- 3.9 The successful delivery of the vision for North Hertfordshire depends on our strategic partners, such as the Police, the County Council, business and health partners. It is important that we look beyond the boundary of NHDC to identify risks, or indeed opportunities offered, to the achievement of the vision from our partnership, community and voluntary sector working.
- 3.10 Managers have to be careful to distinguish between a *risk* and an *issue*. A risk is something that might not occur. An issue is already happening or is 100% certain to happen. It is important to consider what the risk is, why it might arise and what the consequences could be.

- 3.11 Once a risk has been identified, it will be entered onto Pentana Performance as a Risk Register or Corporate Risk entry. The Risk Register is a central register consisting mainly of operational risks provided by each Service Manager. The Corporate Risks are cross cutting risks that services are facing, risks that may affect delivery of the objectives or key projects that the Council has to deliver, or risks to key partnerships that the Council has entered into.
- 3.12 The identification of risks and the cause of risk is an ongoing task and everyone has a part to play. It is not a central responsibility; the identification of new risks has to be undertaken by Officers across the Council. Managers have to review existing risks on the Risk Register regularly and members of the Risk Management Group provide advice and support to them.
- 3.13 Service Directors/Heads of Service are required to sign an Assurance Statement that confirms that they have identified the principal threats to their service delivery, projects, policies, funding and partnerships on the Risk Register and have put in place control arrangements to manage/mitigate their impact. Signing this statement also requires them to state that the control arrangements they have in place have worked effectively over the period of their existence.

## 4 ASSESSING RISKS & OPPORTUNITIES

4.1 It is important that Managers adopt a consistent approach to assessment, in order to enable the Council to prioritise the management of risks.

4.2 The likelihood of the event occurring needs to be expressed using the following categories:

<b>1. Low</b>	Unlikely in the next 12 months.
<b>2. Medium</b>	Possible in the next 12 months.
<b>3. High</b>	Likely in the next 12 months.

The example of a fire in office accommodation would have a low likelihood score of '1'.

4.3 The effect of the threat being realised is expressed by using the following descriptions:

Severity of Impact Guide							
Score	General	Personal Safety	Service Disruption	Financial Loss £	Project Delay	Impact on Stakeholders /Environment	Reputation
<b>1. Low</b>	Consequences will not be severe and associated losses will be small	Minor injury (first aid)	Negligible affect on service provision but may have a more significant cumulative affect if action is not taken	Up to £10,000	Delivery of project delayed by weeks	No impact on stakeholders Minor damage to local environment	Minimal reputation damage (local press article)
<b>2. Medium</b>	Will have a noticeable affect on services	Injury (external medical treatment required)	Will cause a degree of disruption to service provision and impinge on budgets	Medium financial loss £10,000 to £100,000	Delivery of project may be delayed by months	Some impact to stakeholders Moderate damage to local environment	Coverage in national tabloid press
<b>3. High</b>	Can have a catastrophic affect	Serious injury or loss of life	May result in significant financial loss or major service disruption	Major financial loss exceeding £100,000	Delivery of project no longer attainable	Significant impact on stakeholders Major damage to local environment	Extensive coverage in national press/national TV item

The office fire example would have a high impact score of '3'.

- 4.4 Managers need to consider the cause of a risk and the benefits of taking an opportunity. The risk description needs to be clearly understood by anyone who is reading the Risk Register. If it is not well defined, it is difficult to understand why there is a risk and to identify appropriate and effective controls.



As a result of..., there is a risk that..., which may result in...

