
Risk Management Strategy

2014 - 2017



Council of the
ISLES OF SCILLY

May 2014



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¹ This document has been Equality Impact Assessed

REVISIONS TO SOURCE DOCUMENT

Nature of modification	Section modified	Edition date	Author

1. INTRODUCTION

The Council of the isles of Scilly recognises that the next few years will present unprecedented challenges for the council in delivering its services and business priorities. The implications of risk is fully considered when planning projects and the services we provide, and well measured risk taking will be encouraged where it is likely to lead to sustainable improvements in services to the community.

The Council has made significant improvements to the Authority's risk management framework. Senior Managers are encouraged to take the lead to apply risk management across the organisation and own and manage a register of key strategic risks, setting the risk appetite. Risk Management is now an integral part of service and project planning and is closely linked to business continuity.

The Risk Management Strategy 2014 – 2017 aims to build on the previous framework to improve the risk approach and maintain a comprehensive framework and process to support Members and Officers in their ability to discharge the Authority's risk management responsibilities.

2. STRATEGIC AIMS AND OBJECTIVES

2.1 AIMS

The aims of this strategy are to:

- provide an effective framework for the Council to manage the key risks facing our services and the successful delivery of the Authority's Business Plan
- ensure risk management is an intrinsic part of the way business is planned and conducted

2.2 OBJECTIVES

The objectives of this strategy are to:

- provide a framework for identification, evaluation, control, communication, reviewing and reporting risks throughout the Council is an integral part of corporate and business planning, financial and service delivery
- provide effective tools to support consistently applied risk management throughout the Council and ensure effective monitoring on key risks at strategic level
- encourage a culture of well measured risk taking, ownership and balanced response to risk throughout all levels of the Council's structure
- ensure risks identified and addressed at all levels are in proportion to the decision made, to turn uncertainty to the benefit of the community
- ensure public and private partnerships have effective risk management procedures in place, including risk assessment prior to entering into an agreement and monitoring throughout
- provide risk management training for Members, Officers, Managers and all relevant staff

2. APPROACH TO RISK MANAGEMENT

2.1 The overall framework consists of a series of stages to be followed by staff at all levels, partners and project managers, to achieve an effective, efficient and consistent risk management process. These steps are shown in Figure 1: Risk Management Cycle and outlined in section 3. A further explanation of each stage of the framework is set out in section **Error! Reference source not found..**

2.2 The Authority's Risk Management Guide and template documentation is available for staff and stakeholders, to assist in the risk management processes and ensure consistency throughout the risk management cycle.

2.3 The Council's 'Risk analysis forms' are used to guide the risk owner at each of the Authority's organisational perspective to identify and prioritise the risk in relation to objectives from strategic to personal. These forms, based on Prince2 principles of risk analysis, encourage each risk to be analysed by category as described in 4.4 below. The



impact is analysed at step 2 by examining time, cost, benefits, quality, people and resources with an explanation of the reasons for the decision on the overall impact. A suitable response to threat, at step 3, is recorded on the analysis form by selecting prevention, reduction, transference, acceptance or contingency, opportunities being recorded from a list of realisation, enhancement or exploitation.

- 2.4 Information from the analysis form is used to begin completion of the risk registers or logs by using the information to plan not only the action for the initial and residual risk. Completion of the risk registers takes place at step 5, when reviews of the risks are recorded. Communication as the last step in the risk management cycle is undertaken as a result of the review.
- 2.5 The Authority's overall risk management framework is used to manage risks from objectives set at all organisational perspectives and is an integral part of the corporate planning processes. Figure 2: Perspectives of Risk and External Influences **Error! Reference source not found.** aims to illustrate the links through the levels within the Authority and the links to its partners.

