Spelthorne Borough Council: Risk Management Policy and Guidance

Contents

January 2020

1. Introduction

In common with all organisations, Spelthorne faces internal and external factors and influences that make it uncertain whether or when it will achieve its objectives. The effect of this uncertainty on objectives could be either a risk or an opportunity. All activities that the Council undertakes involve risk and opportunity. We manage these risks and opportunities by identifying and analysing them and then evaluating whether action should be taken so that the risk or opportunity falls within our risk appetite. Effective risk and opportunity management is a crucial part of Spelthorne Borough Council's arrangements to ensure good governance by providing assurance and ensuring that the Council is risk aware. Being aware of risks includes being able to identify them, evaluating their potential consequences and determining the most effective methods of controlling or responding to them.

The Council believes that risks should be managed rather than avoided and that consideration of risk should not stifle innovation and creativity, but should enable it to take advantage of opportunities that present themselves. This policy outlines the Council's approach to the management of risks and opportunities, using a structured, focused and proportional approach. Risk management is integral to all policy planning and operational management throughout the Council and integrates with our corporate governance and performance management.

This approach to risk and opportunity management actively supports the achievement of the agreed actions, projects and programmes set out in the Council Strategy.

Risk is the chance of something happening or not happening that will affect the achievement of business objectives.

Good risk management is about identifying what might go wrong, assessing the Council's level of tolerance towards that and then putting in place measures to prevent the worst from happening, or to manage the situation if something goes wrong. It is also about assessing what must be done to enable the achievement of the Council's objectives and acting in a way that makes this more likely to happen. Opportunity management is about identifying potential developments that could make a positive difference to the achievement of the Council's objectives, assessing the pros and cons (the benefits and risks) of those opportunities and pursuing those that seem beneficial.

2. Our corporate approach to risk management

Risk management is the identification, analysis and effective control of all threats to the achievement of the organisation's strategies and operational activities.

Risk management is about providing assurance by being risk aware. Risk is present in everything that we do and taking some risks is inevitable if the Council is to achieve its objectives. Risk management is about making the most of opportunities when they arise and achieving objectives once decisions are made. By being risk aware, we are better placed to avoid threats and take advantage of opportunities. Proper project management processes and principles identify potential risks early on and set out how these can be avoided or mitigated and we aim to embed these principles in our practices.

By embedding a culture of conscious risk and opportunity management into the Council throughout all activities, including projects, members and officers are able to make effective decisions about services and the use of financial resources to ensure that the Council's objectives are met. An effective corporate approach to risk management will:

- Make it more likely that the Council's objectives, short and longer-term, are achieved
- Support the effective delivery of projects
- Safeguard the organisation and provide assurance to members and officers
- Become part of every manager's competency framework, job description and performance appraisal
- Provide support to the overall governance of the Council
- Inform and improve decision making
- Identify issues early on
- Provide a greater risk awareness and reduce surprises or unexpected events
- Develop a framework for structured thinking
- Raise awareness of the need for risk management by all our partners is service delivery
- Ensure better use of finances as risks are managed and exposure to risk is reduced
- Ensure a consistent understanding of and approach to risks

3. Our risk management framework

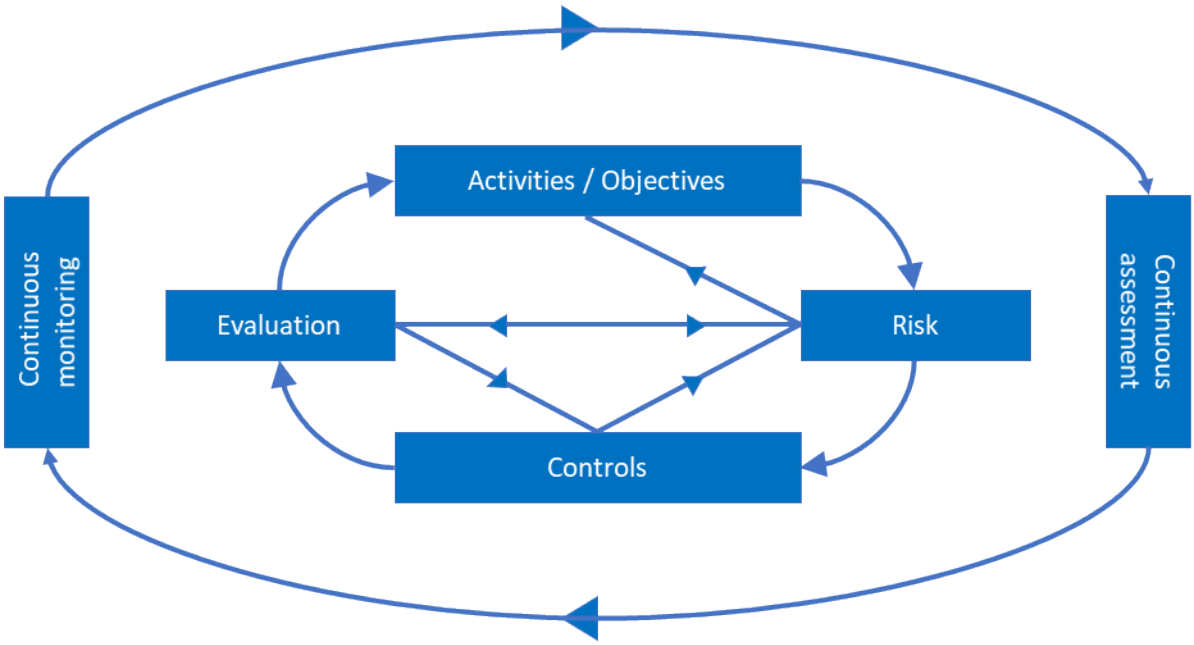
Risk management is the process of identifying significant risks and opportunities relevant to the achievement of Spelthorne's corporate and operational objectives, evaluating their potential consequences and implementing the most effective way of managing and monitoring them. The framework and processes supporting risk management at the council involve:

- A risk assessment tool (section 4)
- Details of how risk management supports corporate planning and operational management (section 5)
- Risk appetite statement (section 8)
- Monitoring and review arrangements (section 10)
- A timetable linked to the corporate programme (section 11)

4. Risk assessment tool

The principles

The Council generally manages risk effectively during the course of its normal operations through its management structure and governance arrangements. The process is a cyclical and iterative one which, at its simplest is summarised in the diagram overleaf.



Always keep a sense of proportionality regarding day-to-day risks and apply the following principles:

- Managers have a good understanding of their services and service developments, and are able to identify the risks and opportunities involved
- Managers understand the limits that the Council places on the action that can be taken by any individual officer. There is a general awareness of what management action is appropriate and where further consultation and approval are necessary. The risk appetite formalises this understanding and ensures a consistent approach is taken throughout the Council
- Bureaucracy is to be avoided, especially in preparing documents solely to demonstrate (rather than support or enhance) effective management. The cost (in terms of time involved) relative to the benefit gained by defining every possible risk in detail and assigning impact and likelihood scores to each risk associated with every planned or current activity is deemed too great to be worthwhile. However, where there are known concentrations of risk, such as in a service development or relating to our objectives or major projects, managers understand that they should document, monitor and manage these risks, using the Council's scoring mechanism. Similarly, the corporate management team should seek to identify, assess and manage those risks that seem likely to cause problems or bring benefits at a corporate level
- Managers should consider the potential threats and opportunities involved in any new service developments and improvement projects and should monitor ongoing performance. Documenting risks, related controls and mitigating actions should be undertaken where this is helpful and appropriate and risk registers should be prepared, using the Council templates (see appendix 2 and intranet REF)

It is the responsibility of all staff to assess the risks and opportunities associated with their work and projects and to escalate any potential risks, including project/programme risks, which they cannot manage within sensible parameters to the corporate management team and/or the corporate risk management group. Potential opportunities should also be raised so that well-thought-through decisions can be taken about pursuing them.

Risk and opportunity identification

We are all responsible for identifying risks to our daily activities and in our projects: even if you are not formally involved in a risk identification exercise, you should be alert to the possibility of unmanaged and/or changing risks and highlight these to senior management. We are also all responsible for identify potential opportunities that could enhance the services that we deliver.

Risks and opportunities must be identified at the start of any new projects or activities, at agreed points as those projects progress and as part of the annual Council planning process as part of setting and agreeing the Council's objectives. When identifying risks or opportunities, it is important to think broadly and across Council activities and structures, using your imagination and always remembering the link to Spelthorne's corporate objectives. Ask yourself the following questions:

- What are our major challenges?
- What are our objectives?
- What changes or other events are coming up?
- What must we get right?
- What can't we afford to get wrong?
- What keeps me awake at night?
- What could I get fired or disciplined for doing/not doing?
- What are our assumptions?
- Have we had any near misses?
- What are we choosing to ignore?

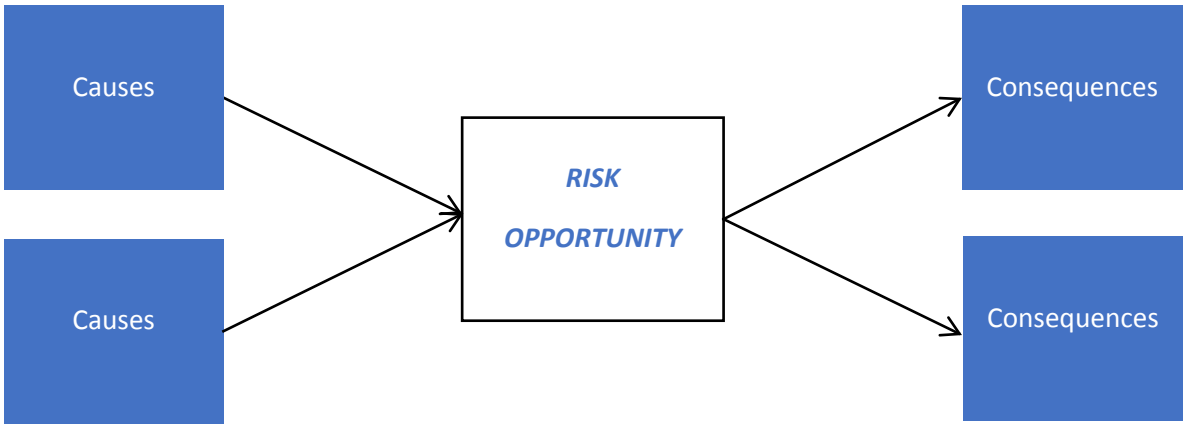
The following aide memoire, while not exhaustive, is helpful to ensure that all likely risk areas are considered:

