

# **Rotherham Metropolitan Borough Council**

## **Risk Management Policy and Guide**

(Revised January 2017)



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# **Rotherham Council: Risk Management Policy 2017**

## **1. Introduction**

- 1.1 Risk management is about managing threats and opportunities. By managing the Council's risks effectively we will be in a stronger position to deliver the Council's objectives.
- 1.2 This Policy commits to the application of risk management within the Council's planning and business processes and its organisation culture. It should be read in conjunction with the Risk Management Guide, which shows in practice how effective risk management will be achieved.

## **2. Corporate Improvement Plan**

- 2.1 The Corporate Governance Inspection (CGI) highlighted the need to strengthen and embed risk management across the organisation. This Policy and the supporting Guide recognise the context described in the CGI report. Commissioners appointed by the Secretaries of State for Communities & Local Government and Education produced an improvement plan in May 2015 that was agreed by the Council. This plan included a requirement for reviewing, refreshing and re-launching risk management arrangements and these elements have now been delivered. Although risk management does not specifically feature in the Phase 2 Improvement Plan, its effective operation is fundamental to the successful delivery of that Plan.
- 2.2 This Policy and Guide are a key part of supporting effective risk management at Rotherham Council.

## **3. Approach to Managing Risks**

- 3.1 Rotherham Council recognises that risk management is an integral part of good governance. Managing our risks effectively contributes to the delivery of the strategic and operational objectives of the authority. To do this:
  - We will incorporate the principles of effective risk management into existing planning and management processes, including major projects and partnerships, to achieve a degree of formality and consistency.
  - Risk management will be linked to and inform decision making across the Council.
  - We will provide appropriate training and guidance for Council Members and staff so they can carry out their roles relating to risk management
  - We will promote a risk management culture throughout the organisation and with our partners.
  - The Council's Audit Committee will have a clear role of holding the organisation and its Members and managers to account for their management of risks.

## **4. Risk Appetite**

- 4.1 Risk appetite is the degree to which the Council is willing to accept risk in the pursuit of its objectives. In order for the Council to achieve its objectives, some amount of risk taking is inevitable. The awareness of risk and the appropriate

management of it can lead to the realisation of opportunities. In this respect, risk is not perceived as a negative concept.

- 4.2 Decisions will depend on the nature of the risk, the potential losses or gains, and the quality of information available pertaining to the risk in question. The Council may choose to accept risks that cannot be mitigated or reduced, but should always be able to justify its decisions based on the risk information available. The Risk Management Guide includes more detail on the Council’s definition of risk appetite which is key to determining which risks should be accepted and which should be mitigated or reduced.

**5. Roles and Responsibilities**

- 5.1 Clear roles of responsibility have been established for the successful implementation of the Council’s Risk Management Policy. These roles are outlined in the Risk Management Guide.

**6. Monitoring, Reviewing & Reporting Risks**

- 6.1 Strategic risks will be monitored at Corporate level and operational risks will be monitored and reviewed at Directorate level. Risks may be promoted and demoted as part of the review processes, enabling the Council to effectively react to changes in priorities and/or risks.

**7. Review**

- 7.1. The Risk Management Policy and Guide will be reviewed on an annual basis to incorporate lessons learned, to accurately reflect the Council’s position and to continually improve its risk management arrangements.

----- <b>Councillor Chris Read, Leader</b>	----- <b>Date</b>
----- <b>Councillor Ken Wyatt, Chair, Audit Committee</b>	----- <b>Date</b>
----- <b>Sharon Kemp, Chief Executive</b>	----- <b>Date</b>

## **Rotherham Council: Risk Management Guide 2017**

### **8. Introduction**

- 8.1 Rotherham MBC recognises that risk management is a principal element of good Corporate Governance. Effective risk management supports and underpins achievement of the key objectives set out in the Council's Corporate Plan, which in turn aims to improve the quality of life and services for all local people.
- 8.2 Commissioners, members and employees are expected to play an active and positive role in embedding risk management in all activities and in the organisation culture.
- 8.3 This Risk Management Guide provides a step by step approach to the Council's delivery of effective risk management. The Guide should be read in conjunction with the Risk Management Policy.
- 8.4 The Guide introduces the concept of risk and risk management, explains the general principles of risk management and clarifies the approach to and ownership of risk management within Rotherham Council.
- 8.5 This Guide highlights how risk management can be approached by each service area within the Council, and provides guidance on completing the individual stages of the risk management process to help services to identify, evaluate, manage, monitor and review risks.

