

**DRAFT**  
**Risk and Opportunities**  
**Management Strategy**

**2019-21**



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# Section 1: Introduction

## 1.1 An overview of Risk Management

This strategy outlines the overall approach to risk and opportunities management for Oxfordshire County Council.

The aim of the risk management strategy is to ensure the Council identifies and manages risk especially with regards to those risks (both financial and non-financial) that may have an impact on the performance of the Council as a whole and, in particular, on its ability to deliver its strategic priorities and financial sustainability.

Risk management is recognised as being concerned with both the positive and negative aspects of risk – that is to say, opportunities as well as threats. This strategy therefore applies to risk from both perspectives.

Risk can be defined as:

“an uncertain event or set of events that, should it occur, will have an effect (positive or negative) on the achievement of the Council’s objectives, performing its duties or meeting the expectations of its stakeholders”

The Council is aware that risks will always arise, and that risk cannot be fully eliminated, only managed to an acceptable level. Within this context the Council is committed to managing risk in order to reduce the impact on the organisation, its priorities and service provision.

Risk management will be embedded within the daily operations of the Council, from strategy and policy formulation through to business planning and general management processes. It will also be applied where the Council works in partnership with other organisations, to ensure that partnership risks are identified and managed appropriately.

Through understanding risks, decision-makers (councillors and officers) will be better able to evaluate the likely impact of a particular decision or action on the achievement of the Council’s strategic priorities.

## 1.2 The Risk Management Framework

Oxfordshire County Council is committed to ensuring risk management is embedded across the whole organisation. For risk management to be successful, it is imperative that there is a single, yet flexible, approach for the management of business risk, adopted through all levels of the organisation.

The Council’s risk management framework follows good practice guidance to help the Council to be an effective and efficient organisation. Councillors and officers are supported in this activity by the Corporate Team, which maintains and promotes the risk management framework, which includes:

- Risk and Opportunities Management Strategy
- Risk Management Action Plan
- Risk Management Tools and Guidance

- Risk Management Training
- Risk Assurance Statement

Effective risk management is an important part of corporate governance, performance management and financial planning. It adds value by:

- raising awareness of significant risks with priority ranking assisting in the efficient control of the risks
- allocating responsibility and accountability for risks and associated controls and any actions required to improve controls
- aiding the process of strategic and business planning
- identifying new opportunities and supporting innovation
- providing a framework for the effective management of Leadership risks
- aiding effective partnership working, particularly in terms of identifying shared risks

Primarily, councillors and senior leaders of the organisation will be focused on the strategic and business critical risks that could impact on the achievement of objectives or successful delivery of outcomes. Collectively these are known as “Leadership risks” and are managed via the Leadership Risk Register.

More detailed operational risks will be the primary concern of services and functions, where managers will control and monitor their risks and escalate these to a strategic level if the risk is no longer appropriately contained and managed at an operational level.

Identified risks and mitigations are managed through risk registers and should be regularly discussed, reviewed and updated. Frequent risk reporting takes place across all levels of the organisation.

The Corporate Team has a key role to play in supporting the operating principles of the Council and helping to achieve the strategic aims and priorities by providing oversight, challenge and assurance that risk is being effectively managed across the organisation.

### **1.3 Strategy Objectives**

The objectives of the Risk and Opportunities Management Strategy are to:

- support understanding and consistent implementation of the Council’s approach to risk management
- raise awareness of the principles and benefits involved in the risk management process, and to obtain staff, management and Member commitment to the principles of risk management and control
- facilitate compliance with best practice in corporate governance, which will inform the Annual Governance Statement (issued with the annual statement of accounts)
- support the use of standard risk registers that

- identify and assess all Leadership and strategic risks and opportunities to assist the Council in achieving its strategic priorities through proactive risk management
- rates all significant risks in terms of likelihood of occurrence and potential impact upon the Council and ensure effective controls are in place to mitigate significant risks, to offer assurance that these controls are effective
- allocates clear ownership, roles, responsibilities and accountability for risk management
- ensure that good quality risk information is provided to the Chief Executive's Direct Reports (CEDR), senior managers and councillors, providing a framework for assurance that the controls and actions identified to mitigate a risk are operating effectively

## 1.4 Risk Appetite

Risk management should not focus on risk avoidance, but on the identification and management of an acceptable level of risk. The term for the level of risk we find acceptable is "risk appetite".

