

**Report to:** Audit Committee  
**Date of meeting:** 26<sup>th</sup> September 2007  
**Report of:** Director of Finance  
**Title:** Risk Management Strategy

---

1.0 **SUMMARY**

1.1 This report sets out a revised version of the Council's Risk Management Strategy. The Council's objectives and the key roles and responsibilities of members and senior managers are now identified in the Strategy.

2.0 **RECOMMENDATIONS**

2.1 The revised Risk Management Strategy be approved.

**Contact Officer:**

For further information on this report please contact: Barry Austin, Audit Manager  
telephone extension: 8032 email: [barry.austin@watford.gov.uk](mailto:barry.austin@watford.gov.uk)

**Report approved by:** Janice Maule, Director of Finance

### 3.0 **DETAILED PROPOSAL**

- 3.1 In April 2004 Council Functions Committee approved the first Risk Management Strategy. This was drawn up with no prior, formal experience of risk management and was based on guidance and examples from other public sector bodies.
- 3.2 Since 2004 the Council has acquired experience in the management of risks and as a consequence has been able to identify areas for improvement in the Strategy. In addition, the Zurich Municipal healthcheck carried out last year suggested changes to the original version and the latest key lines of enquiry for use of resources assessment has indicated other issues which need to be reflected in the Strategy.
- 3.3 The main change in the new version is the highlighting of key roles and responsibilities of Members and senior managers and the need to include partnership and project working in the risk management process.
- 3.4 Implementation and adherence to the Strategy will continue to be monitored by the Risk Management Group and by Internal Audit.

### 4.0 **IMPLICATIONS**

#### 4.1 **Financial**

- 4.1.1 The Head of Finance comments that effective risk management should, in time, lead to a reduction in insurance claims and premiums.

#### 4.2 **Legal Issues** (Monitoring Officer)

- 4.2.1 The Head of Legal and Democratic Services comments that the Council has a duty to make arrangements for the proper administration of its financial affairs and having a risk management strategy will assist in this.

### Appendices

Appendix 1 – Risk Management Strategy.

### Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

2004 Risk Management Strategy

Audit Commission Use of Resources Assessment

Zurich Municipal report

File Reference

None

**Watford Borough Council  
Risk Management Strategy  
(2007)**

**Introduction**

To achieve its determined objectives the Council needs to ensure that the significant risks - and some less significant risks - it faces are effectively managed. This includes risks in relation to major partnerships, projects and change management activity.

The effective management of risk requires the active involvement of all Members and Council officers who should seek to apply high standards in their work, use resources wisely with the aim of realising positive benefits, minimise unwanted impacts and seek to avoid incidents of loss, damage, injury or abuse.

Risk management activity across the Council is led by Members and senior managers of the Council and is facilitated and supported by the Council's Risk Management Group which is under the leadership of the Director of Finance.

Those individuals or groups having a key role in the Council's effort to manage risk are identified below with a brief description of their responsibilities.

The risk management process will be reviewed annually.

**Objectives**

- Make risk management integral to the Council's activities
- Manage risk in accordance with best practice
- Prevent avoidable injury, damage or loss
- Achieve compliance with legal requirements as a minimum

**Key Roles and Responsibilities**

**Members**

- Review the effectiveness of risk management activity and the internal control environment
- Consider the strategic risks associated with decisions that Council makes
- Regularly review the Corporate Risk Register
- Ensure a Member has a formal effective liaison role with the Risk Management Group

**Managing Director and Corporate Management Board (MD and CMB)**

- Produce a Corporate Risk Register and update it quarterly
- Ensure that significant risks and mitigation plans are reported to Members
- Managing Director and the Mayor to sign the Annual Governance Statement

**Service Management Teams**

- Are actively involved in the identification and assessment of Service level risks
- Produce a Service Risk Register and update it quarterly
- Ensure that a risk management process is applied to all major projects, partnerships and change management activity
- Ensure that reports to Members/MD/CMB include comments addressing the risk implications of the issue as appropriate

- Maintain action plans to manage significant risks (i.e. those scoring 9, 12 or 16 on the Council's assessment matrix) and advise the Risk Management Group of actions taken and to be taken in relation to those risks.
- Provide an annual assurance statement to the Internal Audit Manager that Service risks are acceptably monitored and managed, highlighting issues of concern/interest.
- Ensure a nominated Service representative attends all meetings of the Risk Management Group and provides an effective communication link between the Group and the Service, encouraging/facilitating risk management activity within the Service including the regular updating of the Service Risk Register.
- Promote good risk management in all Service activity
- Ensure that appropriate risk management activity is integrated into daily performance and is a feature of regular planning and performance reviews
- Identify and highlight risk management training needs within the Service

#### Risk Management Group (RMG)

- Promote the importance of effective risk management as part of the everyday work of all Council staff
- Provide the core of an effective communication network for RM issues throughout the Council
- Disseminate information, knowledge, good practice, advice, guidelines and encourage knowledge sharing
- Monitor and challenge management of Service and Corporate risks
- Seek to identify risk management training needs and address them.
- Members of RMG "champion" risk management activity within their respective Services
- Ensure, and provide evidence, that acceptable risk management operates across all Council activities
- Assist in the identification of risks

#### **Risk Registers**

All risk registers will identify risks and assess them for likelihood and impact. Mitigating controls will be identified. Management of each risk will be assigned to a nominated officer, normally a Corporate Director or a Head of Service. Registers will be published on the intranet and will be updated quarterly.

September 2007