### **9. Risk and Risk Management**

- 9.1 A risk can be broadly defined as an event that, should it occur, will impact on the delivery of strategic or service objectives. Risks can be identified by posing three questions:

- What could go wrong?
- Would it prevent you from delivering your objectives?
- What would the impact be on your service?

An opportunity can be defined as an uncertainty that could have a favourable impact on objectives or benefits.

- 9.3 Risk management is the process by which we identify, evaluate and manage risks and opportunities. It is a positive process that can help the Council achieve positive outcomes from the decisions it makes.
- 9.4 Risk management should not simply be a process of identifying the negatives of why a decision, action or opportunity should not be taken as this can lead to a failure to pursue opportunities. Risk management, if used effectively, can help the Council to pursue innovative opportunities with higher levels of risk because exposure to risk is understood and managed down to acceptable levels.
- 9.5 Every organisation manages risk on a daily basis but not always in a way that is visible, repeatable and consistently applied throughout the organisation. A risk management process tries to ensure that the organisation undertakes cost-effective actions to manage and control risk to acceptable levels, through everyone following a well-defined and structured process. The aim of risk management is to enable better decision making, by having the best understanding of the potential problems before they happen and to enable pre-emptive action to be taken.

## 10. Objectives of Risk Management

10.1 The Council's risk management objectives are to:

- Promote a culture of risk management at all levels to inform all strategic and operational decision making and planning
- Ensure the Council successfully manages risks and opportunities corporately, operationally and within projects and partnerships
- Ensure that all parties understand their roles and responsibilities in the implementation of effective risk management
- Ensure that risk management makes an effective contribution to Corporate Governance and a satisfactory Annual Governance Statement
- Provide simple, intuitive processes to assist in the identification and prioritisation of risk and the appropriate allocation of resources
- Incorporate the principles of effective risk management into all planning and management processes to achieve consistency of approach
- Provide appropriate training and guidance for all parties involved in risk management roles, to enable them to fulfil their responsibilities and ensure the benefits of good corporate governance are realised
- Encourage the identification and sharing of potential or emerging risks so that risk prevention measures to be formulated as necessary
- Regularly consult with Members and officers in order to maintain a continuous review of the effectiveness of risk management processes.

10.2 The Council recognises it is not always possible, nor desirable, to eliminate risk entirely, and so has comprehensive insurance cover that protects the Council from significant financial loss following any damages or losses.

## 11. Approach to Risk Management

11.1 The risk management approach is based on good practice and can be applied at all levels of the organisation. It describes the key steps for identifying and managing risks within the Council. The approach intends to promote risk management as a positive process. It can bring value and benefit to each service area within the Council, by helping to identify and deal with issues before they happen.

11.2 Rotherham MBC utilises a five step approach in the identification and treatment of risks:



### **11.2.1 Step 1: Identify Risk – the identification of risk and its consequences.**

It is important that all members of staff are involved in the risk management process. Managers should ensure that there is a process in place for employees to actively report risks as and when they arise, or when the profile or size of any risk changes. Risk should be on the agenda of all team meetings at any level in the organisation and also included and recorded in Performance Development Review discussions.

There are a number of ways that managers and staff can identify their risks. These include:-

- **Risk Workshops** – involve all stakeholders and ensure that the forum allows open and honest discussion. It is important to allow workshops to be as open as possible with no fear of come back. All initial ideas should be recorded and then reviewed one by one.
- **One to one meetings** – with staff who are involved in the delivery of the service within the Council.
- **Corporate Performance Management Process** – the corporate performance management process and those operating in each directorate and service area are important systems for identifying emerging risk – any risk identification process should take account of current performance information.
- **Learning from experience** – compare risks from similar operations – both internally and within peer groups at other authorities. Utilise any findings from recent reports by Internal Audit, regulatory bodies or Health and Safety teams; accident and incident reports; complaints; insurance claims etc.

A starting point for the identification of risk should be to examine the Council's priorities and key objectives and those identified within service plans.