The Council aims to proactively identify, understand and manage the risks inherent in services and associated with business/service plans, policies and strategies, to support responsible, informed risk taking and, as a consequence, aim to achieve measurable value. The Council provides for a supportive culture but will not support inappropriate risk taking.

Oxfordshire County Council will use risk management to add value, aiming to achieve a balance between under-managing risks (i.e. being unaware of risks or having little or no control over them), and over-managing them (i.e. a resource heavy and bureaucratic level of management and control which could stifle innovation and creativity).

Appropriately managed and controlled risk-taking and innovation will be encouraged where it supports the delivery of the Council's strategic priorities

Particular focus will be on the Council's ambitions for increasing income generation and self-sufficiency through sound investments, effective asset management and commercialisation opportunities.

Any risks associated with these plans will be managed through the appropriate mechanisms, ensuring due diligence has taken place. These include sound business cases, effective project management and working with external partners for specialist advice. Channels will be in place to report risks into the relevant management groups and democratic committees to ensure full transparency and allow any actions to be taken as necessary.

## 1.5 Embedding Risk Management

Risk Management is a standing item on the Chief Executive's Direct Reports (CEDR) agenda as part of the monthly business management and monitoring reports). This ensures that identification and consideration of risk, corporately and across services, is emphasised and highlighted regularly. Risks can be escalated at any point to CEDR (who meet weekly) to discuss and make a decision as to whether the risk is a Leadership risk or should be managed at an operational level.

Risk is reported to Cabinet as part of an integrated budget performance and risk framework. This ensures strategic risks are kept in focus by the relevant lead cabinet portfolio holders.

The Audit and Governance Committee (see section 3.2 below) is supported by the Audit Working Group, which receives regular risk management updates and periodically reviews the Leadership Risk Register. This scrutiny of risk ensures there is both senior officer level and political commitment to effective risk management.

The inclusion of risk registers within service areas and risk logs in key programmes and projects seeks to reinforce the importance of assessing and being aware of the risks associated with each service and major project. Key operational risk management activities should be included within service plans and progress monitored at Directorate level meetings. As such the integration of risk into business planning, strategic priorities and performance management is an essential part of the drive to embed risk management.

Activities such as training, communication and clear risk management support arrangements help to embed risk. The following summarises key activities to be undertaken to ensure risk management is embedded across the Council:

- A monthly review of the Leadership Risk Register by CEDR, who take responsibility for ensuring that management actions highlighted in the risk registers are implemented
- The Leadership risk review is presented to the relevant Council committees according to their work programmes, to ensure councillors have good access to risk information
- Risk management and risk escalation awareness training sessions will be facilitated for councillors and officers.
- A process of annual review is undertaken by CEDR to ensure the Leadership Risk Register remains up to date and that obsolete risks are removed.
- An officer working group will be set up to embed, review and develop risk practices. Operational and Leadership risks are to be discussed as appropriate and ensure officers have the necessary training.
- Internal Audit will be asked to give assurance with regards to risk management structures and processes.

## Section 2: Risk Management Processes

### 2.1 The Risk Management Process

Risk Management follows a four stage process. The stages are: identifying risks, assessing risks, managing and controlling risks and reviewing and reporting risks:



Risk management is seen as a comprehensive management process that helps the Council meet its objectives and avoid issues, losses and situations that could result in failing to meet strategic priorities, failure of corporate systems or failure of significant partnerships, services, programmes and projects.

To ensure this process is effectively undertaken the Council maintains and reviews a register of Leadership risks and opportunities and links them to strategic business priorities.