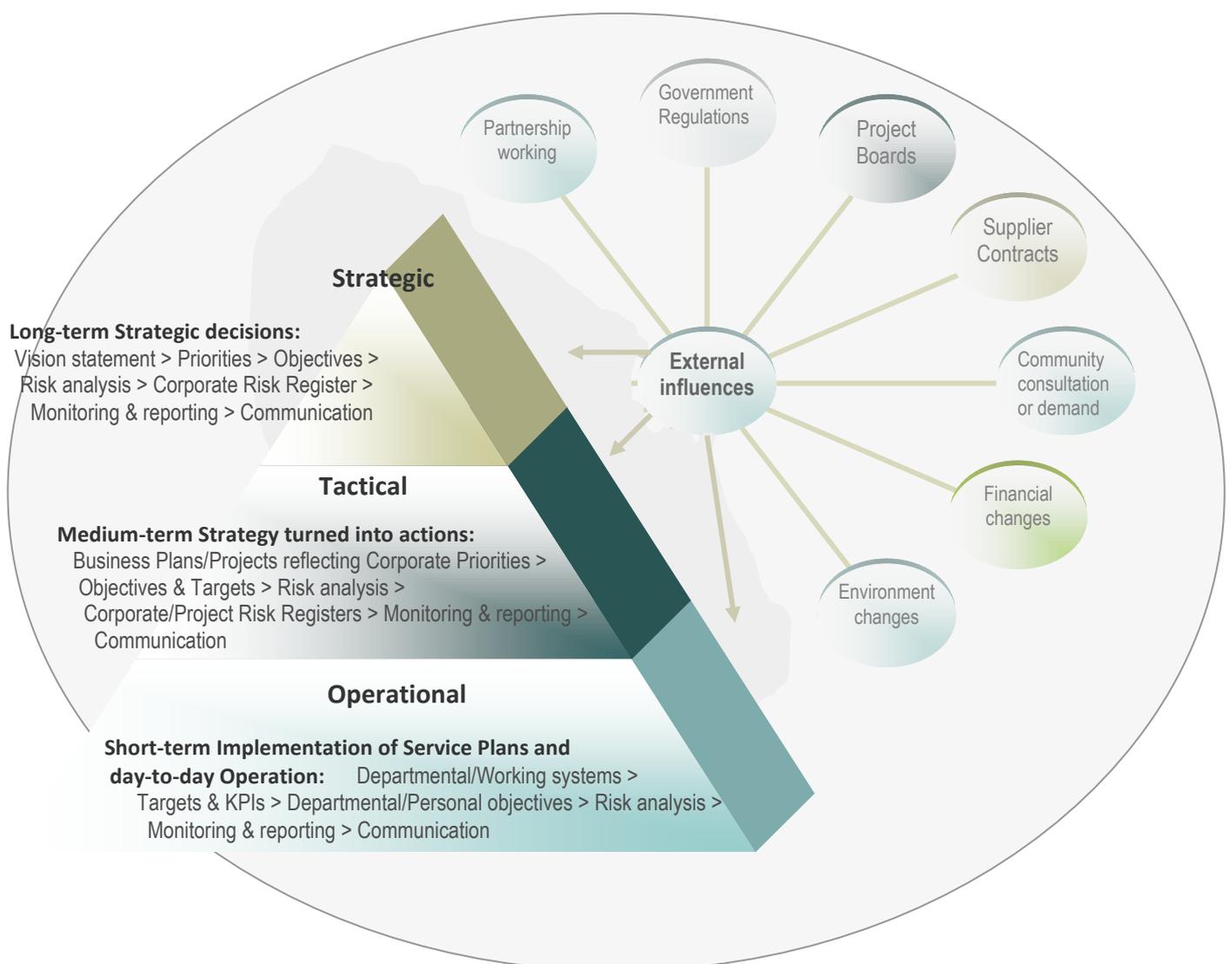


Figure 2: Perspectives of Risk and External Influences

- 2.6 Effective risk management is aligned to corporate planning and closely linked to Business Continuity and Performance Management. The Authority's corporate plans and strategies give focus and direction and are turned into positive actions through the objectives and cascaded through the levels. Every Corporate or Service Plan indicates the risks per objective and performance measures.
- 2.7 Identification of risks through the objective-setting process, is undertaken at all levels as set out in section **Error! Reference source not found.**
- 2.8 Each risk identified is assessed for probability and impact and is considered using the matrix outlined in Table 2: Summary of Risk Profile. From the result of the assessment, a decision on the management of that risk is taken. The level of risk and the appropriate action required is described as 'risk appetite' and outlined in Table 1: Risk Appetite.
- 2.9 Risk registers are updated and maintained to provide details of the objective, the identified risk, treatment of the risk, action plan, the cost of the treatment and the owner of the risk.
- 2.10 Project Managers have a responsibility to open a Risk Log and an Issues log at the start of a major Project, in line with PRINCE2TM project management principles and the processes set out in this strategy.
- 2.11 Monitoring and reporting of progress of the action plans developed to treat risks is undertaken at least twice per year at strategic level by the Senior Leadership Team and relevant committees receive a report where significant issues arise.
- 2.12 Reviews of the risk registers and logs are undertaken at least twice per year to ensure new risks are detected and managed and gain assurance that the risk management process is effective, identifying when further action is necessary.
- 2.13 Communication of the risks and assurances are fed into the internal control processes and fed into the following years risk management process. Learning takes place from each review and is communicated to those who can benefit from them as set out in section 7 below.

3. RISK MANAGEMENT POLICY

- 3.1 The Council of the Isles of Scilly is committed to the effective management of risk. The Council's employees, stakeholders, assets and the ability to deliver its services are constantly affected by risk.
