

Risk Management Policy



A group of four independent statutory Land Drainage, water levels and Flood Risk Management Authorities working collectively under a partnership agreement in accordance with section 11(5) of the Land Drainage Act (1991).

Four Independent Boards:

- *Witham First District Internal Drainage Boards*
- *Witham Third District Internal Drainage Boards*
- *Upper Witham Internal Drainage Boards*
- *North East Lindsey Internal Drainage Boards*

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Contents

- 1.0 - Introduction3
 - 1.1 - What is Risk Management:3
 - 1.2 - What does Risk Management look like at WHDB?.....4
 - 1.3 - Risk Appetite.....4
 - 1.4 – Equality, Diversity and Inclusion:.....5
- 2.0 – Risk Management Strategy5
 - 2.1 - The aim of the Boards’ Risk Management Strategy is to effectively manage5
 - 2.2 – Strategy: How Witham and Humber Drainage Boards will achieve the aims.....6
 - 2.4 – Continuous Improvement6
- 3.0 – Risk management statement of intent.....8
- 4.0 - Glossary / Definitions9
- 5.0 - Legislation9
- 6.0 - Main policy.....9
 - 6.1 Arrangements for roles and reporting lines9
 - 6.1.1 – Board Members9
 - 6.1.2 – Chief Executive and Senior Management Team (SMT) 10
 - 6.1.3 – Risk Manager 10
 - 6.1.4 - Operational / Supervisors / Foremen (line managers) 10
 - 6.1.5 – All Staff members..... 11
 - 6.1.6 – General risk management reporting lines 11
 - 6.2 - Skills and Expertise 11
 - 6.3 - How we embed risk management 11
 - 6.4 - Risk management and the decision-making process 12
 - 6.5 - Risk management for low and medium (BaU) risks 12
 - 6.6 - Supporting innovation and improvement 12
 - 6.7 - Risk Control 13
- 7.0 - Document review: 13
- 8.0 - Supporting documents and forms (Annex) 14

1.0 - Introduction

This Policy forms part of the governance systems of the IDBs. It outlines the 4 Boards' approach to managing risks in undertaking our activities, as well as external risk which may affect the activities completed by or on behalf of the Boards.

In all organisations there is potential for events and consequences to occur which may be opportunities for benefits or threats to success. Internal Drainage Boards are no different, with risk management being increasingly recognised as a central requirement underpinning strategic management.

Risk management is not just about managing finances but includes achieving the Boards' strategic objectives and delivering a high-quality public service.

Failure to manage risk effectively can be expensive in terms of litigation, reputation as well as hidden costs such as the ability to achieve targets. Ultimately, it impacts upon the level of Drainage Rates and Special Levies.

To mitigate this, the Boards keep under review and where required strengthen corporate governance arrangements, which in turn improves our stewardship of public funds and provides positive and continuing assurance to ratepayers and Councils paying Special Levies. The Boards consider risk as part of day to day, and the Corporate Risk Register provides details of the risks within the Boards.

This Risk Management Policy is designed to be a live document, which can be reviewed and updated at any time, e.g. when the periodic review is due or if new risks are identified, or existing risks change. The Corporate Risk Register [CRR] provides information on the potential impact, and the rating of risks.

1.1 - What is Risk Management:

Risk Management is a management tool which supports the governance system within the Boards, as the Boards are smaller public authorities.

When applied, risk management can be beneficial by helping to achieve objectives and deliver intended outcomes.

It supports Senior Managers to demonstrate good governance, shared understanding of risk profiles, and better mitigate risk.

Some potential benefits of risk management include:

- Setting risk culture
- Enabling risk taking in chosen areas

- Reputation protection
- Improved operational efficiency
- Better mitigation of key risks
- Potential for increased ability to secure funding
- Maximizing opportunities
- Reduced losses from workplace accident and illnesses
- Demonstration of good governance
- Achievement of organizational objectives
- Better delivery of intended outcomes
- Protection of budgets from unexpected financial losses
- Increased effectively of change projects and programs
- Protection of assets.