Ownership is assigned for each risk; risk owners may delegate the management of each risk to an appropriate officer. CEDR identifies risks and reviews the register. The Council's committees also undertake a monitoring and oversight role on a regular basis.

### 2.2 Identifying Risk and Opportunity

The process of identifying risk is both formal (as part of business and project planning) and informal, as part of everyday activity (operations/projects). This section sets out the organisational process for identifying risk. However, it must also be recognised that councillors and staff should be continuously risk aware and as such may identify, assess and add risks to the register at any time.



For any risk identified the following should be considered:

- The scope of business likely to be affected by the risk
- An assessment of the risk's likelihood and impact
- The identification of key controls currently in place to manage the risk
- The assurances about the key controls that have already been established
- Gaps in key controls
- Gaps in assurance
- Appropriate additional management actions which may further mitigate the risk
- Allocation of responsibility for the implementation of those additional mitigating management actions and (where possible) an implementation date

For each opportunity identified the following should be considered established:

- Details of the opportunity identified
- Allocation of responsibility for the opportunity
- Any additional risks that this opportunity raises (including financial)
- Actions necessary to make use of the opportunity and mitigate any additional risks, if appropriate.

### **The different types of risk**

**Leadership Risks:** risks that are significant in size and duration and will impact on the reputation and performance of the Council as a whole, and in particular on its ability to deliver its strategic priorities. This may include operational risks escalated to the Leadership level due to the scale of their impact.

**Operational Risks:** risks affecting systems or processes that underpin the organisation's overall governance, operation and ability to deliver services. These may be located within a single service or directorate or span more than one service area.

### **Leadership risks**

Leadership risks are owned by a CEDR Member and managed by a senior manager. Leadership risks are distinct from risks which impact directly on the community, such as flooding, pandemic disease or fuel shortage, although a community risk may also be a Leadership risk, depending on its impact on the Council. Community risks are managed in the Community Risk Register by the Thames Valley Local Resilience Forum, of which the Council is an active member.

Leadership risks will be fully reviewed by CEDR on an annual basis in the fourth quarter as part of the business planning process for the forthcoming year. This provides a clear opportunity to identify new risks and opportunities. The result of this discussion will also be considered by the relevant Council committees.

At any point in the year CEDR and Council committees may identify new risks. If this is the case the risk assessment method should be followed, and the Corporate Team would add the new risk to the register.

### **Operational Risks**

Operational risks should be identified and owned by the relevant service, led by the senior manager. The annual service and resource planning process provides an opportunity to fully review all current operational risks, delete risks that are no longer relevant and identify any new risks. However, the identification of risk is not limited to a single point in the year and new risks may be added at any time.

The corporate team is able to support services by running risk workshops as required. A Member of the team can attend DLT meetings to assist in identifying risks and to review the management of operational risks alongside performance updates.

### **Programme / Project Risks**

Risk management should be incorporated into programme and project management from the outset. All programmes/projects should undertake full risk assessments. The size and scope of the project will dictate the best way of managing the risks.

All significant programmes and projects should use a risk log which will be managed by the programme/project manager and reviewed by the relevant board.

For programmes and projects which are of significant value and strategic importance to the Council as a whole, additional requirements are in place so that:

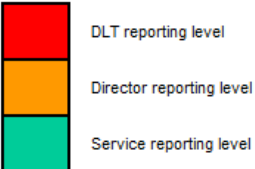
- The high-level risk and its controls will be recorded and managed through the Council's Leadership Risk Register. Detailed risks associated with the programme/project will be recorded in its risk log.
- Risk should be a standing item on each programme/project board meeting to review existing risks and the effectiveness of their controls and to identify any new risks.
- Risk management in programmes and projects will be undertaken by the Programme or Project Manager.

For minor projects (low value or single service based) a risk log should be maintained as part of good project management. However, it is unlikely that the project risks will appear on the Leadership Risk Register unless they have the potential for significant reputational, health and safety or service provision risks, or potential financial impact would be significant. If this is the case then the approach set out above with regards to significant programme / project risks should be followed.