Sources of risk	Risk examples
Physical, including infrastructure	Transport, communications and utilities, highways and access. Building conditions, location and site security. The impact of Acts of God or pollution. Security of plant, equipment, IT
Legal and political	Changing government policy, legislation, national or local political control, meeting manifesto commitments. Following organisational policy. Legality of operations, especially in relation to property purchases
Societal	Changes in demographic, residential or social trends on objective delivery
Technological	Capacity to deal with obsolescence and innovation, product reliability, development and adaptability, use of technology to meet changing demand
Competition and markets	Affecting the competitiveness of services and/or ability to deliver value for money and general market effectiveness
Customers and stakeholders	Satisfaction of citizens, users, central/regional government and other stakeholders. Managing expectations, especially consulting and communicating on difficult issues
Sustainability, environmental	Environmental consequences arising from options (for example, in terms of energy efficiency, pollution, recycling, emissions, etc) Climate change adaptation/mitigation risks
Financial	Costs, long-term financial sustainability/reliance on finite or vulnerable funding streams. Management of investment properties, especially optimism bias. Financial control, fraud and corruption

Sources of risk	Risk examples
People management and human resources	Changes to services that may affect staff and/or ways of working. Resourcing the implementation of decisions. Employment issues. Health and safety of staff and users
Contracts and partnerships	Dependency on/failure of contractors to deliver services or products to the agreed cost and specification. Procurement, contract and relationship management. Overall partnership arrangements, for example for, community safety and regeneration
Reputation	Affecting the public standing of the Council, partnerships or individuals within these. Management of issues that may be contentious with the public or media. The impact of the actions of others on the Council's reputation
Professional judgement and activities	Risks inherent in professional work, for example assessing clients' welfare or planning or response to the Human Rights Act

Describing risks

To take effective action to manage risks or deliver opportunities, it is important to understand it as thoroughly as possible, which requires a clear description of the risk or opportunity, especially its causes. The diagram below summarises this:



You need to consider what might cause that risk or opportunity and what the consequences (or effects) of that risk might be. To identify a cause ask yourself "why might this happen? …. And why might that happen?" To identify effects, answer the "so what?" question. You can have many causes for one risk, one cause for many risks, many or a single consequence and any combination of these. You should work both backwards and forwards: ask yourself what the underlying circumstances are that create the conditions that mean that the risk might happen and ask yourself what would happen next … and after that … and after that …

The Corporate Risk Group reviews the Corporate Risk Register quarterly and escalates any key issues to the Management Team, who also review the Corporate Risk Register three times a year to assess any emerging risks or risks that should be removed. Risk owners for corporate risks are generally members of the Management Team and the Cabinet. The Corporate Risk Register is formally agreed by Cabinet and is reported to the Audit Committee at least every four months.

The Annual Governance Statement (AGS) is also a key part of risk management and plays an important role in identifying and escalating risks. The AGS is produced following a review of the Council's governance arrangements and explains how the Council delivers good governance. Underpinning the Statement are individual Assurance Statements, completed by each group head and including details of significant risks for their service areas. Group heads should refer to this Policy when completing their Assurance Statements and providing details of risks affecting the pursuit of team objectives.

5 The links between risk management, corporate planning and operational management

By embedding risk management into the existing policy and service planning processes, members and officers are able to take informed decisions about the appropriateness of adopting a policy or service delivery option. Risk and opportunity management information is one of the key pieces of information that supports the development of corporate and operational plans. It is an essential element in establishing policy, developing plans and enhancing operational management as follows:

a) The Council Strategy reflects the desired outcomes for Spelthorne Borough, informed by consultation with the public and stakeholders. The Strategy for 2020 – 2023 outlines how the Council will deliver its vision for this period. It is focussed on the key outcomes in a way that is consistent across the Council's aims with regard to both local and national priorities. During the lifetime of the Strategy, there will be direct and indirect threats to the achievement of the outcomes and also opportunities that could enhance those outcomes. These risks and opportunities must be properly managed.
b) As part of the annual service planning process, each team considers the key actions to be taken and targets for performance. An assessment of the risks and opportunities forms part of this planning, identifying and prioritising the most significant risks faced in delivering the key priorities for the year, with actions identified to mitigate and manage these. These actions are then managed as part of the normal business of the team.
c) Each member of staff has an annual appraisal which monitors progress made and sets objectives for the coming year to deliver service plan actions. As part of this, risk and opportunity management is cascaded down to staff as an objective to gain their support and awareness of the management of risk within Spelthorne.
d) Measurement of performance against the Council's objectives, performance indicators and key tasks is undertaken in several ways:
    I. In addition to day-to-day management, teams carry out regular reviews of progress in their areas, including an assessment of progress against Council actions, performance trends and risks. Material exceptions are reported to Cabinet for consideration and action planning, if necessary
    II. The Management Team and Cabinet keep an overview of financial plans, service performance and emerging risks as part of the review of the corporate risk register three times a year

