

**REPORT OF THE BUSINESS AND PERFORMANCE MANAGER**

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**SUBJECT:  
RISK MANAGEMENT STRATEGY**

Introduction

The Pembrokeshire Coast National Park Authority has maintained a risk register for several years and monitors and reports the risks to Members at frequent intervals, with both Members and officers becoming more familiar with the process of risk management and the benefits to the Authority. However a clear risk management strategy setting out the roles and responsibilities, reporting and monitoring has never been presented to the Authority.

The attached draft strategy is presented for Members' consideration and comments before being formally adopted.

**Recommendation: Members are requested to APPROVE the Risk Management Strategy.**

*(For further information contact Alan Hare –Business & Performance Manager on ext 4810)*



Pembrokeshire  
Coast National Park  
Authority

Risk  
Management  
Strategy

## PEMBROKESHIRE COAST NATIONAL PARK AUTHORITY

### RISK MANAGEMENT STRATEGY

#### Risk

Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. The objective of risk management is to secure the assets and reputation of the organisation and to ensure the continued financial and organisational well-being of the Authority.

#### Risk Management

Good risk management is about identifying what might go wrong, what the consequences might be of something going wrong and finally, deciding what can be done to reduce the possibility of something going wrong. If it does go wrong, as some things inevitably will, making sure that the impact is kept to a minimum.

Risk management should ensure that an organisation makes cost effective use of a risk framework that has a series of well-defined steps. The aim is to support better decision making through a good understanding of risks and their likely impact.

Risk management should be a continuous and developing process which runs throughout the organisation's strategy and the implementation of that strategy, methodically addressing all risks surrounding the authority's activities past, present and future.

The process of identifying and managing risk increases the probability of success and reduces the likelihood of failure.

#### Our Objectives

The Pembrokeshire Coast National Park authority is committed to establishing and maintaining a systematic approach to the identification and management of risk.

The Authority's risk management objectives are to:

- Ensure that risk management is clearly and consistently integrated and evidenced in the culture of the Authority.
- Manage risk in accordance with best practice.
- Anticipate and respond to changing social, environmental and legislative requirements.
- Consider compliance with health and safety, insurance and legal requirements as a minimum standard.
- Prevent death, injury, damage and losses, and reduce the cost of risk.
- Inform policy and operational decisions by identifying risks and their likely impact.
- Raise awareness of the need for risk management by all those connected with the authority's delivery of service.

These objectives will be achieved by:

- Clearly defining the roles, responsibilities and reporting lines within the authority for risk management.
- Including risk management issues when writing reports and considering decisions.
- Continuing to demonstrate the application of risk management principles in the activities of the authority, its employees and members.
- Reinforcing the importance of effective risk management as part of the everyday work of employees and members.

- Maintaining a register of risks linked to authority's business, corporate and operational objectives, also those risks linked to working in partnership.
- Maintaining documented procedures of the control of risk and provision of suitable information, training and supervision.
- Maintaining an appropriate system for recording health and safety incidents and identifying preventative measures against recurrence.
- Preparing contingency plans to secure business continuity where there is a potential for an event to have a major impact upon the Authority's ability to function.
- Monitor arrangements continually and seek continuous improvement.

## Our Approach

It is essential that a single risk management approach be utilised at all levels throughout the Authority. By effectively managing our risks and opportunities, which is all part of good governance, we will be in a stronger position to deliver our objectives, provide improved services to the public, work better as a partner with other organisations and achieve value for money. This approach to risk management will inform the Authority's business processes, including:-

- Strategic planning
- Financial planning
- Service planning
- Policy making and review
- Performance management
- Project management

For those with responsibility for achieving objectives, there is also the responsibility for identifying and assessing risks and opportunities; developing and implementing controls and warning mechanisms; and reviewing and reporting on progress. The identified risks and relevant control measures will be managed through a Risk Register.

Some objectives could be reliant upon external groups that the authority may work with, such as other organisations, partners, contractors etc. This partnership working could affect the achievement of an objective and therefore the risk management process should be incorporated into partnerships agreements.

The management of risk will become an integral part of corporate policy decisions and the initiation of major projects, which will include a statement on risk to help inform the decision making process.