The focus should then be on identifying risks (or opportunities) that are most likely to affect the performance and delivery of the Council's and/or services' priorities and their consequences. Any risks should also be identified in narrative performance reporting and Improvement Plan reporting.

When recording risks on the relevant Risk Register, each risk should be clearly linked to a Corporate Outcome in the Corporate Plan (if a Strategic Risk) or a Service Plan Objective (for Directorate or Service Risks). Each risk should also be allocated its own unique reference number when it is entered in the relevant risk register. At this stage the risk register (an example of which is included at Appendix A) should include:

- The unique risk number
- A description of the outcome we are trying to achieve (preferably linked to either the Improvement Plan or the Corporate Plan)
- A description of the risk itself

### **11.2.2 Step 2: Evaluate Risk – the Assessment of the risk, based on probability of occurrence and potential impact.**

The primary goal in this step is to understand the effect of the identified risks and opportunities on the achievement of objectives or delivery of service plans.

In order to decide which risks are most important and merit most attention, there needs to be some way of comparing risks relative to each other. Using a score to rate risks provides a quantitative basis for comparison and can be achieved by assessing the risk along two dimensions:

- The **likelihood** (or probability) that the risk will occur
- The **impact** (or severity) that the risk will have if it occurs.

The first evaluation should be undertaken on the 'inherent risk' i.e. the risk before any control measures have been put in place. This is to ensure that all significant risks are highlighted and assurance provided that these risks are being managed.

If risks are only assessed after controls have been put in place, known as the 'residual risk', this would be assuming that the controls would always be in place and operating, which may not be the case. Consequently, controls also need to be identified, monitored and reviewed.

Both the inherent and residual risk scores are calculated using the following equation:

$$\text{Likelihood score} \times \text{Impact score}$$

The Council has adopted a 5 x 5 risk matrix, as defined below.

LIKELIHOOD	Almost Certain 5	5	10	15	20	25
	Very Likely 4	4	8	12	16	20
	Likely 3	3	6	9	12	15
	Possible 2	2	4	6	8	10
	Unlikely 1	1	2	3	4	5
		Insignificant 1	Minor 2	Significant 3	Major 4	Catastrophic 5
IMPACT						

The Council's definitions of the Risk Scores are included at **Appendix B**. These definitions should be used as a guide to enable risks to be scored consistently across the Council.

The Council's risk register at Appendix A includes the following items which should be assessed at Step 2:

- The consequences of the risk should it happen
- The control measures that are already in place
- The "mitigated" risk score (i.e. the score after existing controls have been applied)

Note that, in the interests of simplicity, the Risk Register does not currently include a space for recording the "inherent risk"



### **11.2.3 Step 3: Management – the identification of control measures required and the allocation of appropriate Action Managers.**

Once the risks have been identified and assessed, additional appropriate management action needs to be taken. The 'Four Ts' is the generic approach that can be used when planning how to manage a risk or opportunity:

- **Tolerate** - The risk is accepted making limited, if any, efforts to mitigate it or reduce its likelihood / impact. This may be because the cost of mitigation exceeds the consequences of the risk.
- **Transfer** - The risk rating is reduced by transferring the risk to a third party by changing contractual terms. Typically this would mean the Council discontinuing the activity that gives rise to the risk, and sub-contracting / outsourcing that activity to another organisation. Alternatively, the Council can limit the consequences by obtaining insurance cover above acceptable levels of risk.
- **Treat** - Actions will be taken to reduce the risk, possibly by putting in additional controls.
- **Terminate** - The activity that gives rise to the risk will cease, be avoided or altered, thus eliminating the risk.

The Council determines the appropriate approach to addressing identified risk with reference to its risk appetite. In general terms, risks that have a score equal to or lower than the appropriate risk appetite will be tolerated and monitored. Risks that exceed the risk appetite will be subject to further controls/action (either transferred, treated or tolerated).

The Council's current expression of Risk Appetite is included at **Appendix C**. Any risk score should be compared to this expression before determining what action should be taken,

, It is critical that each risk is allocated an Owner who has ultimate responsibility (accountability) for the risk. The owner should be included in the Risk Register by both name and job role. The role of the Owner involves regularly monitoring the risk status and adjusting risk ratings accordingly, based on current information / intelligence and knowledge.

