

The Witham Fourth District Internal Drainage Board

Risk Management Strategy

and

Risk Register

November 2017

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A – Risk Register

Risk Management Strategy

1. Purpose, Aims and Objectives

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

1.2 The Boards Corporate Risk Management Strategy has the following aims and objectives;

- Integration of Risk Management (RM) into the culture of the Board
- Raising awareness of the need for RM by all those connected with the delivery of services (including our partners)
- Enabling the Board to anticipate and respond to changing social, environmental and legislative conditions
- 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, based on best practice
- Minimisation of the cost of risk

1.3 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 of the Board
- Develop a resource allocation framework to allocate (target) resources for risk management
- Develop toolkits, 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 Boards' expectations on risk, both generally as set out in its Risk Management Policy and where necessary in particular areas of the Boards' operations

1.4 The Witham Fourth District Internal Drainage Board has adopted the Audit Commission 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'.

2. Accountabilities, Roles and Reporting Lines

2.1 A framework has been implemented that has addressed the following issues:

- The different types of risk – Strategic and Operational
- Where it should be managed
- Corporate, Departmental and RM Unit roles and accountabilities
- The need to drive the policy throughout the Board
- Prompt reporting of accidents, losses, changes etc.

2.2 In many cases, RM follows existing service management arrangements.

2.3 Strategic risk is best managed by the Governance and Risk Committee (GRC) who will report to the Board.

2.4 The Board's Chief Executive will be responsible for the Boards overall RM strategy, and will report directly to the RGC.

2.5 The Board's Chief Executive will be responsible for the Boards overall Health and Safety policy and will report to the RGC.

2.6 It is envisaged that the development of a RM strategy will encourage ownership of risk and will allow for easier monitoring and reporting on remedial actions / controls.

3. Skills and Expertise

3.1 Having established roles and responsibilities for RM, the Board must ensure that it has the skills and expertise necessary. It will achieve this by providing Risk Management Training for Executive Officers and where appropriate providing awareness courses that address the individual needs of both the manual workforce and office staff.

3.2 Training will include seminars focusing on best practice in RM and awareness courses will also focus on specific risks in areas such as the following:

- Partnership working
- Project management
- Operation of Board vehicles and equipment
- Manual labour tasks e.g. Health and Safety issues

4. Embedding Risk Management

RM is an important part of the service planning process. This will enable both strategic and operational risk, as well as the accumulation of 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.

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

5. Risks and the Decision Making Process

5.1 Risk needs to be addressed at the point at which decisions are being taken. Where Members and Officers are asked to make decisions they should be advised of the risks associated with recommendations being made. The training described in the preceding section will enable this to happen.

5.2 The Board will need to demonstrate that it took reasonable steps to consider the risks involved in a decision.

5.3 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 RGC (including new and amended policies and strategies) should include an assessment of risk to demonstrate that risks (both threats and opportunities) have been addressed.

5.4 This process does not guarantee that decisions will always be right but it will demonstrate that the risks have been considered and the evidence will support this.

6. Risk Evaluation

6.1 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.

6.2 Having identified areas of potential risk, they must be analysed by impact and likelihood. This is to be done by recording the results using the risk matrix below:

RISK ASSESSMENT MATRIX

Impact ↑ HIGH MEDIUM LOW ↓	Considerable management required 3	Must manage and monitor risk 6	Extensive Management required 9
	Risks may be worth accepting with monitoring 2	Management effort worthwhile 4	Management effort required 6
	Accept Risks 1	Accept but monitor risks 2	Manage and monitor risks 3
	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 (over £100,000). Major service disruption (+ 5 days) or impact on the public. Death of an individual or several people. Complete failure of project or extreme delay (over 2 months). 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 (over £25,000). Will cause a degree of disruption (2 – 5 days) 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 (up to £10,000). Negligible effect on service delivery (1 day). Minor injury or discomfort to an individual or several people. Isolated individual personal detail compromised/revealed. NB A number of low incidents may have a significant cumulative effect and require attention.