## 2.3 Assessing Risk

Once a risk has been identified (of any type, Leadership, operational or project) it needs to be assessed. The assessment process considers the likelihood that the risk may occur and its potential impact. This allows for risks to be ranked and prioritised, as not all risks represent equal significance to the Council.

The Council uses a risk scoring matrix score risk by multiplying the assessed 'likelihood' of the risk occurring by the assessed 'impact', should that risk occur. The inherent risk score helps to make decisions about the significance of risks to the organisation, how they will be managed, the controls required and the treatment of the risk. A higher total numerical score indicates a higher level of significance. The matrix is shown below with impact increasing from bottom to top and likelihood increasing from left to right:

Impact	Most severe (5)	5	10	15	20	
	Major (4)	4	8	12	16	
	Moderate (3)	3	6	9	12	
	Minor (2)	2	4	6	8	
	Insignificant (1)	1	2	3	4	
		Unlikely (1)	Possible (2)	Likely (3)	Very likely (4)	
		Likelihood				

The owner of the risk undertakes this assessment. For a Leadership risk this is checked by the Corporate Team, for programme/project risks by the relevant board and for operational risks by the senior manager.

The risk register template (available on the intranet) explains in greater detail what makes up the likelihood and impact scores.

The inherent risk score will determine how the risk is controlled and managed. The main options for this are treatment, toleration, transfer and terminate. These are explained in 2.4 below.

Once controls which currently manage the risk have been identified and assessed, a residual risk score will be produced. Additional management actions to further mitigate the risk will then be identified to show how the risk is to be reduced over time. The inherent and residual risk scores, along with the controls and actions, then form the basis of reviews.

### Organisational risk profile

Once Leadership risks and mitigating controls/actions have been assessed the results are then plotted on a risk matrix which is included as part of the Leadership Risk Register. Service/project risks may be plotted in a similar way if required.

## 2.4 Managing and Controlling Risk

Once risks have been identified and assessed, the next step is to control and manage them. This will involve the consideration of cost-effective action aimed at reducing the inherent risk rating. These management actions should be focused on gaps in risk controls or assurance.

The proposed action(s) to control the risk will then be mapped against the specified risk together with an implementation date, and a named person will be designated as responsible for 'owning' the risk. The 'net' risk rating is the assessment of the risk after these controls/actions have been put in place.

These actions/controls should be included in risk documentation and/or service plans. Where a risk is associated with a programme or project it should be entered into the relevant risk log.

Managing risk is an ongoing process and the commentary provided as part of the risk review process should reflect activity taken within the period to control the risk.

### The Four Ts

The level of the inherent risk will help determine the best treatment for a risk, whether Leadership or operational. The risk owner has a number of options:

**Tolerate:** The Council may tolerate a risk where:

- The risk opens up greater benefits
- The risk is effectively mitigated by controls, even if it's high risk
- The risk cannot be mitigated cost effectively

Note that tolerated risks must be monitored, and contingency plans should be put in place, in case the risks occur.

**Treat:** This is the most widely used approach:

The purpose of treating a risk is to continue with the activity which gives rise to the risk, but to bring the risk to an acceptable level by taking action to control it through either containment actions (which lessen the likelihood or consequences of a risk and are applied before the risk materialises) or contingency actions (these are put into action after the risk has happened, reducing the impact. These must be pre-planned).

**Terminate:** Doing things differently and therefore removing the risk.

This is particularly important in terms of project risk. It may be limited as an option for an organisation's Leadership risks.

**Transfer:** Transferring some aspects of the risk to a third party:

For example via insurance, or by paying a third party to take the risk in another way. This option is particularly good for mitigating financial risks, or risks to assets. However, it is a limited option – very few Leadership risks are insurable.

## 2.5 Reviewing and Reporting on Risk

Leadership risks will be reported to councillors and committees through business management reporting arrangements and be reviewed monthly by CEDR. This review involves consideration of all Leadership risks facing the Council, which could impact on the achievement of strategic priorities or are highly rated and escalated to the register from an operational or project team.