Mitigating actions (**Control Measures**) will need to be developed in order to effectively manage the risk, allocated to appropriate Managers and monitored regularly for compliance / implementation by the Risk Owner. Additional actions should include a timescale for their completion/implementation and this should be included on the Risk Register.

It is also possible that risks in one service area can have an impact on other areas of the organisation. It is important to be aware that actions to manage a risk in one area may create or increase a risk in another area. Consideration and communication of any possible impacts on other areas is essential.

At this stage the Risk Register will have in addition:

- The additional management action planned to bring the risk within the Council's appetite
- Target Score once the additional action is included

- Cost of the risk and the cost of the controls
- The name and job role of the designated risk owner

#### **11.2.4 Step 4: Monitor Risk – ensure the controls measures are working effectively or amend accordingly.**

This is a key stage of the risk management process. Risk Owners should ensure that the identified Control Measures are working effectively. In doing so, it may be useful to ask the following questions:

- **Have the chosen control measures been implemented as planned?**
  - Are the identified Control Measures in place?
  - Are these measures being used properly?
- **Are the chosen Control Measures working?**
  - Have the changes made to manage exposure to the assessed risks resulted in what was intended?
  - Has exposure to the assessed risks been eliminated or adequately reduced?
  - Have there been any 'near misses' and have any 'lessons learned' been applied?
  - Do any new controls need to be introduced?
- **Are there any new problems?**
  - Have the implemented control measures introduced any new problems?
  - Do the existing controls need to be reviewed and updated?

It is necessary to monitor and to report on the progress in managing risks so that the achievement of objectives is maximised and losses are minimised. In addition, the effectiveness of risk management controls to reduce the likelihood / impact of adverse risks occurring needs to be assessed and alternative controls introduced if the identified controls are proving ineffective.

When reviewing registers / risks it should also be ensured that the risk scores are still accurate. Are the red rated risks still red and the green rated risks still green? The focus should always be on **all** risks and not just on red or amber rated risks with the aim of identifying and preventing any risks from becoming a high (red) risk issues.

#### **11.2.5 Step 5: Review & Report – Regular review of risks by Risk Owners to ensure continued validity. Report risks to the appropriate level of management and / or forum.**

Corporate and service priorities will change over time. These changes may affect risks and opportunities and, therefore, need to be reviewed regularly by asking the following questions:

- Are my risks still the same?
- Are there any new risks arising?
- Has the risk been controlled effectively by the action taken to reduce or eliminate it?
- Has the action (or lack of actions) affected the overall impact (score) of the risk?
- Are there any other controls required? If so, what are they?

Risk registers should be live documents and changes should be updated promptly. The Risk Register at **Appendix A** includes a column to record to the next planned review date. Any risk with a rating of Amber or Red should be monitored at least monthly.

Risk management should be included as an agenda item on Directorate Management Team meetings at least monthly.

The Strategic Risk Register is reviewed six weekly. Increasing or emerging risks may also be elevated to strategic level to allow the Council to react effectively to changes in priorities. Risks that should be managed within a Directorate should not be escalated to the Strategic Risk Register. These would normally include risks assessed as Amber or Green or those with a “raw” impact score of 3 or less. The monitoring process includes annual peer reviews of each Strategic Director’s Risk Register by SLT as well as regular “deep dives” of Strategic Risks by the Council’s Audit Committee.

The review process will inform the contents of reports to the Strategic Leadership Team, Commissioners and the Audit Committee.

Risk management is a continuous cycle designed not only to identify, evaluate, manage, monitor and review risks, but also to support the strategic planning process. The strategic planning process and risk registers should be used as part of the budgetary decision making process.

## 12. Documentation

12.1 Risks will be recorded on standard documentation and held on the central SharePoint site, which can provide access to all risk owners and managers and ensure one version of each risk is maintained and can be easily updated. It is up to each Directorate to decide who should have access to their own risk register. An example of the risk register is held at **Appendix A**.

12.2 Risks will be presented in a consistent and uniform way. An example of a summary risk register is attached at **Appendix D** and the Strategic Risk Register at **Appendix E**.

## 13. Leadership, Roles and Responsibilities

13.1 Risk management should not be perceived as the responsibility of a small number of people. Where risk management is fully integrated into the culture and day to day working, everyone has a role to play and this is what Rotherham aims to achieve.