For example, *as a result of* lack of staff and budget resources, *there is a risk that* there will be a delay of six months in implementing buildings maintenance plans, *which may result in*:

- Increased deterioration of buildings.
  - Increased cost of implementing plans.
  - Budget shortfall.
  - Impact on insurance arrangements.
- 4.5 Managers should look at both the positive and negative effects and they should consider 'what would happen if we don't'. This helps the Council to become more confident with risk taking and capitalising on opportunities.
- 4.6 As Managers are trying to predict and describe future events, it is recognised that there is a degree of uncertainty in the assessments. Members of the Risk Management Group review the likelihood and impact scores to maintain a consistent approach throughout NHDC.
- 4.7 Managers should plot the risks on a risk matrix so that the Council can concentrate efforts on managing those that are most important. The Council uses the risk matrix below with priority being given to reducing the risks with a score of seven or more, or to obtaining a full understanding of the consequences of the risk:

**RISK MATRIX**

3	4	7	9
2	2	5	8
1	1	3	6
	1	2	3

**IMPACT**

- 4.8 The risks and opportunities assessed by Managers on Pentana Performance are fed into Service Overview Reports, which the system automatically generates on a weekly basis. All users of Pentana Performance can view the identified risks, including the arrangements in place to manage them.

- 4.9 The Risk Management Group reviews the Council's Corporate Risks and makes recommendations to the Senior Management Team, taking into account the corporate objectives.
- 4.10 The Senior Management Team reviews the Risk Management Group's recommendations and considers whether any of the risks need to be referred to Cabinet. These Corporate Risks are referred to the Finance, Audit and Risk Committee prior to going to Cabinet.
- 4.11 The Council's risk appetite is the level of risk that the Council is prepared to tolerate without putting in place further mitigation or controls. Although this is normally a risk matrix score of seven or above, it will depend on the individual circumstances. It may well be that the opportunities exceed the risk. For example, changes to a service may affect operational delivery in the short-term and impact on the Council's reputation. These short-term risks may however be worth accepting to deliver greater benefits, such as the closure of Hitchin and Letchworth Museums and the refurbishment of Hitchin Town Hall to provide a new North Hertfordshire Museum and enhanced community facility.

## 5 MANAGING RISKS & OPPORTUNITIES

- 5.1 Not all risks can be eliminated, but they can be reduced and/or plans can be put in place to deal with the effects. There needs to be an understanding how managing and capitalising on an opportunity will help achieve objectives.
- 5.2 The following five general approaches are used by the Council in managing its risks:
- **Transfer** - This might be done by use of insurance (to transfer the financial cost), or by contracting out some of our services (this transfers some but not all of the risks and will create different ones).
  - **Tolerate** - It may not be practical or cost effective to take effective action against some risks. In this instance, the risk should be monitored to ensure the probability or impact does not change.
  - **Treat** - Most risks will be in this category. This will involve putting in place a series of mitigation actions to contain the risk at an acceptable level. It will include contingency planning to describe what action needs to be taken if a risk becomes an issue.
  - **Terminate** - This involves quick and decisive action to eliminate a risk altogether. It is unlikely that the Council will be in a position to terminate the provision of a service.
  - **Taking an Opportunity** - This is an option to be considered whenever tolerating, treating or transferring a risk. Sometimes when exploring projects, partnership working etc., savings can be made/improvements to methods of service delivery can be achieved. It may also be that a scheme working with a local community group increases engagement with and opportunity for the development of employees or volunteers from the local community.
- 5.3 In completing/updating the risk module on Pentana Performance, Managers will describe existing and additional activities to manage the risks, including contingency plans to be followed in the event of the threat materialising. The actions should be described using SMART (specific, measurable, achievable, realistic and timely) objectives and they should be recorded on the system. The nominated Officer with responsibility for the action should be named and a target date for completion set.
- 5.4 The cost of the planned actions need to be established and, wherever possible, should not exceed the cost of the risk that they are mitigating. Cost may be identified as additional funding requirements or in redeployment of staff resources. Consideration of the costs linked to a risk or opportunity should be included in the Corporate Business Planning process. The costs associated with dealing with any risk should it materialise are assessed and provision is made in the Council's Reserves.
- 5.5 The actions to mitigate the risk recorded on Pentana Performance enable the progress in managing the risk to be monitored. It should be possible to identify if the action has been completed on time or not, or what level of progress has been made towards completing the action.
- 5.6 It is recognised that any risk can suddenly be realised and become a critical issue, even those assessed as having a low likelihood. The assessments could have been wrong and circumstances could have changed before the Council had a chance to respond to or review the risk. When considering a risk at the time it is identified, Managers should consider in advance what action to take if the risk develops.