The review should focus on four key factors:

1. whether there are any changes to the inherent/residual risk scores
2. whether new controls or actions are required
3. to what extent there are any gaps in the assurance of identified controls
4. whether the risk is still relevant

Operational risks and programme/project risks will be monitored and reviewed locally, on a monthly basis within Directorate Leadership Teams (DLTs).

All risks will be clearly defined, together with the controls that currently exist to manage them. Risk ratings will be reviewed and, where relevant, commentary will be provided to identify progress against planned action or any emerging issues.

It is important that the internal systems and procedures in place are adequate to manage the identified risk. Where control weaknesses are identified, these should be noted so that action can be taken to remedy such weaknesses. Action to address these weaknesses should be included within the report.

## 2.6 Linking risk to business plans and performance

### **Linking Leadership Risk to the Corporate Plan**

The Leadership Risk Register is owned and managed by CEDR. Where appropriate risks will be associated with Council priorities and objectives. On occasion a risk may sit outside a Council priority, for example where it affects all priorities or has whole organisation impact (e.g. the risk of systems failure).

### **Incorporating Operational Risk into Service Delivery Plans**

Each service is required to produce a plan on an annual basis. The format of the service plan is common across the organisation and ensures there are clear links between Council priorities and service deliverables.

Each service delivery plan is required to identify operational risks associated with service delivery. Ideally these should also be directly linked to service priorities. Likewise actions to control risks should be included within the service plan or the risk documentation itself. Responsibility for monitoring operational risk lies with senior service managers.

### **Integrating Risk and Performance Management**

Performance and risk will follow the same reporting regime and performance of risks will be clearly highlighted in reports. Where possible risk monitoring information will

be captured using the same process as performance information. Risks should be reviewed at the same time as reviewing performance of objectives/projects as they will impact each other.

## 2.7 Linking risk to programmes and projects

Programmes and projects adhere to the agreed risk management strategy. It is recognised that the risk environment is different within programmes and projects and frequently risks are identified, actioned and closed on a faster basis than within the Leadership or other operational risk environments, where risks are usually linked into longer term strategic objectives rather than projects moving within shorter delivery timescales.

Programme or project risks may be escalated to the Leadership Risk Register if they reach a point where they have a significant financial, reputational or strategic impact.

### Risk Management responsibilities in project environments

Corporate Management (CEDR)	Responsible for providing and ensuring adherence to the Risk and Opportunities Management Strategy
Programme Senior Responsible Owner	Accountable for risk management actions agreed at Programme Board level, following escalation from projects
Senior Managers	Accountable for risk management actions agreed at DLT following escalation from projects and operational risks within the Directorate
Project Sponsor	<ul style="list-style-type: none"> <li>• Accountable for all risk management within the project, and for putting in place a risk management approach or strategy specific to the project</li> <li>• Ensures all risks associated with the project business case are identified, assessed and controlled</li> <li>• Triggers an escalation</li> </ul>
Senior user/customer/client board Member	Responsible for ensuring all risks to users are identified, assessed and controlled
Senior supplier board Member	Responsible for ensuring all risks to delivery are identified, assessed and controlled
Project Manager	<ul style="list-style-type: none"> <li>• Creates the project-specific risk management approach as directed by the sponsor</li> <li>• Responsible for creating and maintaining the risk register in line with requirements of the Risk and Opportunities Management Strategy, ensuring risk identification, assessment and control measures are implemented.</li> </ul>

## **Section 3: Roles and Responsibilities**

### **3.1 Accountability**

There will be clear accountability for risks and risk management. This is supported through the Council's Annual Governance Statement process, signed by the Chief Executive and the Leader of the Council, and by making the risks and risk management process open to regular Member overview, internal audit and external inspections.

The Audit and Governance Committee has specific responsibility for monitoring the Council's risk management arrangements, for undertaking an annual review of this strategy to ensure it remains current and reflects best practice in risk management, and for making recommendations to the Cabinet if it is considered that any improvements or amendments are required.