This will assist members and officers to ensure that new risks are detected and managed, by providing more detail on the process for managing risk, where each stage builds upon the other and provides basic practical guidance on how to identify, assess and treat risks, and monitor their progress. To assist with this approach to risk management and to ensure consistency across the authority, a guidance document on the risk management process has been prepared, which will be reviewed on an annual basis and reported to the Governance and Audit Committee for approval and adoption.

## Roles and Responsibilities

Responsibility for risk management should run throughout the authority. Clear identification of roles and responsibilities will ensure the successful adoption of risk management and demonstrate that it is embedded in the culture of the authority.

<b>Group or Individual</b>	<b>Role</b>
National Park Authority	<p>Oversee the effective management of risk throughout the Authority, and gain an understanding of its benefits, ensuring officers develop and implement an all encompassing approach to risk management.</p> <p>To approve an annual review of the Authority's risk register</p>
Individual Members	<p>To understand the importance of risk management in all that the authority does and to champion the cause of risk management as part of the responsibility of the role of members and to monitor the management of their assigned risks</p>
Audit and Corporate Services Review Committee	<p>Provide independent assurance of the risk management framework and associated control environment. To receive and review regular reports on risks relevant to activities within their terms of reference</p>
<p>Conservation &amp; Planning Review Committee.</p> <p>Recreation &amp; Tourism Review Committee</p>	<p>To receive and review regular reports on risks relevant to activities within their terms of reference</p>
Management Team	<p>Oversee the implementation of the risk management strategy and agree any inputs and resources required supporting the work corporately.</p> <p>Ensure that the risk management process is promoted, managed and implemented effectively in their service areas within the organisation. Liaising with external agencies to identify and manage risk. Disseminating relevant information to service managers and employees and ensuring appropriate training is provided. To review and update the risk register quarterly.</p>
Managers	<p>Raise awareness, manage and implement the risk management process effectively in their service areas, recommending any necessary training for employees on risk management. To ensure the corporate risk register reflects the current state of all risks within their responsibilities.</p> <p>Incorporating risk ownership through the appraisal scheme with employees and share relevant information with colleagues in other service areas.</p>

Employees	Manage risk effectively in their jobs, liaising with their manager to assess areas of risk in their job. Identify new or changing risks in their job and feed these back to their line manager.
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## Monitoring and Reviewing

The risk register is reported in full to the Audit and Corporate Services Review Committee quarterly and the relevant risks to the two service review committees at each of their meetings. Each Authority Member has a monitoring responsibility for specific risks and is informed of any actions undertaken to mitigate the risk and any changes to the level of risk.

The risk register is reviewed quarterly by Corporate Management Team and is a standing item on the monthly Leadership Group agenda. Changes to the levels of risk and actions undertaken are recorded quarterly in the Risk Register database held in the Ffynnon computer system.

## Risk Assessment

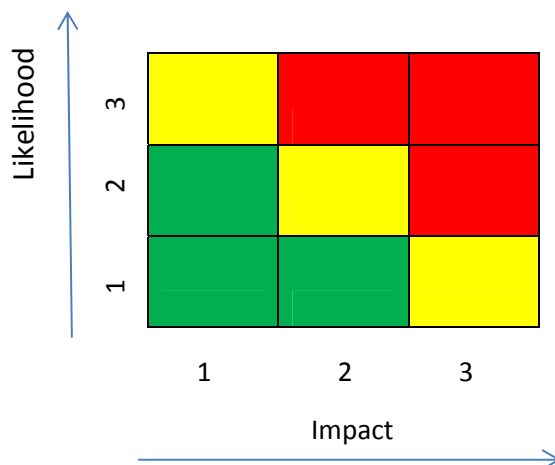
Each identified risk will be scored for its likelihood as

1 = Unlikely; 2 = Possible and 3 = Probable

And for the impact as

1 = Minor, 2 = Moderate and 3 = Severe

To produce a matrix based on the scores.



## Risk Appetite

The risk appetite for scores is as follows

<b>Risk Score</b>	<b>Actions</b>
Green (score 1 - 2)	Minimal Risk – no additional actions required, continue to monitor
Amber (score 3 – 4)	Acceptable risk, but consider further actions to reduce risk where use of additional resources is acceptable and practical
Red (score 6 - 9)	High level of risk – should be managed by Management Team as a matter of priority to reduce risk level