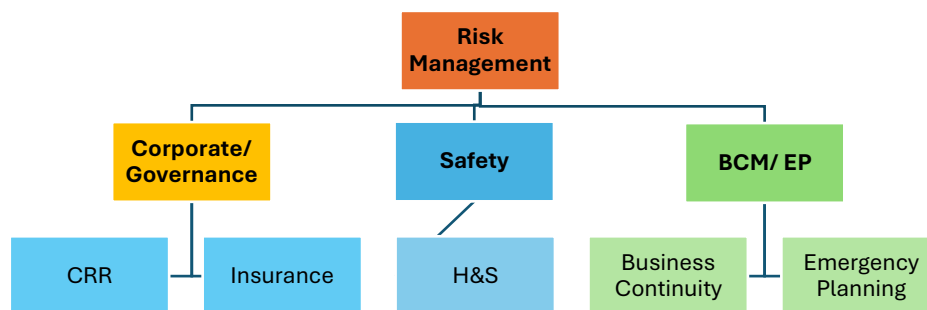
1.2 - What does Risk Management look like at WHDB?

Risk management can be applied in many ways, and each organisation will potentially change the way risk is managed based on many factors.

At Witham and Humber Drainage Boards (WHDB) risk management is intended to provide accountability for risk management, bolster resilience to the risks faced and account for the full spectrum or foreseeable risks which may affect the Boards.

Risk is a holistic and large topic area, and within the Boards, risk management is further broken down into topic areas. Each of the topics having their own Policy, procedure/strategy and supporting documents as appropriate.

Below is an organogram for risk management within the Boards.



1.3 - Risk Appetite

The risk appetite and tolerance are defined by “Orange Book Risk Appetite Guidance note October 2020” as “the level of risk an organisation aims to operate at.”

In deciding risk appetite and tolerance within the risk topics identified, the Boards will be able to:

- Prioritise risks for mitigation more effectively
- Better allocate resource
- Demonstrate consistent and robust decision making around projects and programs initiations.

Risk appetite changes over time. This may be due to factors such as changes to the level of funding or relevant legislation. It is also normal that risk appetite may vary across different risk categories, and risk appetite should be formally reviewed annually and after any major significant change.

The risk appetite is detailed and confirmed for Witham and Humber Drainage Boards in the Corporate Risk Register.

1.4 – Equality, Diversity and Inclusion:

This Policy document is written to meet the requirements of the Legislation within England.

It does not discriminate against people based on age, disability, family status, gender reassignment, race, religion or belief, sex or sexual orientation, as defined as protected characteristics within the Equalities Act 2010. It is applied to meet the laws within England at the time of writing.

2.0 – Risk Management Strategy

2.1 - The aim of the Boards' Risk Management Strategy is to effectively manage potential risks to the Organisation to ensure:

- Integration of risk management into activities across the organisations to support policy making, planning, and decision-making processes.
- Chances of adverse events, including incidents and risks, are minimised to reduce organisational risk to the lowest levels practicable.
- Risk Management is integrated to the culture of the Boards.
- Raising awareness of the need for Risk Management within the Boards.
- The Boards can anticipate, respond to and react to changing situations for social, environmental and legislative conditions.
- Minimising injury, damage, loss and inconvenience to our staff, members of the public and our Stakeholders – out of or in connection with the delivery of the Boards' services.

- A robust framework for the identification, analysis and assessment to support the management of risk, and the reporting and recording of events, based on best practise.
- Minimising the costs of adverse risk, to ensure that Public monies are spent where needed.

