



AN INTRODUCTION TO CORPORATE RISK MANAGEMENT

AIMS OF THIS EVENING



- Explain some key concepts in risk management
- Introduce the Risk Management Policy and Strategy
- Provide an overview of the Corporate Risk Management procedures.

WHY DO WE NEED RISK MANAGEMENT?



- By recognising and acknowledging risk we can be better prepared to deal with it.
- Effective risk management helps the Council to achieve its corporate objectives.
- Enable focussing of resources towards the greatest risks
- Support accountability

KEY CONCEPTS



- Risk – the possibility of an event occurring that will have an impact on the achievement of the objectives. Risk is measured in terms of impact and likelihood
- Risk Management – the process by which risks are identified, evaluated and controlled.
- Risk appetite – the level of risk that the organisation is willing to accept.

KEY CONCEPTS



- Impact - If the event happens, what effect will it have?
- Likelihood – how likely is the event to happen?
- “Generic” and “Specific” risks
- Beware of confusing “risks” and “issues”



RISK MANAGEMENT POLICY & STRATEGY



- Risk Management Policy and Strategy updated February 2016 (Previously combined in one document)
- New Policy states the Council's commitment to managing risk in a positive manner - specifies the aims and objectives
- New Strategy sets out how the Policy will be achieved risk evaluation factors and roles and responsibilities.

ROLES AND RESPONSIBILITIES MEMBERS

Borough Council of
King's Lynn &
West Norfolk



- All Members have a duty to consider risk
- Audit and Risk Committee receive monitoring reports twice a year
- Reports to Cabinet include a risk assessment

ROLES AND RESPONSIBILITIES MANAGEMENT TEAM

Borough Council of
King's Lynn &
West Norfolk



- All staff have a duty to consider risk
- Overall responsibility for ensuring that the Council manages risk effectively
- Chief Executive is the nominated person
- Receive half yearly updates on the Risk Register

ROLES AND RESPONSIBILITIES SERVICE MANAGERS

Borough Council of
King's Lynn &
West Norfolk



- Raise awareness within their own service area
- Identify and monitor risk in operational areas

ROLES AND RESPONSIBILITIES INTERNAL AUDIT

Borough Council of
King's Lynn &
West Norfolk



- Management of the Risk Register
- Internal Audit plans and review work considers significant and material risks that have been identified

ROLES AND RESPONSIBILITIES AUDIT and RISK COMMITTEE

Borough Council of
King's Lynn &
West Norfolk



- Receive Risk Management reports half yearly
(Also available on In-Site)
- Challenge completeness of coverage and
reasonableness of assessment



RISK MANAGEMENT PROCESS

REVIEW PROCESS



- Half yearly meetings with Executive Directors
- To review and update existing risks and consider any new risks to add
- Update Risk Register
- Significant new matters can be dealt with on an ad-hoc basis

LIKELIHOOD



Likelihood is identified and scored using the definitions contained in the Strategy.

- 1 – Rare
- 2 – Unlikely
- 3 – Possible
- 4 – Likely
- 5 – Almost Certain

IMPACT



Impact is identified and scored using the definitions contained in the Strategy.

- 1 – Insignificant
- 2 – Minor
- 3 – Moderate
- 4 – Loss of service for 2 – 7 days (Major)
- 5 – Loss of service for more than 7 days (Extreme)

RISK CATEGORY



- Risk score is calculated by multiplying the scores for Likelihood and Impact
- Score then defines the Risk Category
- Determines how the risk will be managed

RISK CATEGORY



Risk Category	How the Risk should be managed
Very High (15-25)	Immediate action required. Senior Management must be involved.
High (10-12)	Senior Management attention needed and management responsibility specified.
Medium (5-9)	Manage by specific monitoring or response procedures.
Low (1-4)	Manage by routine procedures. Unlikely to need specific application of resources.

RISK MATRIX



5 Almost certain	(5) (Green)	(10) (Orange)	(15) (Red)	(20) (Red)	(25) (Red)
4 Likely	(4)	(8) (Green)	(12) (Orange)	(16)(Red)	(20) (Red)
3 Possible	(3)	(6) (Green)	(9) (Green)	(12) (Orange)	(15) (Red)
2 Unlikely	(2)	(4)	(6) (Green)	(8) (Green)	(10) (Orange)
1 Rare	(1)	(2)	(3)	(4)	(5) (Green)
	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Extreme

REPORT FORMAT



- To concentrate effort on the areas of main concern:
 - ‘Very High’ risks reported in detail.
 - ‘High’ risks are only listed for information
- Summary of changes since the last report
- Complete report available on In-Site

REPORT FORMAT

Draft Corporate Risk Register Oct 2015 v2 planning extract SA rev [Shared] - Microsoft Excel

Ref	Outcome affected	Title	Director	The risk is that:	Impact	Likelihood	Score	Mitigation	Progress
1.		Corporate							
2.10	Quality Environment	5-year land supply	Environment & Planning	The Planning Inspectorate does not agree that the Council has identified an adequate supply of land designated as housing development land for the next 5 years, and consequently this will lead to development approved in areas that the Council does not want developed.	Major	Certain	20	Work on the LDF to ensure the Council can evidence that sufficient land is available. Also approve applications to boost the supply in the short-medium term.	The High Court challenge was not successful. Therefore will continue assessing applications on the basis of a lack of 5 year land supply until it can be shown that the Council has such a supply. Concerns have been expressed through the District Council Network to the Planning Inspectorate, and a raised with local MP's.
2.12	Quality Environment	Major Planning Applications	Environment & Planning	Applicants will have a choice of either the Council or the Inspectorate to determine their applications on Major development, if the relevant threshold is breached, namely 20% appeals on Major applications lost compared to the overall number of applications received. Where the Inspectorate deal with the application, the planning fee will go to them.	Major	Possibility	20		This is being monitored, and comments on the appeal lost will be fed back to Members in the Planning Committee training.



Any questions?

