
NFNPA RAPC 280/15 – Annex 1

NEW FOREST NATIONAL PARK AUTHORITY

RESOURCES, AUDIT AND PERFORMANCE COMMITTEE – 7 DECEMBER 2015

RISK MANAGEMENT STRATEGY

1 Statement

- 1.1 For the purposes of this strategy, risk is defined as something that might have an impact on the work of the Authority in delivering its purposes and duty.
- 1.2 This strategy sets out a risk management framework which provides assurance to the Authority that appropriate processes are in place to manage risk effectively and will be developed with the minimum of bureaucracy.
- 1.3 The Authority is committed to a Risk Management Strategy that will identify, analyse, evaluate and control the risks that threaten the delivery of its strategic and operational objectives and priorities. In this regard this strategy underpins and supports the Authority's Business Plan (2015-2018) and is used alongside other key management tools, such as key performance indicators, financial reports, health and safety and the Annual Governance Statement to give the Authority a comprehensive picture of the organisational risk profile. As part of the Annual Governance Statement, the Authority will make a public declaration of compliance against meeting risk management standards.
- 1.4 The risk management process involves the identification, evaluation and treatment of risk as part of a continuous process aimed at helping the Authority reduce the incidence and impact of risks. Risk management is therefore a fundamental part of both the strategic and operational thinking of the Authority rather than a separate initiative.
- 1.5 The Authority believes that risk needs to be managed rather than avoided and consideration of risk should not stifle innovation. Risk management is regarded as a tool for exploiting opportunities as well as a safeguard against potential threats. The Authority will therefore use risk management to promote innovation as well as to help secure existing objectives.

1.6 The Authority's aims are to:

- embed risk management as an integral part of corporate and service decision-making and project delivery.
- establish an effective and explicit system of risk identification, analysis and control
- use risk management to facilitate innovation.

1.7 Achieving these aims will:

- take forward the objectives and priorities in the Authority's Business Plan
- contribute to sustainable improvements in corporate health, policy development and the achievement of best value
- reduce reputational risk and the risk of claims arising against the Authority and improve our ability to defend such claims.

2. Roles and responsibilities

2.1 For the strategy to be effective there must be commitment throughout the Authority. It is an essential part of effective corporate governance and needs to start from the top down. However, all members and staff have a role to play and a responsibility for identifying risks.

2.2 The key roles and responsibilities of individuals and groups to implement the strategy are as follows:

Members

- approve and review the Risk Management Strategy
- contribute to the identification and evaluation of risks and the development of countermeasures
- receive and comment on progress reports.

Executive Board

- sponsor the strategy and oversee risk management within the organisation as a whole
- ensure that appropriate and effective risk management processes are in place
- ensure that risk assessments are carried out for projects undertaken in the various areas of responsibility setting out risks identified and appropriate mitigation measures
- monitor and report on the implementation and progress of any mitigation actions
- identify training needs to fulfil the function of managing risk.

Managers

- ensure that appropriate and effective risk management processes are in place within their designated area(s) and scope of responsibility and that both matters of concern and progress on risk management issues are reported to Executive Board
- ensure risk assessment and risk management forms a part of all budget planning, service planning, and project management
- disseminate the detail of the Risk Management Strategy and allocate responsibilities for implementation to staff within their team
- ensure that all staff are made aware of risks within their working environment and their personal responsibilities to report risk.

Staff members

- be conversant with the Risk Management Strategy
- report to their line manager any risk issues which require feeding into the risk management process and manage risk associated with day to day activities
- attend mandatory training appropriate to role.

3. Areas of risk monitoring

3.1 The Authority will be vigilant in identifying, managing and monitoring risk throughout the organization but in particular the following two areas of risk monitoring and management:

- A Corporate Risk Log is maintained to provide for the overarching risks against not achieving the key objectives set out in the Business Plan under Protect, Enjoy and Prosper as well as the broader corporate risks affecting the Authority under Resources, Processes and Policy, Performance and Reputation, i.e.:
 - issues relating to funding, accommodation, systems and business continuity
 - issues affecting staff, their health and welfare, motivation and ability to maintain the pace of development and change
 - performance, impact in delivering the Authority's objectives and partnership work
 - the Authority's reputation and the community's confidence in it.

The Corporate Risk Log is reviewed at all meetings of the Executive Board and every six months by the Resources, Audit and Performance Committee.

- Operational risk relevant to the annual work programme which contains activities and projects which take forward the year on year delivery of the priorities in the Business Plan under Protect, Enjoy and Prosper. The risk status in these reports under red, amber and green set out where in-year work is being achieved and also identifies where delivery of a project is at risk or facing delay together with appropriate remedial measures. Quarterly progress reporting of the annual work programme to Executive Board and the Resources, Audit and Performance Committee ensures that the Authority can respond rapidly to changing or deteriorating situations in the achievement of its work and facilitates identification and mitigation of further risks which may arise during the year.

- 3.2 The above monitoring process establishes clear links between the objectives and priorities in the Business Plan and corporate and operational risk.

4. Risk owner

All risks will have an identified risk owner who is responsible for ensuring that risk is managed, including the reporting, mitigation and ongoing monitoring of the status of the risk.

5. Risk assessment and scoring

All risks identified and accepted onto the risk logs are to be firstly assessed on the probability (likelihood of the risk happening) and secondly on what would happen (impact) should the risk occur.

Guidance on assessing risk

When assessing how likely it is that a risk will occur, take into account the current environment. Consider the adequacy and effectiveness of the controls already in place within the environment which could address the causes of the risk and therefore the likelihood of the risk being realised.

When assessing what the impact of the risk could be if it happened, consider what the impact of the risk would be in most circumstances within your environment and what is reasonably foreseeable.

6. Implementation

- 6.1 A systematic and consistent approach to identifying and analysing risks requires a clear process which engages staff throughout the year. The process starts during annual budget-making when budget-holders assess the opportunities and threats they face with each major activity they propose for funding in the annual budget cycle.
- 6.2 The Executive Board's willingness to accept different levels of risk will be apparent from its funding decisions. The Board will share its assessment of risks with members of Resources, Audit and Performance Committee when it presents its draft of the budget to the Committee in March each year, and will take account of members' views as it prepares final drafts of the budget for the Authority in the same month.
- 6.3 Reports to support strategic policy decisions, and project initiation documents, will include a risk assessment at whatever point in the budget cycle they are produced.
- 6.4 Risk management will take place through Executive Board and the Resources, Audit and Performance Committee. Risk management decisions will:
 - identify the owner of the risk
 - specify the intended countermeasures
 - record any likely impacts of increasing risk on the Authority's objectives
 - review the status of the corporate and operational risk at the appropriate intervals.

7. The Risk Management Strategy in operation through the year

This strategy shall be reviewed bi-annually by the Executive Board and the Resources, Audit and Performance Committee. The Executive Board shall monitor and ensure that the process for managing risk is being complied with as per this strategy. The overall implementation of this strategy shall be monitored by the Resources, Audit and Performance Committee and through internal and external audit.