2.2 – Strategy: How Witham and Humber Drainage Boards will achieve the aims

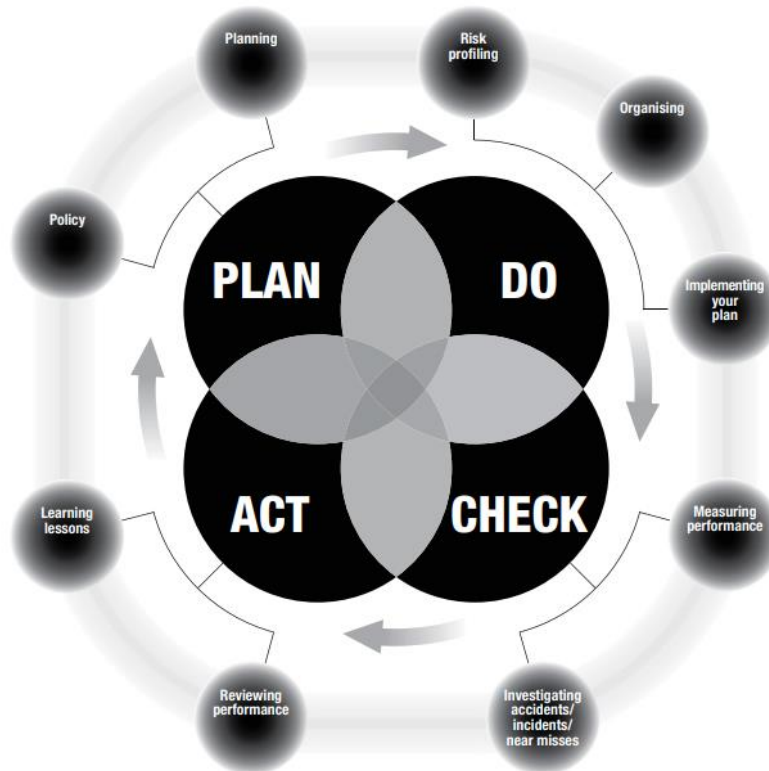
- Establish accountabilities, roles and reporting lines for our employees
- Acquire and develop necessary skills and expertise to understand risk management.
- Use risk management and risk assessment for decision making processes
- Develop a resource allocation framework to allocate (target) resources for risk management
- Develop procedures and guidelines for use across the Boards
- Develop arrangements to measure performance or risk management activities against the aims and objectives
- Make partners and service providers aware of the Boards’ expectations on risk, both generally as set out in this Policy and where appropriate in particular areas of the 4 Boards’ operations.

2.4 – Continuous Improvement

Continuous improvement is a fundamental part of managing risks within any organisation as it allows for learning arising from the ongoing review and improvement.

All risk follows the general principles of HSG 65 Managing for Health and Safety and follows an ongoing principle of *review, reflection and improvement*. It is not a ‘one-off’ process, but part of a living, breathing and holistic approach to risk management and embedded in a modern organisation.

Plan, Do, Check, Act should not be seen as a once-and-for-all action:



All policies and procedures require to be reviewed and updated at periodic intervals, which for policies and procedures relating to risk is at least 3 yearly. However, more frequent reviews and updates may be required based upon new management, new processes, new legislation or changes to overarching Government guidance. The Corporate Risk Register, is reviewed and updated at least annually.

Following ongoing improvement changes will be documented, either as part of the document /version history, or for large scale events or situations with a standalone ‘lessons learned’ reflective exercise and log created.

Continuous improvement will support the Boards to learn from past events either within our Boards or learning from others such as shared learning by the Government or from other Internal Drainage Boards/partnerships.

The purpose of learning and continuous improvement is not to apportion blame where events could have been managed in an alternative way, but to encourage discussion, listening and learning to identify future risks to the Boards and improve controls in place.

3.0 – Risk management statement of intent

At Witham and Humber Drainage Boards, we recognise risk management as a vital activity, that underpins and forms part of our vision, values and strategic objectives, (including operating effectively and efficiently), as well as providing confidence.

Risk is present in everything we do, and it is our policy to identify, assess and manage key areas of risk on a proactive basis. We seek to embed risk management in operational and development of the Witham and Humber Drainage Boards. Risk management needs to be embedded throughout all processes, projects and strategic decisions. This includes procurement and contracting, and we will ensure partnerships and third-party relationships are fully compliance with the risk management policy and strategy of our organisations.

The aim of our risk management framework is to be fit for purpose, reflect our size and the nature of our various operations, and use our skills and capabilities to the full. Risk management is most effective as an enabling tool, so we need a consistent, communicated and formalised process across the four Boards.