## **6 MONITORING & REPORTING**

- 6.1 Appropriate and effective reviews and reporting arrangements reinforce and support the risk management processes. They allow sufficient and accurate performance information to be passed to Risk Owners, Senior Managers, the Senior Management Team (SMT) and Members.
- 6.2 Due to the dynamic nature of risk management, each Service Manager is expected to conduct a review of their risks on Pentana Performance at least once a year or more frequently should circumstances change. These reviews should consider:
- Any new risks not previously recorded.
  - Whether existing risks are still relevant.
  - Assessing whether mitigation actions are having the desired effect.
  - Whether the impact and likelihood assessments need reviewing.
  - Checking that action dates are adhered to or revised accordingly.

### **The Risk Register**

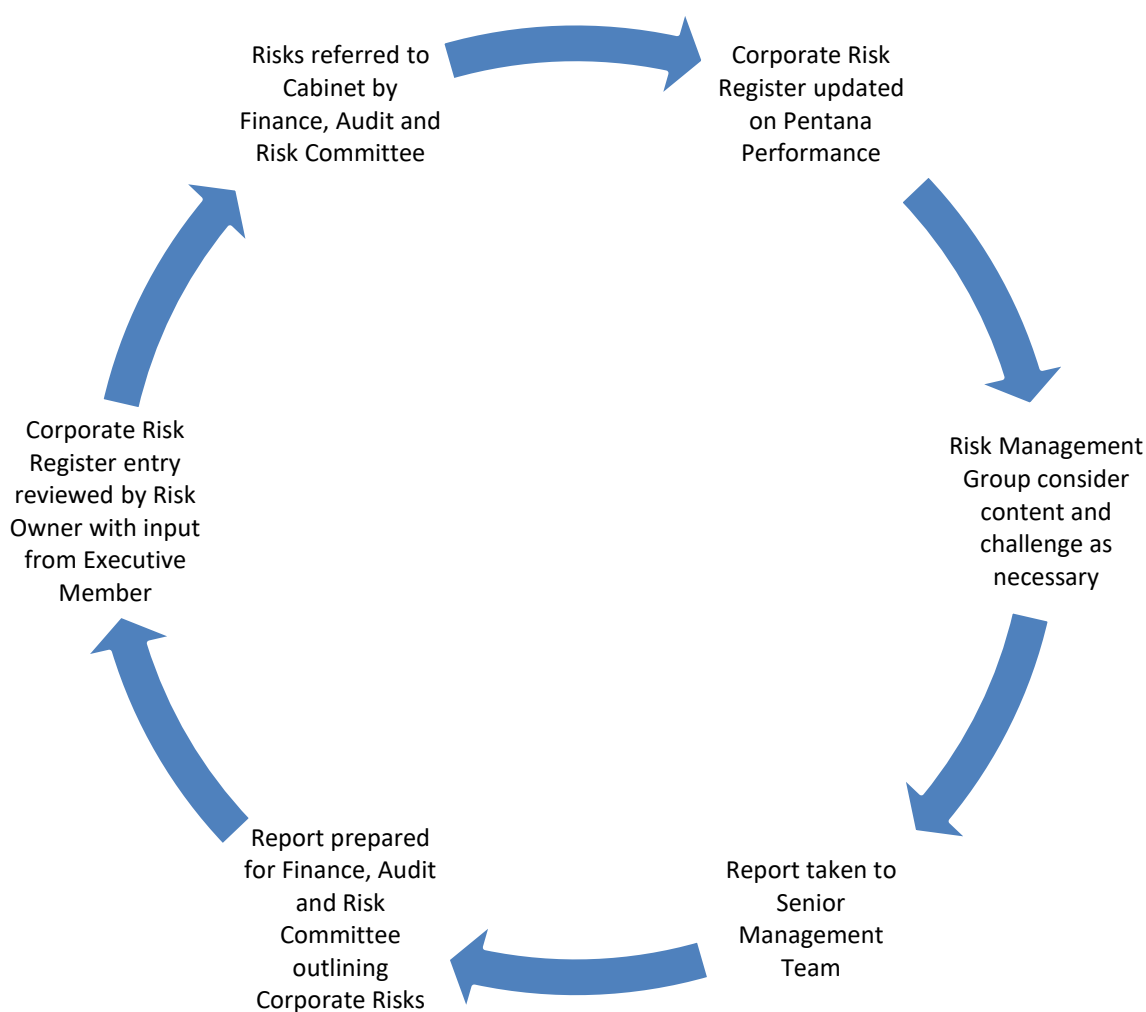
- 6.3 The Risk Register entries on Pentana Performance are the basic building blocks in the Strategy. The Risk Owner should review the risk at least once a year and the system generates reminder emails to them when the Next Review Date is approaching.
- 6.4 Pentana Performance has been set up to generate updated reports on the Risk Register automatically each week. This report is available to all via the system.
- 6.5 The Risk Management Group reviews new risks and any lessons learned when risks are deleted from the Risk Register (particularly in relation to projects). This includes a consideration of the residual risks.
- 6.6 Pentana Performance requires Managers to assess the risk as it stands and to set a date when the risk should be reassessed. The system enables progress on mitigating any unacceptable risks back to an acceptable level to be monitored.
- 6.7 The risk matrix is used to plot the risks and to enable Service Directors/Heads of Service to prioritise risk management activities that need to be undertaken to mitigate the risks. This risk information feeds into the Corporate Business Planning process.
- 6.8 The Risk Register also provides an understanding on how managing or capitalising on an opportunity can help achieve the objectives.