6. Evaluating risks

The Council evaluates its risks on a four-point scale on the likelihood of the risk occurring and the impact caused should the risk occur. Risks are evaluated with their controls (see section 7) in place. Risks are plotted on a risk matrix (see below) and prompt action is taken on those risks that fall into the red zone. Action is considered for "yellow" risks while "green" risks are regarded as acceptable.

Impact	**4**				
	3				
	2				
	1				
		1 (rare)	**2 (Unlikely)**	**3 (Likely)**	**4 (Almost certain)**
		Likelihood (over 4 years)			

Impact rating

The table below provides the definitions which should be used to determine a risk's impact.

	Trivial (1)	Medium (2)	Major (3)	Catastrophic (4)
Financial	Less than £20k Up to 2% of value of project or activity	£20k - £200k Up to 5% of value	£200k - £2m Up to 10% of value	More than £2m More than 10% of value
Objectives	No effect	One objective cannot be delivered OR Some noticeable effect on several objectives	Failure to deliver more than one objective AND impact on others OR All objectives significantly effected	Cannot deliver most objectives
Service provision	No effect	Slightly reduced	Service suspended in the short term Reduced level over the longer term	Service suspended long term Statutory duties not delivered
Health & safety	Sticking plaster First aider	Broken bones/illness Lost time, accident or occupational ill health	Loss of life/major illness Major injury, including broken limbs/hospital admittance	Major loss of life Large scale major illness
Morale	No effect	Some hostile relationships and minor non cooperation	Industrial action	Mass staff leaving Unable to attract staff
Reputation	No media attention Minor letters	Adverse local media Leader column	Adverse national publicity	Remembered for years

	Trivial (1)	Medium (2)	Major (3)	Catastrophic (4)
Government relations	One-off single complaint	Poor assessment(s)	Service taken over temporarily	Service taken over permanently

Likelihood rating

We are unlikely to be able to calculate the probability of a risk occurring in a statistically robust fashion as we do not have the data to do so. However, as an indicator, the likelihood of a risk occurring is defined as follows:

Likelihood	Description
1 Rare	Once in every four years
2 Unlikely	A few times over four years but less than annually
3 Likely	Several times over four years, more than annually
4 Almost certain	Will probably happen several times a year

7 How we respond to risks

Once a risk has been identified, we need to decide and agree what we are going to do about it. The approach we take is summarised as the 5Ts:

Treat The great majority of our risks will be addressed by treating them, that is by putting in place effective controls to constrain the risk or to reduce its impact or likelihood to acceptable levels. We can:
Prevent the risk from occurring, normally with barrier-type controls
Spot the risk before it happens and taking action to stop it, using an alarm perhaps
Mitigate the risk, reducing the impact through detective and recovery controls
Remediate after the event through business continuity planning or an exit strategy.

Transfer For some risks it may be possible to transfer them to another party for them to bear or share the risk, for example through insurance or partnership. Reputation risk can never be transferred.

Tolerate Where it is not possible to treat or transfer a risk, or where it is not cost effective to apply any further controls to a risk, we can choose to tolerate the remaining risk, taking action to manage the consequences should it occur. This may mean having contingency plans in place, typically a business continuity plan, which will reduce the duration and impact of a risk (see **remediate** above)

Terminate Some risks are so great and/or the cost of managing them is such that the only effective way of addressing them is to stop doing whatever led to the risk and/or try to achieve the same objectives in a different way. The public sector is limited in its ability to terminate activities as many are driven by statute and may be conducted in the public sector because the associated risks are so great that there is no other way in which the outcome, which is required for the public good, can be achieved. The option of stopping doing something is particularly important in project management if it becomes clear that the projected costs are

	going to outweigh the benefits. An exit strategy is an example of project termination.
Take the opportunity	This option is not an alternative to those above; rather it is an option that should be considered whenever tolerating, transferring or treating a risk. There are two aspects to this: I. As well as reducing risks an opportunity could arise to exploit a positive impact. For example, if a large sum of capital funding is to be put at risk in a major project, are the relevant controls judged to be good enough to justify increasing the sum of money at stake to gain a greater advantage? II. Are there circumstances that do not create a risk but offer positive opportunities, for example a drop in the costs of goods or services which frees up resources to be re-deployed.

8 Risk appetite

Risk appetite is the amount of risk that an organisation is prepared to accept, tolerate or be exposed to at any point in time.[1]

A clearly understood and articulated risk appetite statement supports the Council in being risk aware and improves its decision making in pursuit of its objectives. Spelthorne's risk appetite statement is an integral part of the Council's Risk Management Policy. It ensures that the opportunities that the Council is willing to take to achieve its strategic objectives are understood in terms of their likely positive benefits and potential costs and that they are assessed in a consistent fashion. This means that they will be within the Council's capacity to accept and manage risk and will not expose Spelthorne to unknown, unmanaged and/or unmanageable or unacceptable risks.