It is important to define the level of risk exposure the Boards consider acceptable for the organisation. This creates a clear picture of which risks will threaten the ability of the four Boards to achieve their objectives and shapes the risk appetite.

The risk management policy statement and supporting documentation form an integrated framework that supports the Witham and Humber Drainage Boards in managing the four Boards' risk effectively. In implementing our risk management framework, we provide assurance to all stakeholders that risk identification and management plays a key role on the delivery of our strategy and related objectives.

We will involve, empower and give ownership to all staff to identify and manage risk. Risk management activity will be regularly supported through discussion and appropriate action by senior management. This will include thorough review and confirmation of significant risks, evaluating mitigation strategies and establishing supporting actions to reduce them to an acceptable level. Managing risks will be an integral part of both strategic and operational planning and the day-to-day running, monitoring, development and maintaining of the four Boards in the Witham and Humber Drainage Board partnership.

4.0 - Glossary / Definitions

Word/ term	Definition
Risk	Effect or uncertainty of objectives.
Risk Management	Coordinated activities to direct and control and organization with regards to risk
Risk Appetite	The amount of risk to the organisation, or subset of it, it is willing to accept.
Risk Register	A basic, ongoing working document that records the risk identification, assessment and sometimes action planning process.
Stakeholder	An individual, group or organisation that can affect, be affected by, or perceive itself to be affected by risk.

5.0 - Legislation

- Health and Safety at Work etc Act 1974
- Health and Safety at Work Regulation 1999

6.0 - Main policy

6.1 Arrangements for roles and reporting lines

There are no specific and set structures applied within the remit of risk management due to the unique nature of organisations. However, the following key roles and responsibilities are in place for the Boards:

6.1.1 – Board Members

- Support the key risk reviews of the Corporate Risk Register, with Senior Management advice.
- Raise any strategic risk management queries
- Review key risks presented at Board meetings

6.1.2 – Chief Executive and Senior Management Team (SMT)

- The Chief Executive is responsible for the 4 Boards' risk management strategy, including the Health, Safety and welfare policies and procedures. As part of the governance arrangements, lead responsibilities are defined in individual roles.
- The Director of Finance & Governance is SMT lead for the Risk Management and CRR.
- Whilst all employees are responsible for Health & Safety, the SMT lead for Health & Safety is the Director of Operations.
- Review risk management policies/framework to ensure it meets the Boards' objectives.
- Agree the Boards' risk appetite.
- Review the key risks across the organisations, considering their importance against strategic objectives and action further controls.
- Allocate sufficient resources to address the top risks (on Corporate Risk Register).
- Report to the Board on key risks and controls.
- Continue to support a culture where risk management is promoted, facilitated and appropriately undertaken by the organisations.
- Champion risk management activities, e.g., awareness training of colleagues.

6.1.3 – Risk Manager

- Co-ordinates the organisations' risk management activities.
- Develops and maintain the risk management policy, strategy, framework, methodologies and tools.
- Highlights new, worsening or significant risks to the Chief Executive and SMT for their attention, review and action.
- Assist in the delivery of the risk management process and aggregation of risk profiles over the Boards.
- Provide risk management guidance, training and advice as required.
- Provide a link between risk management and other related disciplines, e.g., insurance, business continuity, emergency planning, health and safety and security.
- Promote and share best practice risk management across the 4 organisations.

6.1.4 - Operational / Supervisors / Foremen (line managers)

- Manage risk effectively in each area of responsibility.
- Complete appropriate risk management processes and risk reporting procedures.
- Complete, track and monitor the progress of actions plans.
- Note - Each topic policy and procedures will provide specific detail.

6.1.5 – All Staff members

- Understand and comply with risk management policies and procedures of the Boards.
- Monitor work on an ongoing basis and raise any new or emerging risks as required.