LIKELIHOOD

High	Very likely to happen	Matrix score 3
Medium	Likely to happen infrequently and difficult to predict	Matrix score 2
Low	Most unlikely to happen	Matrix score 1

7. Risk Control

7.1 Risk assessment and risk matrices provide a powerful and easy to use tool for the identification, assessment and control of business risk. It enables managers to consider the whole range of categories of risk affecting a business activity. The technique can assist in the prioritisation of risks and decisions on allocation of resources. Decisions can then be made concerning the adequacy of existing control measures and the need for further action. It can be directed at the business activity as a whole or on individual departments/sections/ functions or indeed projects.

8. Review of Risk Register

8.1 The risk register (Appendix A) 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.

Appendix A

RISK REGISTER

OBJECTIVE	RISK	KEY CONTROLS	ASSURANCES ON CONTROLS	RISK SCORE	GAPS IN CONTROL	GAPS IN ASSURANCE	ACTION PLAN	RESPONSIBLE OFFICER / IMPLEMENTATION
i To provide and maintain standards of sound needs based sustainable flood protection	Reduction in or insufficient, finance, grant and other income.	Estimates based on need. Maximise grants and income.	Reviewed and approved by Board. Financial report to each Board meeting.	6				Chief Executive Dates?
	Reduction in operational staff performance	Extensive Training. H&S Handbook.	Staff records. Training plan taken to Board	4			Consider seeking accreditation for Investors in people (IIP)?	Engineering Manager
	Insufficient staff or other resources to deliver the service needs.	Estimate prepared based on need and approved by Board. 5 year plant replacement plan. Plan for all other assets. Annual Staffing level review.	Board reports and minutes of meetings.	3			Complete and report to Board annual staffing level review in February each year	Engineering Manager

OBJECTIVE	RISK	KEY CONTROLS	ASSURANCES ON CONTROLS	RISK SCORE	GAPS IN CONTROL	GAPS IN ASSURANCE	ACTION PLAN	RESPONSIBLE OFFICER / IMPLEMENTATION
	Damage to 3 rd party property or individuals	Insurance policy. Staff training and H&S Handbook.	Board reports. Insurance certificate.	2				Chief Executive
	Unable to fully respond to a major incident due to lack of resources	Resources are backed up by volunteers and equipment	Lincs Emergency Plan Own Emergency Flood Plan	3			Ensure IDB role is in Lincs emergency plan. Review own plan annually	Engineering Manager Chief Executive
	Partnership not delivered or partners do not take full role.	Partnership FRM Strategy		4				Chief Executive
ii 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.	Dedicated environmental officer. Working with partners. Staff awareness training.	EO monitors and reports to Board. Plans submitted to DEFRA and EA. Actions monitored by EA, Police and local population.	6				Environment Officer

OBJECTIVE	RISK	KEY CONTROLS	ASSURANCES ON CONTROLS	RISK SCORE	GAPS IN CONTROL	GAPS IN ASSURANCE	ACTION PLAN	RESPONSIBLE OFFICER / IMPLEMENTATION
<p>iii</p> <p>To provide a 24 hour/365 day emergency response for the community.</p>	<p>Insufficient or resilience of resources.</p>	<p>Staffing plan. Emergency workforce available. State of art pumps. Emergency equipment in store.</p>	<p>Plan reviewed annually</p>	<p>3</p>	<p>No contract for back-up generator or pumps.</p>		<p>Adequate generator provision is available through Western Power Networks arrangement.</p>	<p>Engineering Manager</p>
	<p>Claims and /or bad publicity against IDB in the event of service malfunction</p>	<p>Insurance PR events</p>	<p>No complaints PR is part of strategic plan</p>	<p>3</p>				<p>Chief Executive</p>

OBJECTIVE	RISK	KEY CONTROLS	ASSURANCES ON CONTROLS	RISK SCORE	GAPS IN CONTROL	GAPS IN ASSURANCE	ACTION PLAN	RESPONSIBLE OFFICER / IMPLEMENTATION
	Public do not who to contact in an emergency	Web-site Emergency phone line Signposting now done by LLFA since FWM Act 2010		4				Chief Executive
iv To provide a safe and fulfilling working environment for staff.	Employees contravene H&S regs	H/S manual. Staff training and re-fresher training. Annual review of policy.	Standing agenda item for Board meetings. H/S Sub Cttee.	6				