- 3.2 For the purposes of this strategy, risk is defined as the uncertainty of outcome, whether positive opportunity or negative threat, that may impact on the achievement of the Council's objectives and the expectations of the community.

- 3.3 The Council accepts its duties in taking informed decisions concerning the best approach to control and minimise negative risks, whilst maximising the opportunities and benefits from positive risk.
- 3.4 The Council ensures Members and staff understand their responsibility to identify risks and their possible impact. Risk Management training is undertaken as part of the induction process and update training is made available to Members, Officers and all relevant staff.
- 3.5 A Guide to Risk Management informs Officers and Members of the framework and describes the processes, escalation procedures and documentation templates.
- 3.6 The focus of good risk management is the identification and treatment of risks to add maximum sustainable value to all the activities of the authority. This brings an increased understanding of the potential threats and opportunities of factors that can affect the ability of the Council to achieve its objectives. Good risk management will also increase the probability of success and reduces the probability of failure and the uncertainty of achieving the strategic objectives.
- 3.7 The Council's Risk Management framework ensures cost effective and better decision-making through a good understanding of risks and their likely impact.
- 3.8 The Council considers risk management to be a continuous and developing process that is embedded throughout the authority to methodically address all risks surrounding the authority's activities. A rigorous approach to risk analysis is an integral part of corporate planning, budget setting and project management.
- 3.9 The Council is committed to maintaining a systematic and consistent approach to risk identification, analysis and control that:
- employs risk management as an integral part of service and strategic planning decision making and project management
 - enables the Council to deliver its priorities and services effectively
 - contributes towards the achievement of sustainable improvement in services
 - contributes to the Council discharging its duty of care to the public and its employees
 - reduces the potential number and cost of claims arising
 - minimises damage to the Councils reputation
 - maximises on all opportunities for the benefit of the community.