6.1.6 – General risk management reporting lines

- In most cases, risk management follows existing service and departmental management structure and arrangements.
- The strategic risk is considered holistically with the Joint Services Team (who work for all four Boards) to consider the strategic level risk.
- If and where a significant and or strategic risk is identified, but not for all of the 4 Boards, this will still be reviewed and where appropriate managed, and either included on the CRR or as Business as Usual.

6.2 - Skills and Expertise

Each Board, and the Joint Services Team (mainly the office based and Operational management team) are responsible for ensuring that the Boards have the relevant skills and experience necessary to undertake risk management.

Relevant skills and experience do not require formal qualifications, but transferable skills and or experiences to allow for holistic review of strategic risks to be completed.

Where risks are Business as Usual these are usually managed via standard risk assessment processes and supporting policies, procedures and safe systems of work.

Skills and experience for those involved in the risk management review process will include but are not limited to those with experience in:

- Partnership working
- Project management
- Operation of the Boards' vehicles and equipment
- Manual tasks
- Health, Safety and Wellbeing

6.3 - How we embed risk management

Risk management is not a stand-alone process. It is incorporated into what we do and how we deliver our services.

Risk is considered from the planning of works to ensure that both strategic and operational risks can be considered, to ensure any required controls can be arranged prior to works starting to mitigate and reduce any risk which may be present. The consideration and

application of risk and the management of risk during the whole process, is part of positive management within the Boards.

6.4 - Risk management and the decision-making process

As part of embedding risk management, risk is addressed at points where decisions are being taken. Where Members and Officers are asked to make decisions, they should be advised of the risk associated with recommendations being made.

Boards will need to demonstrate that they took reasonable steps to consider the risks involved in a decision.

There needs to be balance between efficiency of the decision-making process and the need to address risk. The terminology of 'reasonably practicable' supports this process. All significant decisions by each Board (including new and amended policies and strategies) should include an assessment of risk to demonstrate that risks, both threats and opportunities, have been considered and where required these have been addressed.

Risk Assessments will include:

- Assessment of Impact
- Assessment of Likelihood

The CRR considered and provides details of the risk assessment matrix.

Whilst this process does not guarantee that decisions will always be correct, it will demonstrate that the risks have been considered and provide evidence to support this.

6.5 - Risk management for low and medium (BaU) risks

The CRR provides further details but assessed Low and Medium risks are managed locally by the relevant department as BaU.

High and Very High risks are determined to be significant and therefore are included on the CRR which will be regularly submitted to Boards for review.

6.6 - Supporting innovation and improvement

There are many ways to support innovation and improvement, when considering risk within activities such as:

- Workshops
- Tabletop scenario planning
- Analysis of past claims or losses
- Analysis of historic incidents or failures

- Health and safety inspections, audits, reports
- Induction training
- Performance reviews and developmental reviews
- Feedback from the public or other organisations.

6.7 - Risk Control

To allow the Boards to manage their risk and ensure that it is controlled to the lowest practicable level, the following control measures are in place:

- Take steps to identify and update key risk facing the Boards
- Evaluate the potential consequences to the Boards if an event identified as a risk happens
- Decide upon appropriate measures to avoid, reduce or control the risk or its consequences

This is completed by the completion and documentation of:

- Corporate Risk Register
- Boards' Policies and Procedures
- Health and Safety risk assessments for operational activities
- Inductions
- Staff Leaver interviews
- Accident, incident and or near miss investigations and reporting
- Complaint investigations
- Periodic reviews of processes in place.

7.0 - Document review:

Version	Date	Reviewed by	Changes	Approved by/ date
1.0	All Previous	Director of Finance & Governance	<ul style="list-style-type: none"> • Policies – 3 stand-alone • Reviewed and approved 	
2.0		Risk Manager	<ul style="list-style-type: none"> • Document control added • Policies combined to 1 document • General updates to wording • Updated lay out • Supporting information/ appendices added?? 	

This policy is due for review at 5 yearly intervals, unless a review is required before e.g. change to management, process or anything which may affect the contents of this policy.

8.0 - Supporting documents and forms (Annex)

No additional or supporting documents.

Corporate Risk Register (CRR) is a stand-alone document.