Peak District National Park Authority
Risk Management Policy (January 2021)

Purpose of this Document

1.   This Risk Management Policy (the policy) supports one of the core principles in the Authority's Code of Corporate Governance (approved at Authority, May 2009) of 'Taking informed and transparent decisions which are subject to effective scrutiny and managing risk'.

2.   The policy explains the Authority's underlying approach to risk management, documents the roles and responsibilities of Members, Management Team, Chief Finance Officer, Strategy and Performance Team and other key parties. It also outlines key aspects of the risk management process, and identifies the main reporting procedures.

Underlying Approach to Risk Management

3.   The following key principles outline the Authority's approach to risk management and internal control:

   a. Members have responsibility for overseeing risk management within the Authority as a whole;

   b. An open and receptive approach to mitigating risk problems is adopted by Members;

   c. The Management Team supports, advises and implements policies approved by Members;

   d. The Authority makes prudent recognition and disclosure of the financial and non-financial implications of risks in line with its risk appetite;

   e. The Chief Executive, Heads of Service, Team Managers, Project Managers and Strategic Partnership Lead Officers are responsible for encouraging good risk management practice within their designated managed area; and

   f. Key risks will be identified and closely monitored on a regular basis.

Statement of the Authority's Risk Appetite

4.   The Authority will use risk management to achieve its objectives through proactively managing its exposure to risk. It will seek to recognise risk and mitigate the adverse consequences but recognises that, in pursuit of its vision and objectives, it may choose to accept an increased degree of risk in certain circumstances. It will do so, subject always to ensuring that the potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.

Role of Members

5.   Members' role in the management of risk is to:

a. Set the tone and influence the culture of risk management within the Authority, including;

- Determining whether the Authority is 'risk taking' or 'risk averse' as a whole or on any relevant individual issue (the Authority's risk appetite)

- Determining what levels of risk are acceptable and which are not, on the advice of the Management Team, and setting the standards and expectations of staff with respect to conduct and probity

b. Approve major decisions affecting the Authority's risk profile or exposure;

c. Monitor the management of significant risks twice yearly to reduce the likelihood of unwelcome surprises or impact;

d. Satisfy themselves that the less significant risks are being actively managed, with the appropriate controls in place and working effectively;

e. Annually review the Authority's approach to risk management and approve changes or improvements to key elements of its processes and procedures as part of the Annual Governance Statement. (This is the annual review of the Code of Corporate Governance led by the Monitoring Officer (which includes the Chair and Deputy Chair of the Authority which is audited by the External Auditor and approved by the Authority)).

Role of the Management Team (Chief Executive and Heads of Service) and Chief Finance Officer

6.   Key roles of the Management Team are to:

a. Set the overall culture of risk management in the Authority;

b. Take overall responsibility for the administration and implementation of the risk management process within the Authority;

c. Identify and evaluate the significant risks faced by the Authority for review by Members (the Corporate Risk Register);

d. Provide adequate information in a timely manner to Members and its committees on the status of risks and controls;

e. Annually review the Authority's approach to risk management as part of the annual review of the Code of Corporate Governance which is led by the Monitoring Officer and recommend changes or improvements;

    f.   Review and monitor the risks identified in their individual services with their Team Managers and Lead Officers (the Service Risk Registers) including consideration of risks from working with strategic and major delivery partnerships, and escalate risks to the Corporate Risk Register as considered appropriate;

    g.   Annually review the Authority's uninsured and insured risks.

Role of the Chief Finance Officer (statutory responsibility)

7.   The role of the Chief Finance Officer is to:

    a.   Help ensure the effective governance of the Authority by supporting the development of risk management and reporting frameworks and ensuring risks are fully considered;

    b.   Lead on the implementation and maintenance of a framework of financial controls and procedures for managing financial risks ensuring robust systems of risk management and internal control;

    c.   Help promote arrangements to identify and manage key business risks including safeguarding assets, risk mitigation and insurance.

Role of Heads of Service, Team Managers and Lead Officers of major delivery partnerships (for which we are the accountable body)

8.   Key roles are to:

    a.   Take overall responsibility for the administration and implementation of risk management within the Service / Team / Partnership;

    b.   Identify and evaluate the significant risks faced in the Service / Partnership;

    c.   Provide adequate information in a timely manner to Management Team on the status of risks and controls;

    d.   Manage significant risks within the policy guidelines;

    e.   Propose escalation of service risks to the Corporate Risk Register as considered appropriate.

Role of Heads of Service, Team Managers and Lead Officers of strategic partnerships or major delivery partnerships where the Authority is not the accountable body

9.   Key roles are to:

    a.   Undertake an initial risk assessment for the partnership and review on an annual basis with the relevant Head of Service the risks to the Authority associated with being involved in the partnership, to enable identified risks to be incorporated into the Service Risk Register.

b. Review, on a six-monthly basis, with relevant Head of Service any risks that appear on the Service Risk Register relating to the partnership and inform of any risks that should be escalated to the Service Risk Register or the Corporate Risk Register.

