



Risk Management Strategy

DRAFT

Risk Management Strategy



Contents

1.	Definition of Risk	3
2.	Governance.....	3
3.	Risk Management – purpose and objectives	3
4.	Objectives of the Risk Management Strategy	5
5.	Approach to Risk Management	5

Appendix A Roles and Responsibilities

1. Definition of Risk

- 1.1 South Cambridgeshire District Council considers risk to be the possibility that an unwanted or uncertain action or event will cause injury, loss, damage, prevent the Council from identifying and taking advantage of opportunities or adversely impact the ability of the Council to deliver its services, or achieve its objectives and priorities.

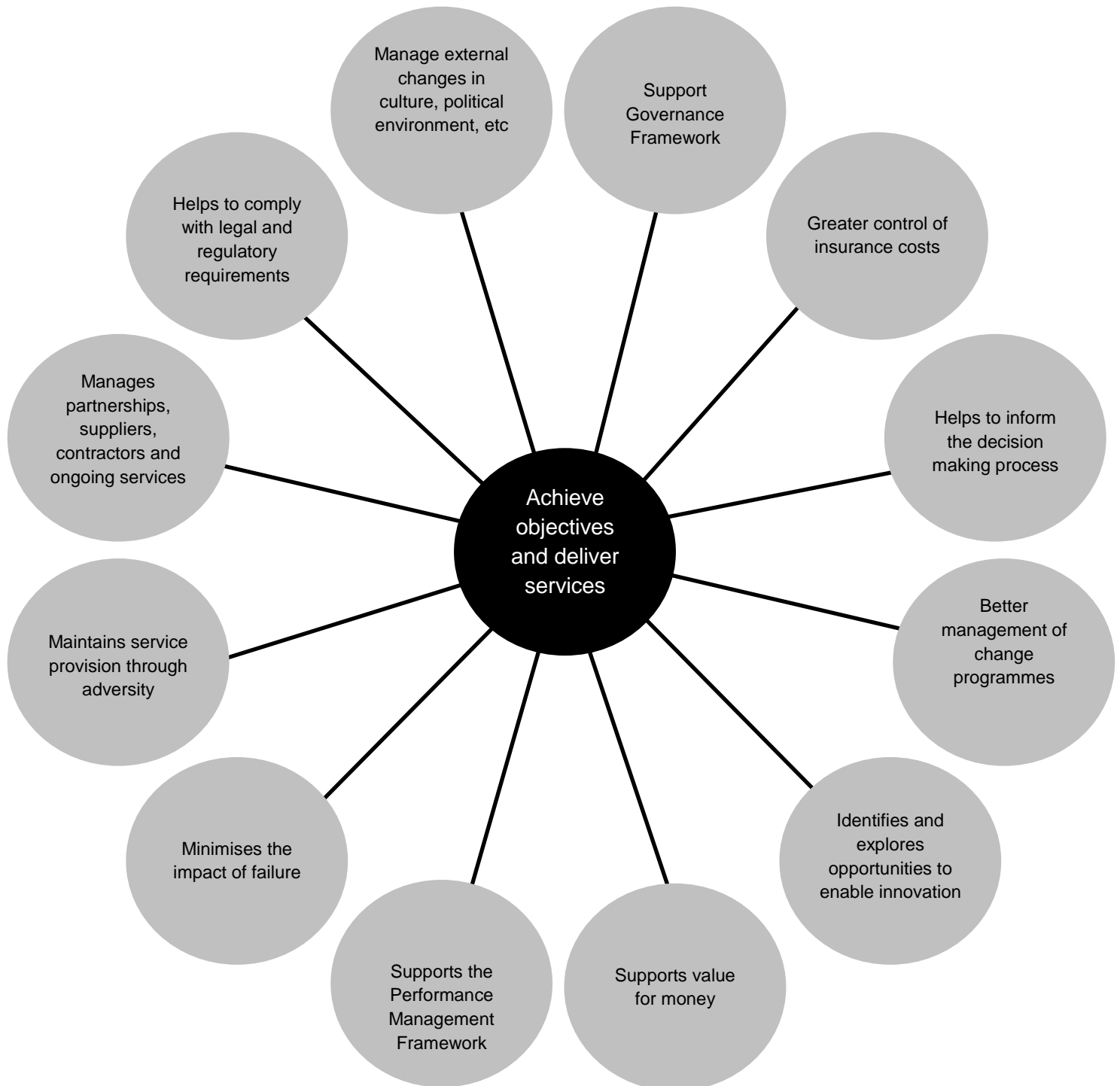
2. Governance

- 2.1 The governance framework is the system by which South Cambridgeshire District Council ensures that it achieves the right outcomes for the residents of South Cambridgeshire in an open and honest way.
- 2.2 The Council's primary role is to fulfil its statutory obligations. The Council also has a Long Term Vision that South Cambridgeshire will continue to be the best place to live, work and study in the country. Supporting the Vision is a Corporate Plan with strategic objectives and associated actions.
- 2.3 The Council has a responsibility to consider risks involved in providing or enabling service delivery, both in fulfilment of its statutory obligations and in achieving its strategic objectives
- 2.4 EMT will review the report on Risk Management Strategy and Process annually, or more frequently if required, and make any recommendations regarding them to the Audit and Corporate Governance Committee. The Audit and Corporate Governance Committee will receive a report on the Risk Management Strategy and Process and approve the Strategy annually, or more frequently if required.

