

CITY OF YORK COUNCIL

**RISK MANAGEMENT
STRATEGIC FRAMEWORK**

OVERVIEW

This document describes the council's approach to risk management. It describes the philosophy and principles upon which the council will enable a culture of proactive risk management.

RISK MANAGEMENT STRATEGIC FRAMEWORK

INTRODUCTION

1. Risk management is a key organisational responsibility and a vital component to improving our effectiveness that supports and underpins the aspirations of the corporate strategy.
2. Good risk management allows the Authority to have increased confidence in achieving its desired objectives and priorities, through the effective consideration and exploitation of opportunities and the active management and mitigation of threats.

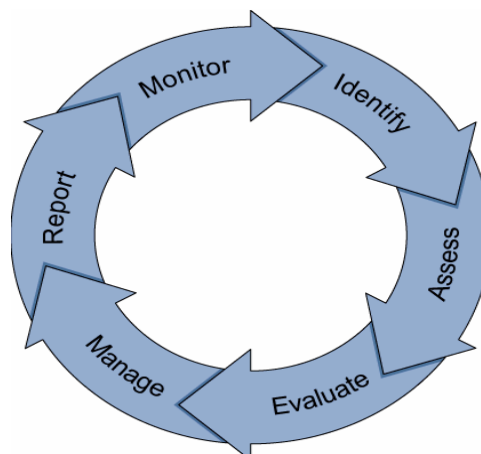
OBJECTIVES

3. The strategic framework is designed to provide practical advice and guidance for implementing risk management practices within all activities of the organisation. The objectives of this framework are to: -
 - fully integrate and embed risk management into the culture of the authority, and its day-to-day business.
 - raise awareness and the profile of risk management in all areas, including partnerships.
 - achieve appropriate consideration of risk within all reviews of service performance and improvement plans.
 - maintain a robust framework of procedures for the identification, assessment, evaluation and management of risk.

RISK MANAGEMENT CYCLE

4. Exhibit 1 shows the standard risk management cycle adopted by City of York Council.

Exhibit 1.



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5. Phases and related activities of the risk management cycle: -

I. **Identify**

The first phase of the risk management cycle involves the identification of existing and emerging threats and opportunities. This is carried out in all areas of the council's business, which are classified as follows: operational; strategic; partnership and project.

II. **Assess**

Identified risks are then assessed, at an inherent and residual level, for their impact and likelihood in accordance with the council's risk rating matrix. This phase includes the identification of mitigating controls and allocation of responsibility to appropriate officers.

III. **Evaluate**

An evaluation of each risk is then made to determine whether it requires further action. The options for evaluation are; tolerate, treat, transfer or terminate.

IV. **Management**

At this stage it is determined how best to manage those risks that are to be treated, transferred or terminated and these actions are implemented.

V. **Report**

All significant risks, usually those with a net risk rating of 16 or above, should be reported to the appropriate senior level in the organisation, this is set out in the risk management policy statement.

VI. **Monitor**

All risks should be subject to periodic monitoring that will identify changes, and assess the implementation and effectiveness of the associated responses.

6. The complete risk management framework with all supporting documentation and guidance is available on the webpage – link: [Risk Management Webpage](#)

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ROLES AND RESPONSIBILITIES

Elected Members

7. All Elected Members should consider risk as part of decision-making, strategic planning and objective setting, and they have a duty to evaluate the effectiveness of officer's risk considerations as documented in the risk management paragraph in all committee reports.

Executive Committee

8. The Executive Committee receives the annual risk management report that provides information on the council's significant business risks and details progress made in embedding risk management arrangements across the organisation.

Audit & Governance Committee

9. Audit and Governance Members have corporate responsibility for risk management and determine which risks are reported to Full Council. Their responsibilities include; overseeing and approving the risk management framework and reviewing its implementation to provide independent assurance that officers comply with Member approved policies and procedures.

Chief Executive

10. The Chief Executive is charged by Members to embed an effective risk management system, with a corporate approach, throughout the council.