Role of the Strategy and Performance Team

10. Key roles of the Strategy and Performance Team are to:

a. Take day to day responsibility for the administration and implementation of the risk management process;

b. Support Management Team and Lead Officers of strategic and major delivery partnerships in managing and monitoring risks;

c. Facilitate the process of consideration of risks onto the Corporate Risk Register every quarter;

d. Report the Corporate Risk Register to the Authority at Q2 and Q4 as part of six-monthly Corporate Strategy reporting;

e. Cascade new and escalated risks to the Authority at Q1 and Q3;

f. Support Management Team in the annual review of the Authority's approach to risk management.

Monitoring and Evaluation of this Policy

11. This policy will be monitored and evaluated annually as part of the Authority's annual review of the Code of Corporate Governance which is led by the Monitoring Officer and reported to Authority with any recommendations for change.

APPENDIX 1: Supporting documentation to the Authority's Risk Management Policy

Key Components of the Authority's Risk Management System

<u>A. Identification of Risk</u>

    a. The Corporate Risk Register

The Authority manages risk at a corporate level through the Corporate Risk Register which is compiled by the Management Team and approved by Authority. It helps to facilitate the identification, assessment and ongoing monitoring of risks significant to the Authority. The document is formally appraised annually, but every quarter emerging risks are reviewed and added as required, whilst current risks are assessed to determine whether the level of risk has been managed down sufficiently to remove the risk from the register. Every six months (at Q2 and Q4), the Corporate Risk Register is presented to Authority. At alternate six months (Q1 and Q3), new and escalated risks are reviewed and cascaded to Authority through an informal process. Improvement actions are also monitored through Authority.

    b. Service Risk Registers

Heads of Service develop and use these registers to ensure that significant risks in their service are identified, assessed and monitored. The document is formally appraised annually by the Chief Executive as part of the service planning process and allows for significant risks to be escalated to the Corporate Risk Register. Risks are added or removed as appropriate and improvement actions to address risks are monitored with Management Team through the six-monthly performance meetings. This allows any emerging significant risks to be escalated to the Corporate Risk Register during the year.

    c. Major project / partnership risk registers

A risk register (following the template for the service risk register) is completed for all major projects which are monitored on a quarterly basis by the project team and the respective Head of Service. If there is a significant risk (red), the project will be put on the respective Service Risk Register.

As stated in the Partnership Policy, the lead officer for each major or strategic partnership will undertake an initial risk assessment of the partnership which is reviewed annually with the respective Head of Service. If there is a significant risk (red), it will be placed on the Service Risk Register.

    d. Insurance risks

The Authority decides on uninsured and insured risks as part of its annual review of insurance arrangements.

B. Monitoring of Risk

a. Six-monthly monitoring

Comprehensive six-monthly reporting (at Q2 and Q4) is designed to monitor key risks and their controls. Decisions to rectify problems, if appropriate, are made at regular meetings of:
  i) the Management Team and Authority for corporate risks,
  ii) the Management Team for service level risks (at the six-monthly performance meetings),
  iii) Project Managers and Heads of Service for major project risks.

At alternate six months (Q1 and Q3), new and escalated risks are reviewed and cascaded through an informal process.

More frequent monitoring may be adopted depending upon the nature of the project.

b. Annual review

An annual review is conducted to:
  i)   support the development of the subsequent year's risk registers (both corporate and service levels) and
  ii)   review the effectiveness of our risk management strategy as part of the Annual governance Statement.

C. Reporting

a. Authority

The Authority Committee receives six-monthly reports on risk and responds to any emerging issues. In addition, the committee receives the Annual Governance Statement. The committee is therefore well-placed to monitor and scrutinise the Authority's system for the management of risk.

b. Six-monthly Performance Meetings

Management Team and other staff, as needed, meet every six months to progress and consider issues relating to risk as part of this meeting and decisions to rectify problems, if appropriate, are made.

D. Assurance

a. Internal Audit Programme

Internal audit monitors the effectiveness of our internal control systems including our management of risk and reports to Authority three times per year.

b. External audit

The External Auditors assess the Authority's arrangements to achieve economy, efficiency and effectiveness in our use of money, time and people

against criteria specified by the National Audit Officer. This includes assessing whether the Authority has adequate arrangements in place for risk management and internal control as part of giving their value for money opinion as reported in the annual governance report from the External Auditors.

c. Other external assessments

We will consider feedback received as part of our ongoing assessment of risk.

d. Annual Insurance Report

Management Team approves annually the insurance arrangements in place to mitigate risks inherent in the Authority's portfolio of property and equipment assets, vehicle operations and potential liabilities arising from officer and member actions.

E. Support

a. Skills and Training

Heads of Service are responsible for ensuring that staff who have responsibility for risk management are familiar with the Authority's risk policy and have the appropriate skills and training to undertake their role.

b. Toolkit

A toolkit of documents that support the management of risk are provided and are included as follows:

i. Risk Register Template
ii. Risk Scoring Guide (defining likelihood and impact levels).