Welland & Deepings Internal Drainage Board

RISK MANAGEMENT STRATEGY

February 2019

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Risk Management Strategy

1.   **Introduction**

1.1   Risk management is not just about financial management: it is about achieving the objectives of the organisation to deliver a high quality public service. The failure to manage risks effectively can be expensive in terms of litigation and reputation, the ability to achieve desired targets and, eventually, the local community's rate and council tax bills.

1.2   Members are ultimately responsible for risk management because risks threaten the achievement of policy objectives. As a minimum, Members should at least twice a year:

- take steps to identify and update key risks facing the Board;
- evaluate the potential consequences to the Board if an event identified as a risk takes place; and
- decide upon appropriate measures to manage the risk or its consequences.

2.   **Purpose, Aims and Objectives**

2.1   The purpose of this Risk Management Strategy is to effectively manage potential opportunities and threats to the Board achieving its objectives.

2.2   The Risk Management Strategy has the following aims and objectives:

- Integration of Risk Management into the culture of the Board.
- Raising awareness of the need for Risk Management by all those connected with the delivery of services (including partners).
- Minimisation of injury, damage, loss and inconvenience to staff, members of the public, service users, assets, etc arising from or connected with the delivery of the Board services.
- Introduction of a robust framework and procedures for identification, analysis, assessment and management of risk, and the reporting and recording of events.
- Minimisation of the cost of risk.

2.3   To achieve these aims and objectives, the following strategy is proposed:

- Establish clear accountabilities, roles and reporting lines for all employees.
- Acquire and develop the necessary skills and expertise.
- Provide for risk assessment in all decision making processes.
- Develop procedures and guidelines for use across the board.
- Develop arrangements to measure performance of risk management activities against the aims and objectives.
- To make all partners and service providers aware of the Board's expectations on risk.

2.4   Welland & Deepings Internal Drainage Board has adopted the Audit Commission's definition of 'Risk':

> "Risk is the threat that an event or action will adversely affect the organisation's ability to achieve its objectives and to successfully execute its strategies."

3.   Accountabilities, Roles and Reporting Lines

3.1   The Chief Executive will be responsible for the Board's overall risk management strategy and will report to the Board.

3.2   The Chief Executive and Operations Engineer will prepare and keep under constant review the risk register. They should also keep all staff aware of the risk register and to seek input.

3.3   The Chief Executive will present the risk register to the Board for review and approval at least once a year.

4.   Skills and Expertise

4.1   The Board must ensure that it has the skills and expertise necessary. It will achieve this by providing risk management training for staff as appropriate.

5.   Embedding Risk Management

5.1   Risk management is an important part of the service planning process, and risks from a number of areas to be properly considered. Over time the Board aims to be able to demonstrate that there is a fully embedded process.

5.2   This strategy provides a framework to be used by Members and staff in the implementation of risk management as an integral part of good management.

6.   Risks and the Decision Making Process

6.1   Risk needs to be addressed at the point at which decisions are being taken. Where Members and staff are asked to make decisions they should be advised of the risks associated with recommendations being made. The Board will need to demonstrate that it took reasonable steps to consider the risks involved in a decision.

6.2   There needs to be a balance struck between efficiency of the decision making process and the need to address risk. Risk assessment is seen to be particularly valuable in options appraisal. All significant decision reports to the Board (including new and amended policies and strategies) should include an assessment of risk to demonstrate that risks (both threats and opportunities) have been addressed.

7. Risk Evaluation

7.1 A risk register should be used to record the Board objectives and the risks to achieving these. Once these have been identified an assessment of the impact and likelihood of occurrence is made using knowledge of current controls and assurances and a risk score determined. Any gaps in controls and/or assurance should then be identified and an action plan for improvement developed.