Cabinet members will be briefed regularly by CEDR members to ensure they are aware of Leadership risks affecting their service areas/portfolios and any improvements in controls which are proposed.

Sections 3.2 and 3.3 of this strategy outline specific Councillor and officer accountabilities and responsibilities with regards to risk management.

### **3.2 Council Committees**

#### **Audit and Governance Committee**

The Committee will monitor the effective development and operation of the Council's risk management activities. The Committee provides independent assurance to the Council on the effectiveness of risk management and internal control arrangements and performance effectiveness to the extent it affects exposure to risk and to inform the Annual Governance Statement.

#### **Cabinet**

Cabinet will receive a regular update on Leadership risks, through the monthly Business Management Report.

Reflecting the roles of these committees the relevant Chairs and Portfolio Holders will be briefed on risk matters whenever appropriate.

### **3.3 Section 151 Officer**

The Council's Section 151 Officer is the lead officer for risk management and ensures that the Council has robust risk management strategies in place that effectively support the system of internal control.

### **3.4 Chief Executive Director Reports (CEDR)**

CEDR has a number of roles with regards to risk management. As the senior management team, they will own the risks on the Council's Leadership Risk

Register. As such, they are responsible for risk review and monitoring on a monthly basis at CEDR meetings, and for ensuring regular reporting to the relevant council committees.

CEDR also has a role in discussing proposed new risks, working to ensure they are properly assessed, recorded and managed.

### **3.5 Corporate Team**

The Corporate Team works on behalf of the whole Council to co-ordinate risk and performance management. The Team is responsible for preparing and updating the Risk and Opportunities Management Strategy and related materials, for compiling and managing the Leadership Risk Register (including preparing regular reports) and for ensuring that operational risk management is being undertaken by services.

The Team leads the production of monthly Business Management and Monitoring Reports to CEDR and Cabinet, which includes information on Leadership risks and other risk matters.

In addition, the team provides risk-related support to managers, officers and councillors (through existing groups or risk management training) and provides information for the Annual Governance Statement.

### **3.6 Team Managers, Officers and Staff**

Service managers and team leaders will often be responsible for operational and project risks. This includes risk identification, assessment and management. At this level risks should be included in service and project plans. For some projects a separate risk log will be required.

In some cases, CEDR members may devolve the day to day responsibility for managing a Leadership risk to a senior service manager. If this is the case the manager will be expected to update the Leadership Risk Register on a monthly basis.

Staff without direct responsibility for owning and managing a risk still have an essential role to play in helping teams identify potential risks associated with service delivery and implementation of projects. As such staff should be involved in risk discussions within teams as they would be with regards to performance management.

### **3.7 DLTs**

Directorate Leadership Teams (DLTs) are responsible for monitoring the management of operational risks and escalating to CEDR when risk mitigation cannot be managed effectively, and the risk could impact on strategic priorities.

### **3.8 DLT Risk Champion**

Directors will designate a Risk Champion as part of their Directorate Leadership Team, responsible for promoting good risk management and ensuring the risk



management system is being applied effectively as part of the monthly business management reporting cycle.

Risk Champions will be programmed to meet as a group throughout the year with the Corporate Team, to discuss issues and opportunities that will enable the continuous improvement and embedding of the risk management system and risk knowledge across the Council.

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## **Section 4: Monitoring and Review**

### **4.1 Annual Review of the Risk Strategy**

The Risk and Opportunities Management Strategy will be reviewed on an annual basis. This will take into account any issues highlighted by the internal audit of risk management. In addition, the Leadership Risk Register will be fully reviewed by CEDR during the fourth quarter. As part of the annual service planning process managers will be asked to fully review their operational risks.

### **4.2 Monitoring of the Strategy and Register**

As part of the risk and opportunities management process it is expected that risks (whether Leadership or operational) are reviewed on a monthly basis via CEDR. The Cabinet will also monitor Leadership risk on a monthly basis as part of the business management report.