### **The Corporate Risks**

- 6.9 The Corporate Risks facing the Council are those that cut across the delivery of all services, key projects and those that will affect the delivery of the Council's objectives. They are the responsibility of the Senior Management Team and Cabinet. Cabinet ensure the Corporate Risks are managed appropriately.
- 6.10 The Lead Officers are the Service Directors/Heads of Service or Managers responsible for managing the risks. Lead Members are the appropriate Executive Members.
- 6.11 The Corporate Risks are discussed at the Risk Management Group and any significant changes considered by the Lead Officers are included in the reports to SMT.
- 6.12 After consideration by SMT, the Corporate Risks are reported to the Finance, Audit and Risk Committee four times a year.

- 6.13 The Finance, Audit and Risk Committee monitor the effective development and operation of risk management within the Council. It agrees actions put forward by officers, where appropriate, and makes recommendations to Cabinet.
- 6.14 The Finance, Audit and Risk Committee refer any amendments to Corporate Risks, the Risk & Opportunities Management Strategy and the Risk & Opportunities Management Policy Statement to Cabinet. .

**Diagram representing the review of Corporate Risks**



- 6.15 In addition to the reviews undertaken and represented in the above diagram, the changes to the Corporate Risks throughout the year are summarised in the annual report to Full Council.

**Risk Management Group**

- 6.16 The Risk Management Group seeks to focus and co-ordinate risk management activities throughout the Council by facilitating the identification, evaluation and management of all significant risks. It provides advice and support to all Service Managers and Members. The Group reviews the reports to SMT and the Finance, Audit and Risk Committee.
- 6.17 The Group has Terms of Reference and meets on a regular basis, at least four times a year.