This risk appetite statement will be reviewed annually and approved by the Cabinet at the start of each municipal year. The approved statement is included as Appendix 1 to this Policy. The Council may decide to move its appetite up or down based on a number of influencing factors including financial and its capacity to deal with the unexpected. It may have a higher aspirational risk appetite once sufficient assurance has been gained and processes are in place to manage higher levels of risk.

Risk management is about being risk aware. Risk is ever present in everything that we do and some risk taking is inevitable if the Council is to achieve its objectives. Risk management is about making the most of opportunities when they arise and achieving objectives once those decisions have been made. By being risk aware, the Council is better placed to avoid unforeseen problems and take advantage of opportunities that arise.

Spelthorne Borough Council's risk appetite 2020

During the course of the year, the Council will take fair, measured and targeted risks to achieve the objectives included in the Corporate Strategy. There will be opportunities for us to be innovative or work differently and any identified risks will need to be considered against the anticipated cost and benefits. The Risk Appetite Statement supports members and officers in decision making by setting out where the Council is comfortable taking different levels of risk and which levels of risk are unacceptable. Unacceptable risks should either not be taken or should be managed so that they fall within the risk appetite. Risk that fall under the risk appetite line may still happen and should still be managed effectively and transparently. The risk appetite should be considered in conjunction with the risk section of all committee reports when decisions are made.

[1] HM Treasury and British Standard on Risk Management BS31100 2008

9. Risk registers

Risk registers are reference documents that summarise the different risks that might occur and impact the Council. Just because a risk is included on the risk register does not mean that the Council thinks it will happen, but it does mean that the Council thinks that it is worth seeking to manage. The risk score is, therefore, based on a reasonable worst-case scenario. The way in which Spelthorne scores risks is included in section 6 above.

Spelthorne Council maintains several risk registers:

		Managed by
Corporate risk register	Records the most significant risks for the Council or those risks which may prevent the Council from achieving its strategic objectives as set out in the Council Strategy	Internal audit coordinate on behalf of Management Team
Operational risk register	Includes risks that might affect the delivery of individual services, but would not in isolation threaten the Council's overall objectives. Operation risks are manged by service managers	Service managers
Project risk register	Provides a register of the risks that, if they occur, would have a positive or negative effect on the achievement of the project's objectives	Project managers/boards

Risk registers are maintained in Excel. A template can be found as Appendix 2 and on the Council's XXX site at [insert hyperlink]

10. Monitoring and reporting risks

Risk management must be embedded into decision making, business planning and performance management arrangements so that it is central to the way in which the Council works. It contributes to the concepts of "no surprises which will be useful should the unexpected happen. The framework of monitoring and reporting is linked to the Council's performance management system

Risk assurance

Risk assurance is the provision of evidence that risk controls are in place as planned and operating as expected to manage risks.

The purpose of monitoring and reporting on risks is to provide assurance to those who are accountable but not directly involved in an activity that:

- Risks are being properly managed through planned controls
- The Council is unlikely to be surprised by a risk emerging
- Opportunities will be identified early enough to take advantage of them.

Against every control, or group of common controls, and every planned action, or group of common actions, there should be a source of assurance. In other words, some evidence that will prove that that control and/or action are in place and working as they should. Assurance can take many forms. Tangible assurance would consist of a written report, a signature on a check list, some form of physical evidence that a check has been carried out. Intangible assurance could be verbal assurance from a junior to a senior member of staff. Positive assurance means that we know the checks have happened because of some piece of evidence; negative assurance means that we believe the checks

have happened because there have not been any problems (a more common example is that we hope something is operating as it should because we have not received any complaints).

The **Corporate Risk Management Group (CRMG)** meets quarterly. Its remit includes:

- Review of the Corporate Risk Register (CRR)
- Emergency Planning update
- Business Continuity update
- Service Planning update
- Monitoring and review of Insurance claims and trends
- Climate Change (Sustainability) update
- Service Specific Risk presentation
- Review of accidents and incidents to include information on accidents reportable to the HSE and accident investigations reported by managers, significant trends and advice
- reports on completion of risk assessments and maintenance of risk registers
- reports on any recommendations or development of best practice, legislative and any regulatory changes

Its full terms of reference is included as appendix 3.

The CRMG provides a monitoring and consistency check; it is not there to do risk management and it relies on assurance provided by staff who contribute to the Group. It relies on input from all staff to identify risks, especially unmanaged or poorly managed ones, and raise these with management.

The Corporate Management Team has responsibility for ensuring appropriate procedures are put in place to identify and monitor risk and to ensure that staff resources are appropriately allocated to mitigate risks. Management Team, through the Corporate Risk Register, ensures that Cabinet is aware of the key corporate risks facing the Council.

The **Audit Committee** receives regular monitoring reports that provide assurance that the risks identified on the Corporate Risk Register are being adequately managed. The Committee may decide to receive in-depth reports or take deep dives into the most significant risks on the Register, or those that are causing concern.