13.2 The expectations of Members, Commissioners and officers are as follows:

Executive	<ul style="list-style-type: none"><li>• Overall responsibility for ensuring the Council has in place effective risk management arrangements.</li><li>• Lead in promoting a risk management culture within the Council and, where appropriate, with partners and stakeholders.</li><li>• Regularly receive reports on risks and risk management and obtain assurance over the effective application of risk management.</li></ul>
Commissioners	<ul style="list-style-type: none"><li>• Approve the Council’s Risk Management Policy and</li></ul>

	<p>Guide.</p> <ul style="list-style-type: none"> <li>• Consider risk management implications when making decisions.</li> <li>• Agree the Council's actions in managing its high risks.</li> <li>• Receive regular reports on risk management activities.</li> </ul>
Audit Committee	<ul style="list-style-type: none"> <li>• Receive regular reports on risk management activities.</li> <li>• Approve an annual statement on the effectiveness of the Council's risk controls as part of the Annual Governance Statement.</li> <li>• Consider the effectiveness of the implementation of the Risk Management Policy</li> <li>• Carry out 'deep-dive' reviews into service risk registers and services' management of risks.</li> </ul>
All Councillors	<ul style="list-style-type: none"> <li>• To consider and challenge risk management implications as part of their roles.</li> </ul>
Chief Executive	<ul style="list-style-type: none"> <li>• Champion risk management arrangements</li> <li>• Ensure all risk management processes are completed</li> <li>• Issue directions with regard to risk management.</li> </ul>
Strategic Directors / Assistant Chief Executive / Director of Public Health / SLT	<ul style="list-style-type: none"> <li>• Responsibility for leading and managing the identification of significant strategic risks and the Strategic Risk register.</li> <li>• Ensure that there is a robust framework in place to identify, monitor and manage the Council's strategic risks and opportunities.</li> <li>• Ensure that the measures to mitigate these risks are identified, managed and completed within agreed, time-scales, ensuring that they bring about a successful outcome.</li> <li>• Promote a risk management culture within the Council and, where appropriate, with partners and stakeholders.</li> <li>• Ensure the requirement for all SLT reports, business cases and major projects to include risk assessments is met.</li> <li>• Ensure risk is considered as an integral part of service planning; performance management; financial planning; and, the strategic policy-making process.</li> <li>• Consider risk management implications in reports regarding strategic decisions.</li> <li>• Ensure that appropriate advice and training is available for all Members and staff.</li> <li>• Ensure that resources needed to deliver effective risk management are in place.</li> </ul>
Assistant Directors	<ul style="list-style-type: none"> <li>• Escalate risks / issues to the relevant Strategic Directors, where appropriate.</li> <li>• Ensure there is a clear process for risks being managed by their managers.</li> </ul>

	<ul style="list-style-type: none"> <li>• Embed risk management within the service areas they are responsible for.</li> <li>• Ensure compliance with corporate risk management standards.</li> <li>• Ensure that all employees, volunteers, contractors and partners are made aware of their responsibilities for risk management and are aware of the lines of escalation of risk related issues.</li> </ul>
Directorate Management Teams	<ul style="list-style-type: none"> <li>• Responsibility for leading and managing the identification of significant operational risks from all operational areas.</li> <li>• Ensuring that the measures to mitigate these risks are identified, managed and completed within agreed timescales, ensuring that they bring about a successful outcome.</li> <li>• Lead in promoting a risk management culture within the Directorate.</li> </ul>
Corporate Risk Manager	<ul style="list-style-type: none"> <li>• Provide facilitation, training and support to promote an embedded, proactive risk management culture throughout the Council.</li> <li>• Assist Strategic Directors, the Assistant Chief Executive, the Director of Public Health and Assistant Directors in identifying, mitigating and controlling risks.</li> <li>• Maintain the Strategic Risk Register of the Council's most significant risks.</li> <li>• Ensure that risk management records and procedures are properly maintained, decisions are recorded and an audit trail exists.</li> <li>• Ensure an annual programme of risk management training and awareness is established and maintained.</li> <li>• Review External and Internal Audit recommendations relating to risk management to ensure these are picked up and dealt with by the business.</li> </ul>
All Employees	<ul style="list-style-type: none"> <li>• Have an understanding of risk and their role in managing risks in their daily activities, including the identification and reporting of risks and opportunities.</li> <li>• Support and undertake risk management activities as required.</li> <li>• Attend relevant training courses focussing on risk and risk management.</li> </ul>