3. Risk Management – purpose and objectives

- 3.1 The objective of the Risk Management Process is to identify, evaluate and control risks. Risk Management is a key element of the Council's Governance framework.
- 3.2 It will not always be feasible completely to eliminate risk. Indeed, calculated risk-taking may be required in certain circumstances to achieve innovative or creative solutions.
- 3.3 The Council's decision-making should be risk-aware but not risk-averse, as part of which risk appetite will be determined on a case by case basis, after evaluating the balance of risk and benefit presented.
- 3.4 The system of internal control is a key part of the governance framework and is designed to manage risk to a reasonable level. Internal Audit regularly reviews the system of internal control, providing independent assurance on the adequacy and effectiveness of the controls in place to manage risks. Actions are also agreed with management to improve controls.
- 3.5 Roles and responsibilities within the Council for embedding and monitoring Risk Management are outlined in Appendix A to this document.

3.6 The Benefits of Good Risk Management are shown in the following diagram:



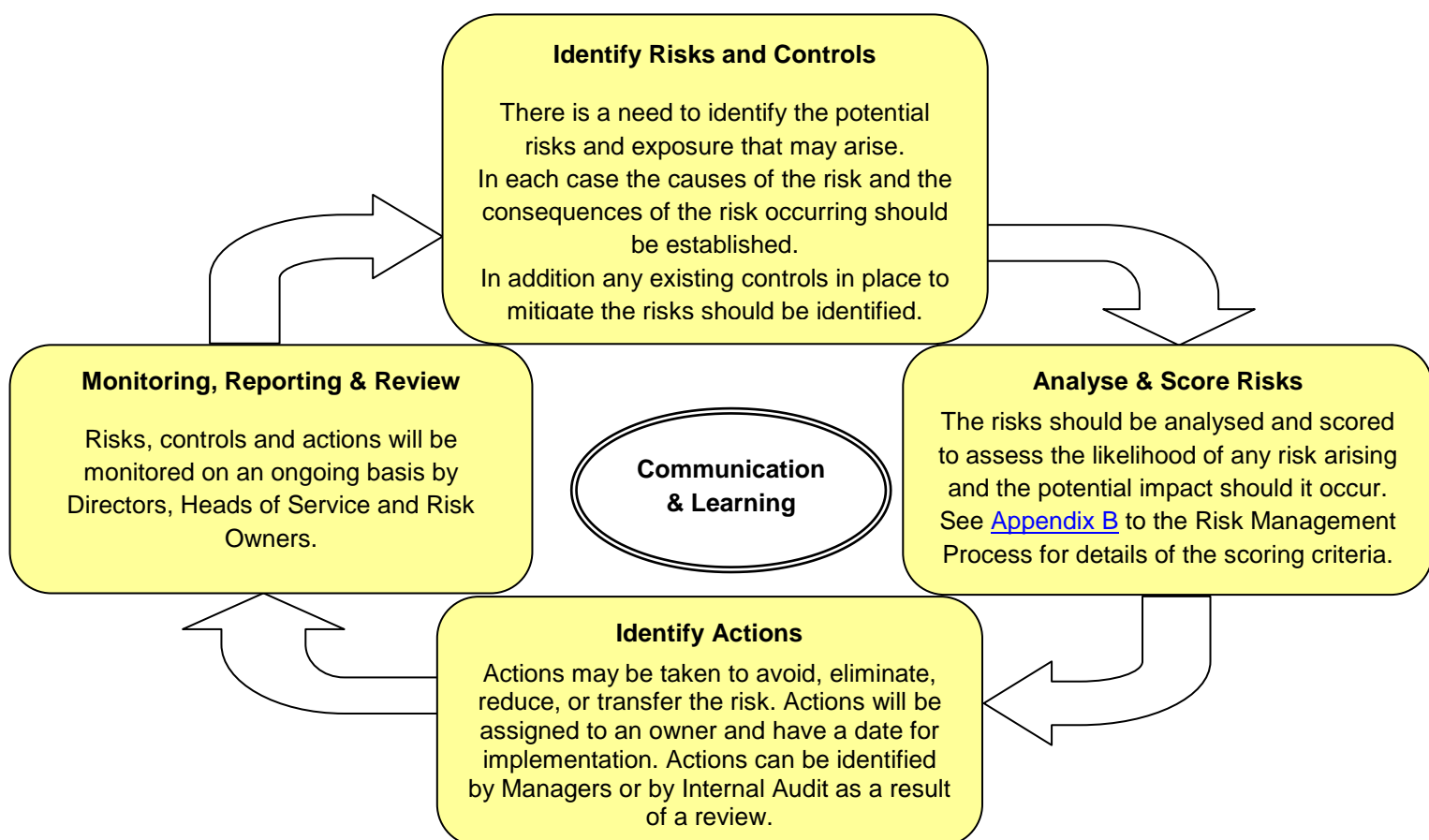
4. Objectives of the Risk Management Strategy

4.1 The objectives of the strategy are to:

- (a) Integrate Risk Management into the culture of the Council, including a process to identify and report upon existing and emerging risks to the Council.
- (b) Manage risks in accordance with best practice, so that they are eliminated or controlled to an acceptable level.
- (c) Raise awareness of the need for managers responsible for the Council's delivery of services to undertake Risk Management.

5. Approach to Risk Management.

5.1 The Council employs a simple four step process to manage its risks:



5.2 These steps are outlined in the Risk Management Process document and Roles and Responsibilities in Risk Management are outlined in Appendix A.

5.3 In accordance with best practice, Risk Management at the Council incorporates the identification and management of strategic risks, service area risks, project, programme and shared service risks. The process is thus embedded throughout the Council.