6.18 The Group challenges the Lead Officers for the Corporate Risks on their assessment and management of the risk. It also reviews any new risks added to Pentana Performance and challenges the need for them to be incorporated in the Risk Register.

6.19 The Group reviews learning from completed projects and risks deleted from the Risk Register, including whether or not residual risks remain acceptable.

### **Service Reports**

6.20 Where a particular service area has a large number or variety of risks, additional support will be provided to help identify and monitor the risks. This will usually be during a team meeting. This enables a local challenge by Managers within that service that have an understanding of the operational service risks, including new and emerging risks relevant to that service.

### **Committee Reports**

6.21 The standard Committee Report template requires report writers to address the risks and opportunities raised in their report under the Risk Implications section. This enables Members to be fully aware of the risks and opportunities they are taking when agreeing recommendations.

### **Annual Report**

6.22 Full Council receives an annual report on risk management from the Member Risk Management Champion.

## 7 ROLES & RESPONSIBILITIES

- 7.1 Officers, Members, contractors and partners all have a part to play in risk management. Not everyone can be involved in managing and reporting on risks but all can be involved in identifying and assessing risks. There needs to be clarity, however, in terms of 'who does what'.

### **Everyone**

- 7.2 If a Member or Officer becomes aware of a risk that has not already been identified and recorded, they should discuss it with the relevant Service Manager. There may be no need to record the risk or take any action, as it may be possible to manage the risk and eliminate it immediately. If it cannot be managed satisfactorily, it should be directly input onto Pentana Performance by the Service Manager.

### **Service Managers**

- 7.3 Service Managers should identify and assess the risks that threaten service delivery or the achievement of the Council's objectives. This includes the completion of a Project Risk Log when undertaking a project. New risks should be directly input on to Pentana Performance. Formal reviews should occur at least once a year or more frequently if necessary. Managers are accountable for managing their risks by putting actions in place to treat, terminate or tolerate the identified risk.

### **Risk Owners**

- 7.4 Each risk identified on the Risk Register has a corresponding Risk Owner. This is the Officer who can ensure effective action is taken to tackle that risk. The Risk Owner is responsible for checking the quality of data recorded on Covalent. They will oversee the controls already in place and will review the proposed contingencies and develop additional actions as required.

### **Risk Management Champions**

- 7.5 The Head of Finance, Performance and Asset Management and the Executive Member for Finance & IT jointly champion and facilitate risk management awareness and improvement at senior management and Member level and the embedding of risk management throughout the Council. The Member Champion is responsible for presenting the annual risk management report to Council.

### **Head of Finance, Performance and Asset Management**

- 7.6 The Head of Finance, Performance and Asset Management ensures the implementation of the Risk & Opportunities Management Strategy on behalf of the Council. The Head of Finance, Performance and Asset Management and members of the team:
- Analyse issues and offer options and advice.
  - Support decision-making and policy formulation.
  - Provide support in the risk identification and analysis process.
  - Provide support in prioritising risk mitigation action.
  - Provide advice and support in determining risk treatments.

### **Shared Internal Audit Service (SIAS)**

- 7.7 SIAS has an integrated role in the Risk & Opportunities Management Strategy. It aims to focus audits on areas of risk and provide an independent opinion on the Council's Risk & Opportunities Management Strategy.

### **Risk Management Group**

7.8 The objective of the Risk Management Group is to oversee the Risk & Opportunities Management Strategy. It adds value to the risk management process by:

- Advising and supporting the SMT on risk strategies.
- Identifying areas of overlapping risk.
- Driving new risk management initiatives.
- Communicating risk management and sharing good practice.
- Providing and reviewing risk management training.
- Regularly reviewing the risks recorded on Covalent.
- Coordinating the results for risk reporting.

### **Senior Management Team**

7.9 SMT takes a leading role in identifying and managing the risks and opportunities facing the Council. SMT agrees the Risk & Opportunities Management Strategy and it is responsible for identifying and assessing the Corporate Risks. SMT has direct responsibility for managing the Corporate Risks and it oversees reports to Members on risk management.