## 14. Risk Assurance, Monitoring and Reporting

14.1 Rotherham's risk management function is routinely exposed to full scrutiny and validation:

- In the Annual Governance Statement that is signed off by the Leader and Managing Director and endorsed by the Audit Committee

- Commissioners and elected Members hold SLT accountable for the effective management of principal risks
- SLT, Commissioners and the Audit Committee monitor the delivery of the Risk Management Policy by receiving regular reports and/or presentations. As part of this process All Strategic Directors, the Assistant Chief Executive, Director of Public Health and Assistant Directors review their own risks and update them accordingly
- Risk management arrangements across the Council are independently reviewed for effectiveness on an annual basis by Internal Audit in order to inform the signing off of the Annual Governance Statement
- Service and Operational risks are monitored and reviewed at Directorate level and may be elevated to corporate level if deemed necessary (see 11.2.5)
- There is a formal reporting structure for advising SLT, Commissioners and elected Members of any risk management implications. The Council's reports template requires the completion of a section entitled Risks and Uncertainties in every report. Managers completing formal reports for Cabinet, SLT Council and its Committees should ensure that risks included in this section are reflected on their Risk Register and that those risks are referenced in the report.

## **15. Communication**

15.1 Effective communication is integral to the identification of new threats and opportunities or changes in existing risks.

15.2 It is important for strategic leaders and managers to engage with staff across the Council to ensure that:

- Everyone understands the Council's risk policy, risk appetite and risk process in a way that is appropriate to their role. If this is not achieved, effective and consistent embedding of risk management will not be realised and risk priorities may not be addressed
- Everyone understands the benefits of effective risk management and the potential implications if it is not done or is done badly
- Each level of management actively seeks and receives appropriate and regular assurance about the management of risk within their control. Effective communication provides assurance that risk is being managed within the expressed risk appetite, and that risks exceeding tolerance levels are being escalated
- Any organisation providing outsourced services to the Council has adequate risk management skills and processes. Gaining assurance that a partner organisation has embedded risk management processes in place, and that responsibilities are clearly defined from the start, should help to avoid misunderstandings and any serious problems.

## **16. Performance Management**

16.1 Risk management should form an integral part of the Council's Performance Management Framework. Awareness of potential risks that could impact the achievement of Council priorities and objectives, and planning for such possibilities, will contribute to the successful delivery of the objectives. The narrative element of the Council's Quarterly Performance Report includes a section covering ongoing risks and challenges for each Priority Outcome. This

section should link back to the completed Strategic Risk Register or to the Directorate Risk Register.

- 16.2 Risks associated with the delivery of the Corporate Plan are included in the Strategic Risk Register. This Register then goes to SLT, the Audit Committee and Commissioners.

## **17. Corporate Governance**

- 17.1 Managing risk is integral to Rotherham's good Corporate Governance processes. It is a key feature in the production of the Annual Governance Statement that is signed by the Leader and Chief Executive.
- 17.2 There is high level risk management representation on the Strategic Leadership Team (The Assistant Chief Executive) and at Member level (Cabinet Manager for Corporate Services and Finance – Cllr Alam). They are the leads for risk management.
- 17.3 The Corporate Risk Manager is responsible for drafting the Annual Governance Statement and evaluating risk management assurances and supporting evidence.
- 17.4 Each Directorate has a Risk Champion who leads on Risk for their Strategic Director. The six Risk Champions, Assistant Chief Executive and the Corporate Risk Manager form the Risk Champions Group. This group is responsible for co-ordinating Risk Management across the Council.

