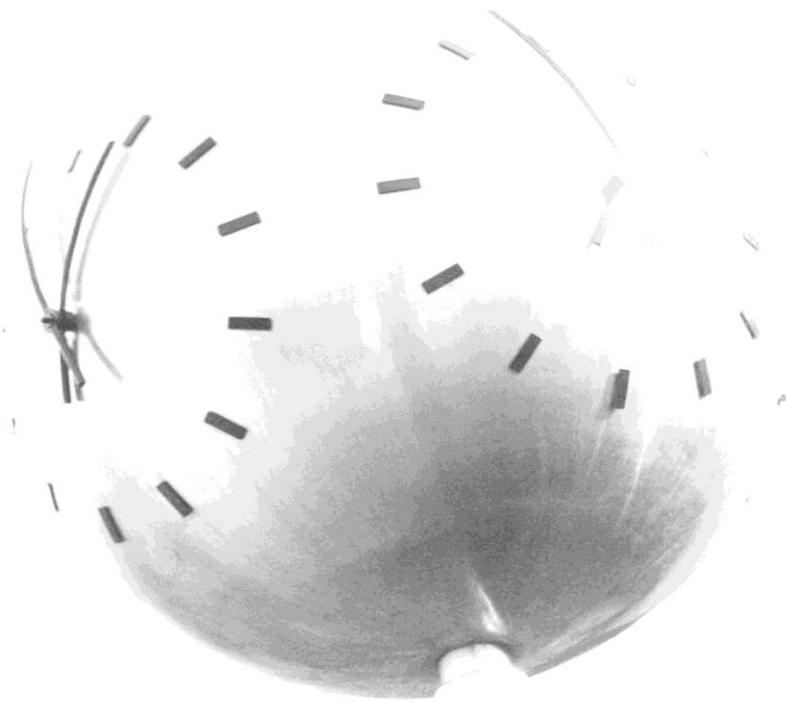


Risk Management Policy

March 2020



Key Information

Author:	Sarah Langridge
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Policy Approval – Member Level	Audit and Risk Committee
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1. Introduction

- 1.1 Basildon Council's Local Code of Corporate Governance requires the organisation to have effective arrangements for managing risk and ensuring that when making decisions risks are appropriately considered. This policy helps to ensure that the Council complies with this requirement.
- 1.2. This policy forms part of the Council's overarching Risk Management Framework which encompasses both a Strategy explaining processes and arrangements for implementing the Policy principles, and a Toolkit of guidance and templates for officers. The risk framework does not aim to bring about a one-size-fits-all approach to managing risks, however, it does aim to provide a broad and high-level framework of good practice that can help those involved in the above activities, to ensure that their arrangements for managing risks are structured and comprehensive.

2. What is Risk Management?

- 2.1. Risk Management is the planned and systematic process by which key risks are identified, evaluated and managed so as to maximize benefits and minimize potentially negative consequences to the Council and its partners. Risks are significant uncertainties that may affect an organisation's ability to achieve its strategic and operational objectives as outlined in its Corporate Plan.
- 2.2 The Council accepts that risk can never be totally eliminated. The purpose of the Council's Risk Management Policy is to support the development of a consistent approach to determining, analysing and managing risk to ensure that all reasonable steps are taken to mitigate risk and that the level of risk accepted is balanced against the expected reward.

3. Policy Statement / Principles

- 3.1. The Council recognises that some managed risk-taking is essential if it is to meet its objectives. As such the Council's Policy is to be:

'risk aware rather than risk averse by embedding the identification and management of Risk to support the achievement of Basildon Council's objectives'

This means we will:

- Embed Risk management in the strategic planning and decision making of the organisation. Without it, members and officers cannot make effective decisions to meet their objectives and to safeguard the Council's assets.
- Ensure Risk management is dynamic in order to capture and anticipate new risks and to assess the trade-off between risk and opportunity.
- Not mitigate all risks as this would not be cost effective. Instead, the Council will focus its attention on managing those risks that may significantly affect the achievement of its strategic and operational objectives.
- Ensure that Management oversight is an ongoing cycle that will help to ensure that effective decisions are made, based on a sound understanding of the risks and opportunities we face.

- Report regularly to the Governance and Assurance Board and the Audit and Risk Committee.

4. Context

- 4.1. **National Context:** There is an implicit statutory requirement for risk management within the Accounts and Audit Regulations 2015. This is supported by the CIPFA / SOLACE Guidance on Corporate Governance which explicitly requires Local Authorities to maintain an effective Risk Management Framework. Additional sector guidance is provided by the International and British Standard (BS ISO 31000).

Effective risk management is essential for a Council to demonstrate that it is acting in the best interests of the community it serves.

- 4.2. **Local Context:** Basildon council has seen and will continue to see unprecedented changes in not only its funding arrangements, but the way services will be delivered. Such changes will lead to new risks (Corporate, Partnership, Service and Project), which will need to be considered and managed appropriately. The Council will respond to such uncertainty through its risk management arrangements.
- 4.3. This Policy applies to all Officers and Members who must understand the nature of risk and accept responsibility for risks associated with their area of authority.

5. Council Promises

Corporate Promises	Levels of Impact			
	High	Medium	Low	None
A place for everyone to call home	√			
A place where everyone prospers	√			
A place to be proud of	√			

6. Outcomes and Priorities

The Council's **outcomes** in relation to risk management are:-

- For risk management to be integrated into the culture of the Council, helping to inform decision making.
- For risk to be managed in accordance with best practice
- For the cost of risk to be reduced and for assets, people and the Council's reputation to be protected.
- For risk registers to be up to date, regularly maintained and challenged.

The Council's **priorities** in relation to risk management are:

- To provide early warning on key / emerging matters to enable transparent, timely decision-making and intervention at appropriate levels
- To raise awareness of the need for risk management by all those involved in the delivery of the Council's services

- To take actions, where appropriate, to minimise the likelihood of risks occurring and/or reducing the severity of consequences should risks occur
- To ensure that risks are monitored on an ongoing basis by Senior Management and reported regularly to the Audit and Risk Committee

7. Links to other Corporate Policies or Partner documents

The following are linked to the Risk Management Policy:

- Local Code of Corporate Governance and Annual Governance Statement
- Governance Assurance Framework
- Risk Management Strategy and Toolkit
- Information Management Policy

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