If a risk that is not included on the Corporate Risk Register is scored above the risk tolerance line set out in the Risk Appetite Statement, full details should be presented to both the CRMG and Management Team for further consideration and approval of appropriate action as necessary. This may include escalation to the Corporate Risk Register

All Council committee reports include a paragraph titled “Wider Implications”. The purpose of this paragraph is to demonstrate that the risks associated with the content of the report have been properly identified, assessed and evaluated. The paragraph should provide as much detail as possible for the most significant risks, especially in relation to the underlying causes of the risk and its subsequent consequences (see section 4). The impact score should be clearly set out, using the impact scoring methodology set out in section 6 to support decision making.

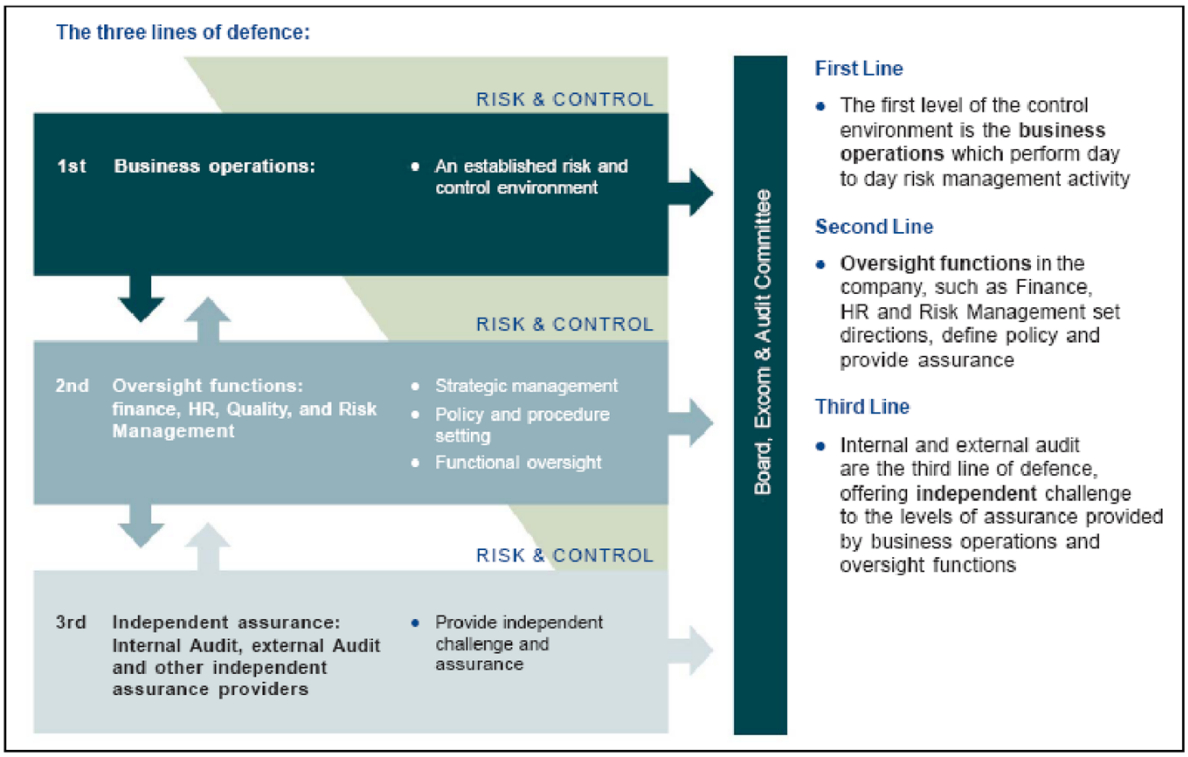
11. Timetable

Risk management is an integral part of corporate governance and it is particularly closely linked with performance management. The indicative timetable for risk, therefore, follows that of the performance management framework.

When?	Who?	What?
Summer	Cabinet	• Approval of the updated Risk Policy for the coming year • Approval of the Risk Appetite for the coming year • Approval of the Corporate Risk Register
	Overview and Scrutiny Committee	• Note the Risk Policy and its role in monitoring and managing risks
	Audit Committee	• Review the Corporate Risk Register • Agree the risks for future in-depth reporting and assurance
	CRMG	• From terms of reference
	Management Team	• Review, three times a year, of the Corporate Risk Register
Autumn	Audit Committee	• Review the Corporate Risk Register and receive monitoring reports giving details of progress made against actions to treat risks • Quarterly review of the Corporate Risk Register
	Management Team	• Quarterly review of the Corporate Risk Register
	CRMG	• From terms of reference
Winter	Audit Committee	• Receive update report for Corporate Risk Register
	Management Team	• Quarterly review of the Corporate Risk Register • Budget and Service Plan risks considered
	CRMG	• From terms of reference
Spring	Audit Committee	• Receive update report for Corporate Risk Register
	Management Team	• Quarterly review of the Corporate Risk Register • Budget and Service Plan risks finalised and included in the appropriate risk registers
	CRMG	• From terms of reference
Throughout the year	All staff	• Identify and report new, emerging and changing risks

12 Risk management roles and responsibilities

The three lines of defence concept is widely known and used by insurers, auditors and the banking sector as a risk governance framework. The concept can be used as the primary means to demonstrate and structure roles, responsibilities and accountabilities for decision making, risk and control to achieve effective risk management, governance and assurance. The following diagram shows how the three lines work together.