7.2 The risk score is obtained using the risk matrix below:

Risk Assessment Matrix

Impact			
High	Considerable management required (6)	Must manage and monitor risks (8)	Extensive management required (9)
Medium	Risks may be worth accepting with monitoring (3)	Management effort worthwhile (5)	Management effort required (7)
Low	Accept risks (1)	Accept, but monitor risks (2)	Manage and monitor risks (4)
	Low	Medium	High
Likelihood of Occurrence			

The high, medium and low categories for impact and likelihood are defined as follows:

IMPACT

- *High* – will have a catastrophic effect on the operation service/delivery. May result in major financial loss and/or major service disruption or impact on the public. Death of an individual or several people. Complete failure of project or extreme delay. Many individual personal details compromised/revealed. Adverse publicity in national press.
- *Medium* – will have a noticeable effect on the operation/service delivery. May result in significant financial loss. Will cause a degree of disruption or impact on the public. Severe injury to an individual or several people. Adverse effect on project/significant slippage, some individual personal details compromised/revealed. Adverse publicity in local press.
- *Low* – where the consequences will not be severe and any associated losses and/or financial implications will be low. Negligible effect on service delivery. Minor injury or discomfort to an individual or several people. Isolated individual personal detail compromised/revealed.

LIKELIHOOD

- *High* – very likely to happen.
- *Medium* – likely to happen infrequently.
- *Low* – unlikely to happen.

8.   Review of Risk Register

8.1   The risk register will be kept under constant review by senior management to ensure the action plan is being implemented and to identify and assess any new or revised risks.

OBJECTIVES	RISKS	KEY CONTROLS	ASSURANCES ON CONTROLS	RISK SCORE	GAPS IN CONTROL	GAPS IN ASSURANCE	ACTION PLAN	RESPONSIBLE OFFICER/ IMPLEMENTATION
To provide and maintain standards of sound needs based on sustainable flood protection.	Reduction in or insufficient finance, grant and income.	Budget based on needs. Maximise income.	Reviewed and approved by Board.\n\nFinancial report to each Board meeting.	3				Chief Executive
	Reduction in staff performance.	Extensive training. Handbook. Close supervision. Incentive scheme for operatives.	Staff training records. Board reports.	3				Chief Executive
	Insufficient staff or other resources to deliver the service needs.	Budget. Staffing.	Board reports.	6	Rating system requires land record input to be completed.		Land records partially added, to be completed.	Chief Executive\n\n31 March 2020

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To provide and maintain standards of sound needs based on sustainable flood protection (continued).	Damage to 3rd party property or individuals.	Risk assess-ments. Professional advice. Maps. Close supervision.	Weekly management meetings. Regular updating information. Meeting 3rd parties.	6				Operations Engineer
	Unable to fully respond to a major incident due to lack of resources.	Emergency plan. Insurance. Help from other Boards.	Board report. Regular maintenance. Capital programme.	6				Chief Executive
To conserve and enhance the environment wherever practical and possible to ensure there is no net loss of biodiversity.	Non-delivery/non-compliance of objectives.	Action plan. Surveys before work start. Annual meetings.	Publish plan.	1				Operations Engineer
	Non-native species.	Surveys. Spraying. Workforce awareness.	Board reports. Liaise with EA.	3				Operations Engineer

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To provide a safe and fulfilling working environment for staff.	Employees contravene H & S regulations.	Manual. Extensive training. Refresher training. Tool box talks. Supervision. Legal advice. HSE website.	Training records. Board reports.	6				Operations Engineer
	Potential legal proceedings up to corporate manslaughter charges.	Manual. Extensive training. Refresher training. Tool box talks. Insurance. Legal advice.	Board reports. Training records. Risk assessments.	6				Chief Executive

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To maintain financial records that are correct and comply with all recommended accounting practice.	Adverse audit reports, legal action and loss of confidence in the IDB.	External and internal audit. Legalisation. Qualified accountant. Financial regulations.	External and internal audit. Board reports	3			Keep up-to-date.	Chief Executive
	Loss of income through error or fraud.	Monthly management accounts. External and internal audit. Insurance. Financial regulations.	Board reports. Audit reports.	3				Chief Executive
	Reduction in internal control due to lack of staff resources and only one Finance Officer.	Separation of duties.	Board reports. Audit reports.	3				Chief Executive

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OBJECTIVES	RISKS	KEY CONTROLS	ASSURANCES ON CONTROLS	RISK SCORE	GAPS IN CONTROL	GAPS IN ASSURANCE	ACTION PLAN	RESPONSIBLE OFFICER/ IMPLEMENTATION
To ensure that all actions taken by the Board comply with all current UK and EU legislation.	Non-compliance with legislation or practice.	Updates from ADA, HSE, SAGE.	Legal advice taken when required. Website.	6			Keep up-to-date.	Chief Executive