## **18. Guidance and Training**

- 18.1 The Council's Corporate Risk Manager is responsible for providing advice and training in respect of the Council's risk management arrangements.
- 18.2 All Strategic Directors, the Assistant Chief Executive and Director of Public Health, and their Management Teams should receive training in risk identification, analysis and control of risk. Risk Management training (including refresher training) is compulsory for all staff of M2 grade and above. Periodic "mop up" sessions will be held to pick up staff new to the M2 or M3 grade. Risk Workshops can be used as a prime method of educating and training managers in identifying and managing risks to their objectives. This approach can assist in creating a 'risk aware' culture.
- 18.3 Bespoke risk management training from external providers (Gallagher Bassett; Zurich Municipal) can be provided free of charge via Risk Control Days for targeted areas of risk, e.g. Schools, Health & Safety, Highways, Control of Legionella, Asbestos Awareness.
- 18.4 A risk management E-Learning package is accessible to all staff and Members on the Intranet.

## **19. Further Information**

- 19.1 For further information on the Risk Policy and Guide or any risk management arrangements please contact either:

**Simon Dennis**  
**Andrew Shaw**

Corporate Risk Manager  
Insurance & Risk Manager

Ext. 22114  
Ext. 22088



## Appendix A: Risk Register Form

EXAMPLE Finance & Corporate Services - Risk Assessment/Register													
Risk Register Owner: Named SLT member							Date completed: 24/07/2016						
Business Objective <i>What is it you would like to achieve/need to deliver</i>	Risk  <i>What is the problem/hazard? What is it that will prevent you from meeting your objectives?</i>	Consequence /effect: <i>what would actually happen as a result? How much of a problem would it be? To whom and why?</i>	Existing actions/controls <i>(What are you doing to manage this now?)</i>	Risk Score with existing measures  <i>(See Scoring Table)</i>			Further management actions/controls required. <i>(What would you like to do in addition to your existing controls?)</i>	Target Score with further management actions/controls required  <i>(See Scoring Table)</i>			Cost (of Impact; of current controls; of further controls)	Risk Owner <i>(Officer responsible for managing risk and controls)</i>	Risk Review Date
				Impact	Probability	Risk Rating (I x P)		Impact	Probability	Risk Rating (I x P)			
To deliver free and fair elections in which all participants are satisfied that the result is accurate and which allows no opportunity for challenge.	Inability to comply with legislative and statutory election duties.	Election Failure - legal challenge in high court and associated costs of re-running the election and reputational damage. Business continuity issues such as loss of ICT function and /or office accommodation / count venue and / or polling stations	Strong links with internal ICT teams to ensure ICT systems are restored immediately. Training and awareness programme for staff. BCP in Place.	5	3	15	Alternative manual systems have been developed as a back up and can be implemented at short notice. OR Training and awareness programme for staff. BCP in Place.	3	3	9	There are no costs associated with the controls. Costs will be incurred when actioned.	Claire Wardle	Dec-16

	IMPACT	SCORE	BENCHMARK EFFECTS
CRITERIA	CRITICAL/ CATASTROPHIC	5	<ul style="list-style-type: none"> <li>• Multiple deaths of employees or those in the Council's care</li> <li>• Inability to function effectively, Council-wide</li> <li>• Will lead to resignation of Chief Operating Officer and/or City Mayor</li> <li>• Corporate Manslaughter charges</li> <li>• Service delivery has to be taken over by Central Government</li> <li>• Front page news story in National Press</li> <li>• Financial loss over £10m</li> </ul>
	MAJOR	4	<ul style="list-style-type: none"> <li>• Suspicious death in Council's care</li> <li>• Major disruption to Council's critical services for more than 48hrs (e.g. major ICT failure)</li> <li>• Noticeable impact in achieving strategic objectives</li> <li>• Will lead to resignation of Strategic Director and/ or Executive Member</li> <li>• Adverse coverage in National Press/Front page news locally</li> <li>• Financial loss £5m - £10m</li> </ul>
	MODERATE	3	<ul style="list-style-type: none"> <li>• Serious Injury to employees or those in the Council's care</li> <li>• Disruption to one critical Council Service for more than 48hrs</li> <li>• Will lead to resignation of Divisional Director/ Project Director</li> <li>• Adverse coverage in local press</li> <li>• Financial loss £1m - £5m</li> </ul>
	MINOR	2	<ul style="list-style-type: none"> <li>• Minor Injury to employees or those in the Council's care</li> <li>• Manageable disruption to internal services</li> <li>• Disciplinary action against employee</li> <li>• Financial loss £100k to £1m</li> </ul>
	INSIGNIFICANT/ NEGLIGIBLE	1	<ul style="list-style-type: none"> <li>• Day-to-day operational problems</li> <li>• Financial loss less than £100k</li> </ul>