First line of defence

As the first line of defence, service managers own and manage risks within their service areas. They are also responsible for implementing appropriate corrective action to address, process and control weaknesses. Team leaders are also responsible for maintaining effective internal controls and managing risks on a day-to-day basis. They identify, assess, control and manage risks ensuring that their services are delivered in accordance with the Council's aims and objectives.

Second line of defence

The second line of defence relates to the strategic direction, policies and procedures provided by the Council's oversight functions (for example, Finance, Legal Services and HR). These teams are responsible for designing policies, setting direction, ensuring compliance and providing assurance.

Two particularly important policies are the Anti-Fraud and Corruption Policy and the Whistleblowing Policy, both of which encourage staff to report concerns which may expose the Council to risk.

Third line of defence

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the organisation's operations. It helps the organisation accomplish its objectives by bring a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes[2].

The aim of internal audit's work programme is to provide assurance to management in relation to the business activities, systems or processes under review that the framework of internal control, risk management and governance is appropriate and operating effectively; and that risks to the Council's objectives are identified, assessed and managed to a defined acceptable level. Such risks are identified through senior management liaison and internal audit's own assessment of risk.

[2] Definition from the Public Sector Internal Audit Standards, CIPFA, 2017

External audit, inspectors and regulators also provide assurance on the management of risk and delivery of objectives.

Specific responsibilities

Who	What
Members	Elected members are responsible for governing the delivery of services to the local community. Members have a responsibility to understand the strategic objectives and risks that the Council faces and will be made aware of how these risks are being managed.
Cabinet	With MAT to own the Corporate Risk Register and to review at least three times a year
Overview and Scrutiny Committee	To review project update reports and scrutinise project risk management
Audit Committee	**To consider the effectiveness of the authority's risk management arrangements, the control environment and associated anti fraud and anti corruption arrangements. Seek assurances that action is being taken on risk related issues identified by auditors and inspectors** (item d of Committee's remit)
Management Team	With Cabinet to own the Corporate Risk Register and to review at least three times a year. To ensure services appropriately maintain operational risk registers and integrate into Service Plans
Corporate Risk Management Group	To review Corporate Risk Management arrangements and ensure that they are appropriately updated.
Programme/project Management Group	To ensure that all projects have completed risk and issues logs and key risks are highlighted at project initiation stage
Senior managers	Senior managers have responsibility for minimising risk within their teams. They demonstrate their commitment to risk management through: • Being actively involved in identifying and assessing risks • Developing relevant action plans for key risks and establishing relevant performance indicators to measure their performance through the performance management framework • Incorporating the risk management process into business and service planning processes • Monitoring the teams' risks regularly and at least quarterly • Encouraging staff to be open and honest in identifying risks or potential opportunities • Ensuring that the risk management process is part of all major projects and change management initiatives • Monitoring and reviewing action plans regularly to treat risks effectively
Insurance	Facilitate and support the procurement of the Council's insurance and the management of claims.

Who	What
Internal audit	Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bring a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. It is responsible for undertaking an assessment of the Council's risk management and internal control mechanisms as part of the review of corporate governance arrangements.
All staff	All staff have responsibility for Council risks and must understand their role in the Council's risk management arrangements. Training and support is provided as part of staff induction and there is ongoing training throughout the year. All staff are expected to know how to recognise, assess and evaluate risk, when to accept risk and to recognise that risks can create opportunities for the Council.

Everyone involved in risk management has a responsibility to identify learning from risks and their management.

Corporate risk register

Significant risks have been reviewed by the Management Team and the Corporate Risk Management Group and are included in the Corporate Risk Register which can be found at [insert link].

Appendix 1: Risk Appetite Statement

The Council's appetite for its significant risks included in the Corporate Risk Register is shown in the diagram below and highlighted in bold with the relevant cell shaded.**[Note the below is to be developed further]**

