

RISK MANAGEMENT STRATEGY

This document outlines the Service's commitment to managing risk in an effective and appropriate manner. It is intended to be used as the framework for delivery of the Risk Management function and provides guidance for officers on developing risk management as a routine management process.

INTRODUCTION

The Service undertakes that this strategy will promote and ensure that:

1. The management of risk is linked to performance improvement and the achievement of the Service's strategic objectives.
2. Members of the committee and Senior Management of the Service own, lead and support on risk management.
3. Ownership and accountability are clearly assigned for the management of risks throughout the Service.
4. There is a commitment to embedding risk management into the Service's culture and organisational processes at all levels including strategic, project and operational
5. All members and officers acknowledge the importance of risk management as a process, by which key risks and opportunities are identified, evaluated, managed and contribute towards good corporate governance.
6. Effective monitoring and reporting mechanisms are in place to continuously review the Service's exposure to, and management of, risks and opportunities.
7. Best practice systems for managing risk are used throughout the Service, including mechanisms for monitoring and reviewing effectiveness against agreed standards and targets.
8. Accountability to stakeholders is fully demonstrated through periodic reviews of the Service's risks, which are reported to the committee.
9. The Risk Management Strategy is reviewed and updated annually in line with the Service's developing needs and requirements.

Endorsement by the Committee

“Colchester & Ipswich Joint Museum Service is committed to ensuring that risks to the effective delivery of its services and achievement of its overall objectives are properly and adequately controlled. It is recognised that effective management of risk will enable the Service to maximise its opportunities and enhance the value of services it provides to the community. Colchester & Ipswich Museum Service expects all officers and members to have due regard for risk when carrying out their duties.”

The Joint Committee of the Colchester & Ipswich Museum Service

WHAT IS RISK MANAGEMENT

Risk Management is the control of business risks in a manner consistent with the principles of economy, efficiency and effectiveness. It is an essential performance management process to ensure that both the long and short term objectives of the Service are achieved and that opportunities are fully maximised.

Risk Management is not about eliminating risk, as this would limit the ability of the organisation to develop and deliver its ambitions. Its purpose is to recognise the issues that could effect the achievement of the objectives and develop actions to control or reduce those risks. Acknowledgement of potential problems and preparing for them is an essential element to successfully delivering any service or project. Good management of risk will enable the Service to rapidly respond to change and develop innovative responses to challenges and opportunities.

‘The Good Governance Standard for Public Services’ issued by The Independent Commission on Good Governance in Public Services states that there are six core principles of good governance including ‘Taking informed, transparent decisions and managing risk’. The document goes on to state ‘Risk management is important to the successful delivery of public services. An effective risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective’.

Appendix A outlines the risk management process.

OWNERSHIP

The responsibility to manage risk rests with every member and officer of the service however it is essential that there is a clearly defined structure for the co-ordination and review of risk information and ownership of the process.

The following defines the responsibility for the risk management process within the joint museum service:

Joint Committee – Overall ownership of the risk management process and endorsement of the strategic direction of risk management. Responsible for periodically reviewing the effectiveness of the risk management process.

Chief Operating Officers, Colchester & Ipswich – Lead officers for the risk management process, demonstrating commitment to manage risk and ensuring that the risk culture of each partner is reflected in the joint service risk process. Ownership of the strategic risks.

Colchester & Ipswich Museum Service Manager – Ownership, control and reporting of the service's operational risks. Embed a risk management culture in the service.

Assistant Director Policy & Corporate (from 01 July 2017), Colchester Borough Council – Responsible for co-ordination of the risk management process, co-ordinating and preparing reports and providing advice and support.

Head of Service, Colchester & Ipswich - Responsible for endorsing risk management processes in the partnership particularly relating to service budgets and reputation.

All Employees – To understand and to take ownership of the need to identify, assess, and help manage risk in their individual areas of responsibility. Bringing to the management's attention at the earliest opportunity details of any emerging risks that may adversely impact on service delivery.

Internal Audit, External Audit and other Review Bodies – Annual review and report on the Service's arrangements for managing risk, having regard to statutory requirements and best practice. Assurance on the effectiveness of risk management and the controls environment.

