

**RISK MANAGEMENT POLICY STATEMENT AND STRATEGY**  
**WDA/33/09**

**Recommendation**

That:

1. the revised Risk Management Policy Statement be approved; and
2. the Risk Management Strategy be approved.

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**RISK MANAGEMENT POLICY STATEMENT AND STRATEGY**  
**WDA/33/09**

**Report of the Director**

**1. Purpose of the Report**

- 1.1 To approve a revised Risk Management Policy Statement and Strategy.

**2. Background**

- 2.1 The current version of the Authority's Risk Management Policy was approved in December 2003 and a Risk Management Strategy was approved in June 2006.
- 2.2 As a result of the implementation of the policy and strategy, risk management has become an integral part of the Authority's systems and decision-making processes.
- 2.3 The need for a review of the Authority's risk management arrangements has been identified as part of the annual assessment of Corporate Governance. This review has now taken place and both the Risk Management Policy Statement and Strategy have been redrafted.

**3. Risk Management Approach**

- 3.1 In reviewing the Authority's approach to risk management, the Audit Commission's Risk Management Assessment Framework has been used. The framework sets out a method of assessing the standard of risk management in an organisation and details what an organisation's risk management policy and strategy should address.
- 3.2 An extract of the document, detailing the suggested scope of an organisation's risk management policy and strategy is attached at Appendix 1 for information.
- 3.3 The Authority's existing policy statement and strategy has therefore been reviewed and revised alongside the framework to ensure that these documents support the delivery of effective risk management throughout the Authority.

- 3.4 Subject to Members' approval of this report, an assessment of the effectiveness of the revised Risk Management Strategy will be undertaken using the Audit Commission's Risk Management Assessment Framework to establish an ongoing process of review and to ensure the Authority meets the standard of risk management set out by the Audit Commission.

#### **4. Policy Statement**

- 4.1 The existing Risk Management Policy Statement was written prior to the development of the Risk Management Strategy and contained much of the information that was subsequently incorporated into the strategy.
- 4.2 The Policy Statement has therefore been redrafted so that it is a high level corporate document which sets out the Authority's approach to risk management with clear objectives to deliver effective risk management across the Authority.
- 4.3 A copy of the proposed Risk Management Policy Statement is attached at Appendix 2.
- 4.4 The detail previously contained in the policy on the delivery of these objectives is now reflected in the Risk Management Strategy which has also been reviewed.

#### **5. Risk Management Strategy**

- 5.1 The aim of the Risk Management Strategy review was to update the strategy to reflect corporate developments in recent years, to incorporate information previously contained within the policy statement and where possible, to strengthen existing risk management arrangements in line with the Audit Commission's Risk Management Framework.
- 5.2 A copy of the revised Risk Management Strategy is attached at Appendix 3.
- 5.3 The proposed strategy covers the following aspects of risk management:
- Risk Management Objectives
  - Roles and Responsibilities
  - Partnership and Shared Risks
  - Risk Management Process
  - Risk Analysis and Evaluation

- Risk Registers
  - Monitoring and Reporting
  - Training
  - Review of the Strategy
- 5.4 Members will note that the strategy now contains a specific section on Roles and Responsibilities which sets out how risk management is addressed at both Member and officer levels, in accordance with the Audit Commission's framework.
- 5.5 The revised strategy also contains an approach to partnership and shared risks which is particularly relevant to this Authority in terms of service delivery by external contractors and the joint working within the Merseyside and Halton Waste Partnership.
- 5.6 By approving the strategy, Members are also approving the mechanism for its review which has been included within the strategy. It is proposed that the Director approves any subsequent amendments to the strategy but only in so far as they continue to reflect the Risk Management Policy Statement. Changes to the policy statement will require Member approval.
- 5.7 The Authority's Corporate Risk Register is regularly reviewed and updated by the Management Team and the latest version is attached at Appendix 4 for Members information.

## **6. Risk Implications**

- 6.1 The following risk assessment has taken place in the production of this report:

<b>Identified Risk</b>	<b>Likelihood Rating</b>	<b>Consequence Rating</b>	<b>Risk Value</b>	<b>Mitigation</b>
Risk management not applied consistently.	3	3	9	Senior officer responsibilities clearly identified and standardised templates for decision-making.
Strategy becomes	2	3	6	Annual review and mechanism for

outdated and underutilised.				updating, corporate training, publication on website.
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## **7. HR Implications**

- 7.1 The Risk Management Strategy requires that the roles and responsibilities of senior officers in relation to risk are reflected in job descriptions. Current job descriptions are therefore being redrafted to include risk management commensurate with existing levels of responsibility.

## **8. Environmental Implications**

- 8.1 There are no environmental implications associated with this report.

## **9. Financial Implications**

- 9.1 There are no financial implications associated with this report.

## **10. Conclusion**

- 10.1 Members are asked to approve the revised Risk Management Policy Statement and Risk Management Strategy.

The contact officer for this report is: Mandy Valentine  
6th Floor, North House, 17 North John Street, Liverpool L2 5QY

Email: [mandy.valentine@merseysidewda.gov.uk](mailto:mandy.valentine@merseysidewda.gov.uk)

Tel: 0151 255 2523

Fax: 0151 227 1848

The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.