Risk levels and description Key elements	Minimal As little risk as reasonably possible	Cautious Prefer limited delivery options	Open Consider all potential options	Seek Eager to be innovative
Financial VFM	Very limited financial loss if essential (up to £100k or2% of value of the project/activity, whichever is the lower) VFM (focussing on economy) is primary concern	Some limited financial loss (from £100k-£500k or 5% of value of the project/activity, whichever is the lower) Consider benefits and constraints beyond price	Will invest and risk losing (from £500k-£2m or 10% of value of the project/activity, whichever is the lower) for larger potential financial return Value and benefits considered, not just cheapest price	Invest and risk losing (from £2m-£5m or up to 20% of value of the project/activity, whichever is the lower) for best possible return Resources allocated without firm guarantee of return
Objectives	No effect	One objective cannot be delivered OR Some noticeable effect on several objectives	Failure to deliver more than one objective AND impact on others	Cannot deliver most objectives
Exposure to challenge	Be very sure we would win challenges	Limited tolerance for sticking neck out Reasonably sure we would win challenges	Challenge is problematic, but takes the necessary steps to manage and win this. Gain outweighs adverse consequences	Chances of losing challenge are real with significant consequences
Innovation, Quality, Outcomes	Innovations avoided unless essential or commonplace Essential systems or technology development only	Prefer status quo and avoid innovation Limited systems or technology development	Innovation supported New ways of working or using technology explored	Innovation pursued Actively seek new ways of working or using new technology
Reputation	No chance for significant repercussions Avoid exposure to any attention	Little chance of significant repercussions Mitigation in place for undue interest	Will expose to scrutiny and interest Management of reputation through active listening and talking	New ideas tried at the risk of damage to reputation

Appetite	**Low**	**Moderate**	**High**	**Significant**

Appendix 2: Risk Register Template

Appendix 3: Corporate Risk Management Group Terms of Reference

Terms of Reference for the Risk Management Group (RMG)

The group will be responsible for considering the Council's responsibilities and arrangements for health and safety at work, insurable risks and corporate risk management. This will include the consideration of accidents, incidents, insurance claims and liability, corporate arrangements and controls, with a view to preventing, minimising and managing existing and foreseeable risks at every level within the authority.

The group is a joint management and staff forum that includes staff side representation on health and safety at work matters. Management representation will include representatives from each Service who will have a responsibility to report back to departmental management teams.

Matters to be considered by the group will include:

- Reviewing and maintaining a comprehensive and co-ordinated framework for Health and Safety risk management standards across the organisation, including corporate risk management policy and strategy.
- Reviewing the Corporate Risk Register and making recommendations for changes to Management Team.
- Ensuring relevant legislation is implemented with appropriate procedures in place for all existing and new initiatives in relation to all aspects of risk management.
- Recommending corporate standards on health and safety management to incorporate appropriate guidance from regulations and codes of practice
- Ensuring that all risk assessments and risk registers are reviewed and submitted to the group once a year or when circumstances change.
- Considering reports on trends such as accidents, incidents, insurance claims and recommending any action required
- Recommending any appropriate Health and Safety training required for managers and staff as part of the training programme
- Considering the results of risk assessments, inspections and audits, recommending any action required
- Recommending and reviewing programmes of audits, and inspections
- Commissioning reports on particular topics as appropriate
- Coordinating and communicating information around the organisation
- Formulating and implementing an annual action plan
- Reporting to the Audit Committee on the effectiveness of the authority's risk management arrangements.

To include consideration of the need to report to MAT on issues, policy and procedures and to report in full to MAT and members at least twice each year.

Membership

The group will be made up in two parts, the core group of regular attendees based on service area risk and special areas of interest, and a secondary group of low risk service areas and specialists. Secondary groups will attend when areas directly affecting their service are being discussed and at lease one meeting per year.

Core Group (with particular areas of interest noted)

Risk Champion Deputy Chief Executive (Chair)

Human Resources Manager (training and staff issues)

Head of Asset Management (council's buildings, assets)

Group Head of Commissioning and Transformation

Deputy Group Head of Commissioning and Transformation (Safety Champion)

Group Head of Neighbourhood Services

Deputy Group Head of Neighbourhood Services (Safety Champion)

Group Head of Community Wellbeing

Deputy Group Head of Community Wellbeing (Safety Champion)

Deputy Group Head of Customer Relations (Safety Champion)

Group Head of Regeneration and Growth

Planning Development Management (Safety Champion)

Group Head of Corporate Governance (Safety Champion)

Senior Environmental Health Manager (Safety Champion)

Family Support Manager (Safety Champion)

Building Control Manager (Safety Champion)

Finance Manager (Safety Champion)

Audit Manager (Safety Champion)

Human Resources Manager

Corporate Health, Safety and Insurance Officer (H&S at Work and Insurance)

Unison Health and Safety Officer

Unison Health and Safety from Neighbourhood Services

Staff (Non Union) representative

Other Officers or specialists with relevant interest as required

Meetings

To be held every 4 months (3 times per year with a 2-part agenda covering Corporate Level risks in the first part, followed by Health, Safety and Welfare in the second.

Regular agenda items

To include:

- Review of the Corporate Risk Register (CRR)
- Emergency Planning update
- Business Continuity update
- Service Planning update
- Insurance Update
- Climate Change (Sustainability) update
- Service Specific Risk presentation*
- report from Corporate Health and Safety Officer on accidents and incidents to include information on accidents reportable to the HSE and accident investigations reported by managers, significant trends and advice
- reports on completion of risk assessments and maintenance of risk registers
- reports on any recommendations or development of best practice, legislative and any regulatory changes
- reports on regular required checks (e.g. electrical checks, fire checks)
- input to training programme for Health and Safety Issues
- any items to be referred to MAT or Audit Committee
- review of the annual action plan

Minutes

To go to MAT

Glossary