Director of Resources

11. The Director of Resources is the chief officer responsible for leading and championing risk management across the organisation.

Corporate Management Team (CMT)

12. All directors, as members of CMT, have joint responsibility for the effective identification, management and review of Key Corporate Risks (KCR's). CMT review quarterly risk monitors and monthly exception reports and if necessary 'call in' the relevant risk owner to report to them in more detail. They decide which risks to include in the annual risk management report to the Executive Committee.

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Directorate Management Team (DMT)

13. Members of each DMT are responsible for ensuring the implementation and effectiveness of controls and action plans to mitigate corporate and directorate level risks. This involves maintaining systems to:
- Identify, analyse and monitor risks of all levels.
 - Ensure the effective implementation of control measures.
 - Develop and deliver action plans for further mitigation.
 - Report in accordance with the Risk Management Policy.

Senior & Line Managers

14. It is important that managers stimulate the interest of their staff in the identification and reporting of risk and that they respond positively to this. This responsibility should be inherent in managers performance plans and accepted as one of their management responsibilities. They need to be both proactive and reactive, and take ownership of the process. They are responsible for: -
- Ensuring the authority's Risk Management Policy is implemented within their area of responsibility.
 - Identifying and controlling operational risks associated with their service area.
 - Ensuring employees have access to training and development.

All Employees

15. It is necessary for the management of risk to be regarded by all employees at all levels as one of their fundamental duties and to understand their responsibilities to: comply with policies and procedures; operate safe systems of work; and report incidents and near misses to their line manager.

Risk Management Champions

16. A Risk Management Champion is appointed within each directorate and Elected Members to help deliver the risk management strategy and develop good practice across the organisation. The full extent of the remit of their role is available on the risk management webpage.

Risk Management Coordinator

17. A Risk Management Coordinator is appointed within each directorate to help facilitate the risk management review and reporting process.

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REPORTING & MONITORING ARRANGEMENTS

18. As described in paragraph 5, reporting and monitoring arrangements are two of the six vital components of a successful risk management process. Reporting is necessary as it acts as an early warning system highlighting the potential for future difficulties. Monitoring provides the opportunity for assessment of whether the corrective action taken to address the reported risks are effective and sufficient.
19. The table below sets out the Identification and Reporting Cycle.

| Risk Level | Identification | Monitoring | Reporting | Frequency |
|---|-----------------------------|-----------------------------|-----------------------------------|-------------------|
| Corporate | Corporate Management Team | Corporate Management Team | Executive Committee | Annually & Ad Hoc |
| | | | Audit & Governance Committee | Quarterly |
| Directorate | Directorate Management Team | Directorate Management Team | Corporate Management Team (CMT) | Quarterly |
| Division/ Group/ Arm | Service Planning | Management Team | Directorate Management Team (DMT) | Quarterly |
| Service | Manager | Manager & Team | Management Team | Quarterly |
| ITD Plan Projects | Project Manager & Leader | Project Board | Corporate IT Strategy Group | Quarterly |
| Other Projects | | | CMT or DMT | Ad Hoc |
| Partnership | Client Officer | Partnership Board | Directorate Management Team | Ad Hoc |
| ** HIGH LEVEL RISK ESCALATION REPORTING ** significant risks (those evaluated with a net rating of 16 or above) should be reported to the appropriate senior management team | | | | |

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20. Regular risk reporting is essential to ensure key operational and strategic risks are visibly being considered, addressed and reviewed.
21. The reporting process set out in the above table is designed to provide a structured framework for the management of risk information at all levels and demonstrates how risks can be both escalated and disseminated throughout the organisation.

TRAINING & GUIDANCE

22. A training and communication plan exists to underpin the risk management policy and strategy. The plan is regularly updated and reported to Council Management Team and Audit & Governance Committee. The plans are available at: [Training & Communication Plan](#)

EVALUATION AND REVIEW

23. This policy will be reviewed annually to ensure its continued relevance and to assess its performance against its objectives as set out above.