- 3.10 The Senior Leadership Team will monitor the risk management process and the corporate and departmental risk registers and report to Policy and Resources Committee not less than twice per annum on the activities of the risk management.
- 3.11 All employees of the Council are made aware of what the organisation is trying to achieve and have responsibility for management of risk within their departmental or individual plans.
- 3.12 All employees shall notify their Chief Officer of any irregularity or associated or new risk that will impede or otherwise obstruct the achievement of the strategic objectives or the well-being of the community.
- 3.13 A structured approach to risk assessment and appropriate insurance is to be undertaken for each procurement exercise in line with current Financial Regulations and Corporate Procurement Strategy.
- 3.14 The Risk Management Strategy is reviewed annually and the Corporate Risk Register is reviewed and actions identified to mitigate risks are monitored not less than twice per year. The annual review of the Risk Management Strategy is the responsibility of the Corporate Governance Lead and is reported to the Senior Leadership Team (see section **Error! Reference source not found.**). The monitoring and review of the Strategic Risk Register is undertaken by the Strategic Leadership Team and reported to the relevant committee (See section 7 below).
- 3.15 In major projects where a Project Manager is assigned, the Project Manager shall open a Risk Log (register) and an Issues log at the start of the Project, in line with the Corporate Procurement Strategy and PRINCE2 project management principles. The Project Manager has a responsibility to follow the risk management framework and processes as set out in this strategy.

4. RISK MANAGEMENT PROCESS

- 4.1 The task of risk management is to manage the exposure to risk. The aim is to manage that exposure by taking action to keep exposure to an acceptable level in a cost-effective way. Steps 1 – 3 of the risk management cycle (see figure 1 above) are concerned with risk analysis whilst steps 4 – 6 are concerned with the management of the risks. However, step 6 will occur throughout the cycle.
- 4.2 Before it is determined how to deal with the risks, the amount of risk the authority is prepared to tolerate must be considered. The Authority's overall tolerance to exposure to risk must be considered as well as a view of individual risks. A table setting out the Risk Tolerance (risk appetite) for the Council of the Isles of Scilly, and appropriate actions and responses is shown in Table 1: Risk Appetite.

Level of Risk	Level of Concern	Impact	Action	Response to risk
Very High (15 – 25)	Extreme	Disastrous	Full action is required immediately	Transference Prevention Reduction
High (7 – 14)	Major	Severe	Action is required within 3 months	Transference Prevention Reduction
Medium (4 – 6)	Uneasy	Medium	Action plans required within 6 months and managed with contingency plans	Transference Prevention Reduction Acceptance/Contingency
Low (1 – 3)	Minimum	Relatively low	Risk is accepted. Contingency or reduction only when cost/time effective	Acceptance/Contingency or Reduction (if cost effective)

Table 1: Risk Appetite

4.3 IDENTIFY THE RISKS

This step identifies the potential risk or opportunities facing the authority. The following categories are used as a starting point for identifying the main areas of risk in relation to the Council of the Isles of Scilly, using a PESTLE analysis (Political, Economic, Social, Technical, Legal and Environmental) along with Organisational and Operational categories.

4.4 PESTLE is mainly concerned with external factors, whilst Organisational and Operational categories are concerned mainly with internal factors. Political, Social, Legislative and Environmental categories will be of greater concern at a Strategic or Tactical level, whilst Technical, Organisational and Operational categories will be of greater concern to Operational levels. These categories and levels will, however, overlap and to varying degrees, be of concern to all levels.

4.5 Once identified, risks are entered in the Risk register or log, containing details of all risks, their assessment, owner and status and monitoring details.

4.6 ASSESS THE RISK

Risk is assessed for probability and impact of individual risks. Interdependencies and factors outside the immediate scope are taken into account.

- Probability is the evaluated likelihood of a particular outcome actually happening, including consideration of the frequency with which the outcome may arise and when the risk might occur (proximity) in order to focus attention to the immediate risks
- Impact is the evaluated effect or result of a particular outcome actually happening and considerations are time, cost, quality, benefit and people/resources

4.7 The summary risk profile shown in Table 2: Summary of Risk Profile, shows the matrix used to assess probability and impact of risk, and categorises the risks into low, medium, high or very high.