## Appendix Scoring

LIKELIHOOD	SCORE	<i>EXPECTED FREQUENCY</i>
ALMOST CERTAIN	5	Reasonable to expect that the event WILL undoubtedly happen/recur, possibly frequently and is probable in the current year.
PROBABLE/LIKELY	4	Event is <b>MORE THAN LIKELY</b> to occur. Will probably happen/recur, but it is not a persisting issue. Will possibly happen in the current year and be likely in the longer term.
POSSIBLE	3	<b>LITTLE LIKELIHOOD</b> of event occurring. Not likely in the current year, but reasonably likely in the medium/long term.
UNLIKELY	2	Event <b>NOT EXPECTED</b> . Do not expect it to happen/recur. Extremely unlikely to happen in the current year, but possible in the longer term.
VERY UNLIKELY/RARE	1	<b>EXCEPTIONAL</b> event. This will probably never happen/recur. A barely feasible event.

## B: Risk Guidance

## Appendix C: The Council's Risk Appetite

The Council has a general policy to “accept” and monitor risk that is currently scored as less than “8” on the scoring matrix. Action should be taken on any risk with a score of more than “8” in line with the table shown below:

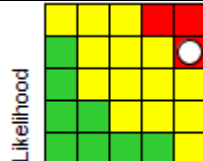
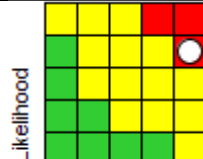
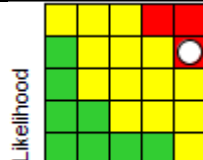
LEVEL OF RISK	OVERALL RATING	HOW THE RISK SHOULD BE TACKLED/ MANAGED
High Risk	15-25	IMMEDIATE MANAGEMENT ACTION
Medium Risk	9-12	Plan for CHANGE
Low Risk	1-8	Continue to MANAGE

In effect, the Council has an appetite to accept “Low” risk – with any other type of risk being planned to be addressed with additional controls or management action.

## Appendix D: Example Strategic Risk Register Overview

Strategic Risks						
Risk Detail	Risk Owner	Qtr 1 2015/16 Rating	Qtr 2 2015/16 Rating	Movement between Qtrs	Target Rating (Risk Appetite)	Target Date Agreed by SLT
Introduction of £72k lifetime social care payments cap from 01/04/16 will place additional workload burden on service and may increase costs.	Named SLT member 1	20	20	-	9	April 2017
Council do not respond to media issues correctly or appropriately.	Named SLT member 2	20	20	-	9	November 2016
Sensitive and confidential information/data is not properly protected.	Named SLT member 3	20	20	-	6	November 2016

## Appendix E: Example Strategic Risk Register template

Strategic Risks								
Business Objective	Risk Detail	Consequence / Effect	Impact	Likelihood	Risk Rating	Risk Owner	Further Mitigating Actions	Current Risk Rating Heat Map
Social care payments cap	Introduction of £72k lifetime social care payments cap from 01/04/16 will place additional workload burden on service and may increase costs.	Authority may have to meet a higher percentage of care costs; level of risk still unknown as additional funding from central government unknown at present.	5	4	20	Named Officer 1	Monitor situation with finance until further information is known.(Deadline 30/9/16)	 <p>Likelihood</p> <p>Impact</p>
Dealing effectively with high profile media issues.	Council do not respond to media issues correctly or appropriately.	Failure to deal with media issues may damage the reputation of the authority and the Communications Team; possibility of slander claims and associated financial risk.	5	4	20	Named Officer 2	Continue to monitor cases and introduce revised ways of working as appropriate.(Ongoing)	 <p>Likelihood</p> <p>Impact</p>
Act appropriately to maintain required levels of performance with respect to data protection and confidentiality issues	Sensitive and confidential information/data is not properly protected.	Failure to deal with media issues may damage the reputation of the authority and the Communications Team; possibility of slander claims and associated financial risk.	5	4	20	Named officer 3	Continue to monitor breaches and near misses and introduce revised ways of working accordingly. (Ongoing) Consider an authority-wide training programme. (Deadline 30/9/16)	 <p>Likelihood</p> <p>Impact</p>