Reports will be taken to the relevant Council committees providing a summary of the most recent review and highlighting any issues arising with regards to the implementation of or compliance with the Risk and Opportunities Management Strategy. The review will include commentary regarding the current risk score, the controls in place and whether any gaps have been identified in terms of the assurance that the controls are effective.

### **4.3 Internal Audit**

Internal Audit will be in a position to provide assurance on the internal control environment, in line with their planned programme of work. Internal Audit will plan the annual audit coverage based on derived from the risk management process. The Code of Practice for Internal Audit in Local Government in the United Kingdom defines Internal Audit as;

‘An assurance function that primarily provides an independent and objective opinion to the organisation on the control environment, comprising risk management, control and governance by evaluating its effectiveness in achieving the organisations objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources’.

Internal Audit and Risk Management will co-ordinate assurance by:

- Independently reviewing the risk management strategy and process.
- Completing risk-based reviews of the key controls identified to mitigate the principal risk to the Council's achievement of its strategic objectives.
- Referring to the Council's risk registers when planning audit work.

## **4.4 External Audit and Review**

### **External Audit**

External Audit is a key source of assurance and the Council should take into account the external audit management letter and reports. However, it is worth noting that the work of external audit has to be independent and the Council should not rely on external audit for advice and guidance as that is not their role.

### **Review Agencies and Inspectorates**

Aspects of the organisation's activities may be subject to independent inspection and assessment. These reports are likely to identify areas of strength and issues to address and may also provide some assurance. Reports from the Local Government Ombudsman may also provide a further source of assurance.

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## **Section 5: Corporate Governance**

### **5.1 Annual Governance Statement**

Regulation 4 of the Account and Audit Regulations (2003) requires audited bodies to conduct a review, at least once a year, of the effectiveness of their systems of internal control. This review is incorporated within the Annual Governance Statement that is published alongside the statement of accounts.

The purpose of the Annual Governance Statement is to provide a continuous review of the effectiveness of an organisation's internal control and risk management systems, so as to give assurance on their effectiveness and/or to produce a management action plan to address identified weaknesses in either process. The process of preparing the Annual Governance Statement will add value to the corporate governance and internal control framework of an organisation.

The statement needs to be approved separately to the accounts and signed as a minimum by the Chief Executive and the Leader of the Council. The production of the Annual Governance Statement will be reliant upon the contents of some or all of the following:

- Internal audit annual report
- External audit management letter
- Review Agencies and Inspectorates (where appropriate)
- Other internal review mechanisms
- Leadership Risk Register, including controls and actions
- Operational Risk Registers, including controls and actions
- Statements of Assurance
- Identification of risks highlighted by CEDR
- Audit Committees
- Performance Management Framework
- Health and Safety Adviser

### **5.2 Statements of Assurance**

In order for the Chief Executive and the Leader of the Council to be able to sign off the Annual Governance Statement there is a requirement for each Director to complete a statement of assurance taking responsibility for their individual service/operational risk registers and the implementation of the management actions contained within it. These statements of assurance will be completed on an annual basis to feed into the Annual Governance Statement.

The Chief Executive or, in the absence of the Chief Executive, a Director/Section 151 Officer, needs to sign a statement of assurance for the Leadership Risk Register.

## Section 6: Further Guidance and Contacts

### 6.1 Supporting Documents / Guidance

In addition to this strategy the following documents provide information and guidance with regards to risk management:

1. The Council's intranet page on Risk Management provides a gateway to a number of risk management resources, in particular:
  - The Council's risk register template
  - The Risk Management Toolkit, offering detailed advice on each of the four stages in the Risk Cycle
2. A quick guide to risk management – a summary of the Council's approach to risk
3. A short, accessible E-learning course on Risk Management aimed at all Council staff
4. Assessment template for new risks: a two-page template that takes you through the process of assessing a new risk or fully reviewing an existing risk
5. Additionally, the Corporate Team can attend team meetings, or bespoke sessions, to provide staff with an introduction to risk management, or more detailed advice, as required.

### 6.2 Contacts

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