THE WAY FORWARD

Aims & Objectives

The aim of the Service is to adopt best practices in the identification, evaluation, cost-effective control and monitoring of risks across all processes to ensure that risks are properly considered and reduced as far as practicable.

The risk management objectives of the Colchester & Ipswich Museum Service are to:

- Integrate risk management into the culture of the Service
- Ensure that there are strong and identifiable links between managing risk and all other management and performance processes.
- Manage risk in accordance with best practice
- Anticipate and respond to changing social, environmental and legislative requirements
- Prevent injury, damage and losses and reduce the cost of risk
- Raise awareness of the need for risk management by all those connected with the delivery of services.
- Ensure that opportunities are properly maximised through the control of risk.
- Reduce duplication between services in managing overlapping risks and promote 'best practise'.

Strategic Risk Management

Strategic risks are essentially those that threaten the long term goals of the Service and therefore are mainly based around meeting the objectives of the Service Agreement. They may also represent developing issues that have the potential to fundamentally effect service provision, such as proposals to dramatically change national museum protocols.

Operational Risk Management

Operational risks are those that threaten the routine service delivery and those that are associated with providing the service. These could include damage to exhibits and Health and Safety issues.

Links

It is essential that risk management does not operate in isolation to other management processes. To fully embed a risk management culture it has to be demonstrated that risk is considered and influences all decisions that the Service makes. It is essential that there is a defined link between the results of managing risk and the following:

- Service Delivery Plan
- Revenue and Capital Budgets
- Annual Internal Audit Plan

Action Required

The following actions will be implemented to achieve the objectives set out above:

- Development of a risk register that identifies the strategic and operational risks and outline the actions to be taken in respect of those risks.
- Considering risk management as part of the Service's strategic planning and corporate governance arrangements
- Ensuring that the responsibility for risk management is clearly and appropriately allocated
- Maintaining documented procedures for managing risk
- Maintaining a corporate approach to identify and prioritise key services and key risks across the Service and assess risks on key projects.
- Maintain a corporate mechanism to evaluate these key risks and determine if they are being adequately managed and financed.
- Establish a procedure for ensuring that there is a cohesive approach to linking the risks to other management processes
- Including risk management considerations in all committee reports
- Ensure appropriate risk management awareness training for both members and officers.
- Establishing a reporting system which will provide assurance on how well the Service is managing its key risks and ensures that the appropriate Members and officers are fully briefed on risk issues.
- Preparing contingency plans in areas where there is a potential for an occurrence to have a significant effect on the Service and its business capability.
- Regularly reviewing the risk process to ensure that it complies with current national Governance Standards and Best Practice.

REPORTING & REVIEW

To ensure that the risk management process is effective it will need to be measured and reported to the Joint Committee at least every six months, with an annual review demonstrating the effectiveness of the risk management programme.

The results of the Joint Committee reviews should be fed into the risk reporting process for each partner to ensure that each Authority has the necessary evidence to provide assurance for their own governance requirements.

Appendix A

The Risk Management Process

Risk Management is a continual process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them and / or responding to them. The risks faced by the Service are constantly changing and the continual process of monitoring risks should ensure that we can respond to the new challenges. This process is referred to as the risk management cycle.

Stage 1 – Risk Identification

Identifying and understanding the hazards and risks facing the Service is crucial if informed decisions are to be made about policies or service delivery methods. There is detailed guidance available on how to identify risks which includes team sessions and individual knowledge. Once identified a risk should be reported to the Head of Service who will consider its inclusion on the relevant risk register. If the risk is identified in between register reviews then it is reported to the Risk & Resilience Manager for information and the Head of Service is responsible for managing the risk.

Stage 2 – Risk Analysis

Once risks have been identified they need to be systematically and accurately assessed. If a risk is seen to be unacceptable, then steps need to be taken to control or respond to it.

Stage 3 – Risk Control

Risk control is the process of taking action to minimise the likelihood of the risk event occurring and / or reducing the severity of the consequences should it occur.

Stage 4 – Risk Monitoring

The risk management process does not finish with the risk control procedures in place. Their effectiveness in controlling risk must be monitored and reviewed. It is also important to assess whether the nature of the risk has changed over time.