OBJECTIVE	RISK	KEY CONTROLS	ASSURANCES ON CONTROLS	RISK SCORE	GAPS IN CONTROL	GAPS IN ASSURANCE	ACTION PLAN	RESPONSIBLE OFFICER / IMPLEMENTATION
	Potential legal proceedings up to corporate manslaughter charges	Staff handbook and training.	Board awareness	6			Keep H&S under constant review.	Chief Executive & Engineering Manager
	Staff retention issues	Staff Handbook Working terms and conditions. Staff meetings. Open door policy. Grievance procedure. Appraisals. Equal Opps. Union reps.	Low turnover	2				Chief Executive

OBJECTIVE	RISK	KEY CONTROLS	ASSURANCES ON CONTROLS	RISK SCORE	GAPS IN CONTROL	GAPS IN ASSURANCE	ACTION PLAN	RESPONSIBLE OFFICER / IMPLEMENTATION
v 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.	Employ qualified accountant. External and internal audit. Financial regulations. Member ADA Policy & Finance Committee.	External and Internal Audit. Board approval of accounts.	4			Keep up-to-date with legislation and practice	Chief Executive
	Loss of income through error or fraud	Financial Regulations. Internal Controls and segregation of duties. Insurance Whistleblowing policy	External and Internal Audit	3	Awareness of whistleblowing Policy.		Annual reminder of policy	Chief Executive

OBJECTIVE	RISK	KEY CONTROLS	ASSURANCES ON CONTROLS	RISK SCORE	GAPS IN CONTROL	GAPS IN ASSURANCE	ACTION PLAN	RESPONSIBLE OFFICER / IMPLEMENTATION
<p>vi</p> <p>To ensure that all actions taken by the Board comply with all current U.K. and E.U. legislation.</p>	<p>Non-compliance with legislation or practice</p>	<p>Staff and Board members trained.</p> <p>Engage HR, Legal and H&S specialists as required.</p> <p>Updates from ADA and Lincs Clerks group.</p>	<p>Board reports</p>	<p>4</p>		<p>Board members keeping up to date</p>	<p>Ensure that Board members have full “pack” of Governance Policies when they change.</p>	<p>Chief Executive</p>

OBJECTIVE	RISK	KEY CONTROLS	ASSURANCES ON CONTROLS	RISK SCORE	GAPS IN CONTROL	GAPS IN ASSURANCE	ACTION PLAN	RESPONSIBLE OFFICER / IMPLEMENTATION
<p>vii</p> <p>A cost efficient IDB that provides a Value for Money service.</p>	<p>That we are seen NOT to be</p>	<p>Performance.</p> <p>Lead role in county partnership.</p> <p>IDB1 return.</p> <p>Internal Audits</p>	<p>Annual newsletter.</p> <p>Financial reporting.</p> <p>Monthly Management reports.</p> <p>Reports to Board</p> <p>Strategic Plan</p>	<p>6</p>		<p>No performance indicators (DEFRA considering)</p>	<p>Develop and review performance indicators</p>	<p>Chief Executive</p>
	<p>Unable to deliver the core / back office service due to unavailability of resources.</p>	<p>Arrangement with nearby IDBs to support.</p> <p>Engage HR, Legal and H&S specialists as required. IT back-up service.</p>	<p>IT Support Contract</p> <p>Relationship with Temp agency</p>	<p>6</p>	<p>Business continuity plan incomplete</p>		<p>Complete and implement business continuity plan.</p>	<p>Chief Executive</p>

OBJECTIVE	RISK	KEY CONTROLS	ASSURANCES ON CONTROLS	RISK SCORE	GAPS IN CONTROL	GAPS IN ASSURANCE	ACTION PLAN	RESPONSIBLE OFFICER / IMPLEMENTATION
	Excessive expenditure	Budget Internal Controls – segregation of duties. Stock control.	Budget monitoring by Board. External and Internal Audit VFM statement	3				Chief Executive
	Loss or damage of assets through pilferage, theft or neglect	Inventory. Stock control. Infrared cameras Maintenance programme. Service contacts. Insurance.	Internal Audit Board reports	6			Keep under constant review.	Chief Executive