Kilkenny County Council
Risk Management Policy

Risk Management is an integral part of policy, planning and operational management of the Council and is embedded in our management arrangements and processes.

Kilkenny County Council works within the Governance Principles & Governance Framework (December 2015) developed by the County & City Management Association (CCMA), the Association of Irish Local Government (AILG) in conjunction with the Institute of Public administration (IPA). Regard is also had to the Risk Management Guidance for Government Departments and Offices issued by Department of Public Expenditure and Reform (February 2016).   It is recommended that each state body should develop a Risk Management Policy. The purpose of this Policy is to provide a framework for Kilkenny County Council's Management Team to identify, assess and rate risks, and to develop strategies to deal with risks so as to provide reasonable assurance that the Council's goals and objectives will be achieved.

The primary risk management objectives of the Council are:

- ✓ *The integration of risk management within our business processes*
- ✓ *Management of risk in accordance with best practice*
- ✓ *Raising awareness of the need for risk management within all areas and all levels of the Council*
- ✓ *Delivery of risk management in an effective manner without creating excessive administrative demands.*

What is risk management?

Risk management means having in place a corporate and systematic process for evaluating and addressing the impact of risks to the organisation in a cost effective way and having staff with the appropriate skills to identify and assess the potential for risks to arise.

Risk management is a process of clearly defined steps, which support better decision making by contributing a greater insight into risks and their impacts. Risk management can also be defined as the process of assessing and measuring risk and developing strategies to manage the risk. Risks with the most significant impact and the highest probability of occurring should be given the highest priority while risks with lower probability of occurrence and lesser impact can be given lower priority. Risk management is not simply about managing risks, it is also about identifying and taking opportunities.

Risk management can bring some benefits including:

- ✓ *Transparent processes and application of best practices*
- ✓ *Improved public accountability*
- ✓ *Increased quality and efficiencies*
- ✓ *Promotion of innovation*
- ✓ *Immediate risk prioritisation and awareness.*

Definitions and categorisation of risk

Risk can be defined as the probability or threat of damage, injury, liability, loss, or
any other negative occurrence that is caused by external or internal vulnerabilities,
and that may be avoided or mitigated through pre-emptive actions. Risks by their nature,
may or
may not occur and fall into a variety of categories.

In a general business context, the four most common risks are:

- *Financial*
- *Operational*
- *Reputational*
- *Strategic*

Kilkenny County Council has identified the following categories of risk:

- *Budgetary & Financial*
- *Communication*
- *Health & Safety*
- *Leadership*
- *Legal & Regulatory*
- *Operations/Way of Working*
- *Personnel*
- *Policy & Operational*
- *Reputation*
- *Stakeholder*
- *Strategy/Projects*
- *Technology*

Roles and responsibilities

Management Team

The Management Team has responsibility for the oversight of risk management in
the Council. It will ensure that risk management is an integral and on-going part of
the management processes and day-to-day business of the Council and will continue
to facilitate and embed risk management strategies into the management processes
of the Council. The Management Team will also identify annually the high level
corporate risks for the Council.

Directors of Service & Head of Finance

Directors of Services and the Head of Finance have responsibility for ensuring that the
Council's risk management processes are implemented within their directorates. They will
ensure that control measures for risk mitigation are operating satisfactorily in their
areas and that these measures are reviewed on a regular basis. They will also ensure
that Risk Registers for their directorates are updated regularly.

Staff

Individual members of staff are responsible for:

- ✓ *Proactively identifying risk issues and bringing these to the attention of management*
- ✓ *Ensuring that all risks are identified and reported in a timely and effective manner.*

Staff members who are identified in the Risk Register as the owner of an individual risk will be responsible for ensuring that the risk is managed and the controls and required action are implemented as required.

Audit Committee

In line with the functions of the Audit Committee as set in the Committee's Audit Charter, the Committee will evaluate the scope and effectiveness of the framework established by management to identify, assess, monitor and effectively manage risk. The Committee will review the corporate risk management policy and receive presentations from management on corporate, directorate, divisional and sectional risk registers.

Risk Register

The Council's Risk Register serves as the primary tool for risk tracking, containing the overall system of risks and the status of any risk mitigation actions. Entries in the Risk Register contain a description of the risk, its location within the organisation, its category, the likelihood of its occurrence and its impact rating should it occur and the risk prevention controls and actions required to manage the risk. It will also identify the owner(s) of the risk within the Council.

The Risk Register will be reviewed and updated within each directorate on an ongoing basis and it will be formally reviewed by the Management Team on a quarterly basis.