### **Finance, Audit and Risk Committee**

7.10 The Finance, Audit and Risk Committee oversees the effective management of risk by the Council by receiving and considering the Corporate Risks and risk management reports. Any changes to the Corporate Risks are referred to Cabinet. The Chairman provides an assurance on the risk management framework in the Annual Governance Statement.

7.11 The Finance, Audit and Risk Committee provides assurances on the Annual Governance Statement and recommends its signature to the Leader of the Council and Chief Executive.

### **Cabinet**

7.12 Cabinet is responsible for ensuring the Corporate Risks facing North Hertfordshire District Council are managed. This may be through relevant interaction with Executive Members and Service Directors/Heads of Service. The Corporate Risks are referred to Cabinet by the Finance, Audit and Risk Committee and additional resources might be required to manage the risks effectively.

7.13 Cabinet also oversees the effective management of risks by Officers through Executive Members liaising with Senior Officers and gets involved in the identification of high level, strategic risks when necessary.

7.14 Cabinet approves the Risk & Opportunities Management Strategy and the Risk & Opportunities Management Policy Statement.

### **Full Council**

7.15 Full Council receives an annual report on risk management. All Members should have regard to risk management implications in their decision-making.

### **Lead Officers**

7.16 Lead Officers are identified on the Corporate Risks facing the Council. Their role is to act as Project Manager for the Corporate Risk nominated to them. The Corporate Risks are the responsibility of the Senior Management Team to manage and for the Cabinet (via Executive Members) to provide a strategic input and direction.

**Lead Members**

- 7.17 Lead Members are identified for the Corporate Risks facing the Council and are normally the relevant Executive Member. Their role is to oversee the management of the Corporate Risk nominated to them.

**Contractors/Partners**

- 7.18 Contractors and partners are included in the Risk & Opportunities Management Strategy for NHDC. The risk appetite for both contractors and partners should be considered prior to engaging into contracts or partnerships. Ideally, a joint Risk Register should be in place for significant contracts and partnerships. In order to achieve the Council's objectives, Client Officers/Relationship Managers should implement an ongoing review of risks jointly with appropriate contractors and partners. Further guidance on risks within Contract Management is provided on the intranet at <http://intranet.north-herts.gov.uk/home/finance-and-procurement/procurement/contract-management> Contractors and partners should be able to demonstrate that they have resilient business continuity plans in place.

## 8 TIMETABLE FOR 2017/20

8.1 The Council has an embedded risk management process as outlined in this Strategy.

8.2 The following timetable outlines the key risk management activities for 2017/20:

<b>Task</b>	<b>By Date</b>	<b>Responsible Parties</b>
Formal review of risks by Service Managers	Once a year or more frequently if necessary	Service Managers
Corporate Business Planning – consideration of resources to mitigate risks and the financial risks that may impact on General Fund balances	November to February	Service Directors/Heads of Service, Service Managers
Risk management reports on the review of the Corporate Risks to Senior Management Team	November February May August	Head of FPAM, Risk Management Group
Risk management reports on the review of the Corporate Risks to the Finance, Audit and Risk Committee	December March June September	Head of FPAM, Risk Management Group
Annual risk management report to Full Council	June	Executive Member for Finance & IT (Member Champion)
Risk management training for Officers	As required (e.g. new starter)	Head of FPAM, Performance & Risk Officer
Programme of review of risk entries on Pentana Performance with Managers	March	Performance & Risk Officer
Review Risk Management Group Terms of Reference	November	Risk Management Group
Review Risk & Opportunities Management Strategy	November	Risk Management Group
Update Strategy on intranet and put message on Message Board	December	Head of FPAM
Prepare Assurance Statements	February	Service Directors/Heads of Service, Chairman of FAR Committee
Prepare Annual Governance Statement	April	Senior Management Team