Table 2: Summary of Risk Profile

Probability ↑	Near Certainty (5)	Medium (5)	High (10)	Very High (15)	Very High (20)	Very High (25)
	Probable (4)	Medium (4)	High (8)	High (12)	Very High (16)	Very High (20)
	Possible (3)	Low (3)	Medium (6)	High (9)	High (12)	Very High (15)
	Low (2)	Low (2)	Medium (4)	Medium (6)	High (8)	High (10)
	Unlikely (1)	Low (1)	Low (2)	Low (3)	Medium (4)	Medium (5)
	Minimum (1)	Low (2)	Medium (3)	Major (4)	Extreme (5)	
				Impact →		

4.8 Following assessment of probability, impact and proximity for each risk, the results are documented in the Risk Register. Where interdependencies occur across the departments or project, this should be communicated and referenced in the department’s or project’s risk entry. Where the risk falls into a category above the tolerance line, the escalation process occurs.

4.9 SELECT THE RESPONSE

Identification of suitable responses to threats is identified using the following responses:

- Prevention – the risk is terminated by doing things differently to remove the risk where it is feasible to do so. Countermeasures are put into place that either stop or treat the problem or prevent further impact
- Reduction – the risk is treated by taking action to control it where the action either reduces the likelihood of risk developing or limits the impact to acceptable levels
- Transference – the risk is reduced by passing to a third party via, for instance, an insurance policy or penalty clause, so the impact is no longer an issue
- Acceptance – the likelihood and impact of the risk is at an acceptable level and is tolerated or accepted as there is nothing to be done at a reasonable cost to mitigate it
- Contingency – actions planned and organised to come into force as and when the risk occurs.

4.10 Identification of suitable responses to opportunities is identified using the following responses:

- Realisation – the opportunity is turned into a positive action to realise the potential
- Enhancement – an opportunity that has been realised is developed or enriched to ensure an improved outcome

- Exploitation – actions planned to manage or utilise the situation to create and develop an opportunity as it arises

4.11 Any risk could have appropriate actions in any or all of the categories set out in paragraph 4.9 above. Table 1: Risk Appetite sets out the risk appetite and suggested responses to risk at each level. Selection of the risk response is a balance of the cost/time of action and the probability and impact of the risk occurring and is undertaken in the light of the risk tolerances (see Table 2: Summary of Risk Profile).

4.12 PLAN, ADDRESS AND RESOURCE THE RISK

The implementation of the selected actions are planned and resourced.

4.13 Planning for the countermeasure actions selected during the risk assessment includes identifying the quantity and type of resources required, developing a plan of action and obtaining relevant approval from the Senior Leadership Team or Section 151 Officer.

4.14 Resourcing identifies and assigns the resources to be used to conduct the work involved in carrying out the actions by allocating budgets for funding the assessment of risk, the committed work and allocation of contingency budgets for contingency actions.

4.15 REVIEW, MONITOR AND REPORT

Risks are monitored and reported to the appropriate officers and/or relevant committee. Responsibilities for reporting are shown at section 5 below.

4.16 Monitoring consists of checking that planned actions are having the desired effect, watching early signs for a risk developing, predicting potential risks or opportunities and checking that management of risk is being applied effectively. This process provides assurance that there are appropriate controls in place for the Authority's activities and that the procedures are understood and followed.

4.17 As risks are reviewed, any changes to their impact or probability which cause them to move above and to the right of the 'risk tolerance line' (see **Error! Reference source not found.** above) are considered and referred upwards for a Senior Leadership Team decision on the action to be taken.

4.18 An action not having the desired effect or a new risk emerging is reported to the appropriate officer or committee.

4.19 The risk registers are updated to reflect the present situation, following a review of risk or from actions needed following monitoring. This may result in the risk cycle may continue from step 2, set out in paragraph 4.6 Assessing the risk.

4.20 COMMUNICATE

Communication and learning runs through the whole risk management process and includes internal and external stakeholders.

- 4.21 New risks or changes in risk that will affect the authority’s risk profile are identified through communication within the authority and in turn communicated to the appropriate officer or committee where necessary; this should include national security, partner organisations, key contractors etc.
- 4.22 Following the monitoring and review processes, improved knowledge is communicated to identify what lessons could be learned for future assessment and management of risk.
- 4.23 Full details of responsibilities of communication are shown at section 5 below and more detail of communication within the Council of the Isles of Scilly can be found at section 7 below.

5. ROLES & RESPONSIBILITIES

- 5.1 All Members, Officers and staff within the Council of the Isles of Scilly should be aware of their responsibilities in identifying and managing risks.
- 5.2 Implementation of this strategy requires clear functional responsibility to be assigned at both member and employee level. The Chief Executive has ultimate responsibility for risk management and the members of the Senior Leadership Team own the strategic risks.
- 5.3 The Chairman of Policy and Resources Committee has the role of Member Risk Champion; the Senior Manager - Democratic and Corporate has the role of Officer Risk Champion. The Corporate Governance Lead is currently the designated officer for Risk Management.

5.4 [Roles and responsibilities are listed in Table 3: Roles and Responsibilities below.](#)

Table 3: Roles and Responsibilities

Title	Role	Responsibilities
Members	<ul style="list-style-type: none"> › facilitating effective risk management throughout the authority 	<ul style="list-style-type: none"> › Appointing a member and officer champions to progress effective risk management › Scrutinising the decisions to ensure effective risk management › Agreeing the Council’s Risk Management Strategy › Approving an annual statement on the risk management processes, the effectiveness and any improvements required (Annual Governance Statement)
Member & Officer Risk Champions	<ul style="list-style-type: none"> › advocates the cause throughout the authority 	<ul style="list-style-type: none"> › Ensures risk issues are reported to SMT and the relevant committee › Ensures that the risk strategy is reviewed annually and strategic risk register is reviewed at least

Title	Role	Responsibilities
		<p>twice per year</p> <ul style="list-style-type: none"> › Identifying risk management needs of the SLT › Promoting the benefits of risk management
Chief Executive and Senior Leadership Team	<ul style="list-style-type: none"> › Chief Executive ultimately owns risks in the Strategic Risk Register and Project Risk Logs › Section 151 Officer ensures regulation › SLT owns the Strategic Risks identified in the Strategic Risk Registers 	<ul style="list-style-type: none"> › Risk management within the authority is led by the Chief Executive › The Section 151 Officer ensures risk management is in accordance with Financial Regulations › SLT ensures that risk management is implemented in line with the Council’s Risk Management Strategy › Advises Members on effective risk management and ensuring that Members receive regular monitoring reports › Recommending to Members a risk management strategy › Identifying, managing and reviewing strategic risks and opportunities facing the Council › Authorising the Corporate Governance Lead to progress effective risk management that adheres to the corporate strategy throughout the authority › Ensuring that the Council’s approach to risk management fits within the Council’s overall policy and strategy ethos › Ensuring that the Council’s approach to risk management is reflected in relevant policies › Identifying and addressing risks/risk management issues › Reviewing Strategic and Departmental Risk Registers and Strategies and disseminate best practice across the Authority › Provide a forum to consider how risk management can support strategic initiatives › Ensuring the Strategic Manager: Finance & Resources is aware of any costs which may be incurred by mitigation
Corporate Governance Lead in the role of Risk Management Officer	<ul style="list-style-type: none"> › Management and implementation of the risk management framework, strategy and process on behalf of the Council 	<ul style="list-style-type: none"> › Providing the council with guidance, advice and support on risk management › Managing the performance of the risk management process and reporting to SLT on the effectiveness and implementation of the strategy › Support the risk champions in delivering their role › Monitoring national developments in risk management and consider the relevance to the Council › Leading and developing risk management

Title	Role	Responsibilities
		<ul style="list-style-type: none"> ‣ Co-ordinating risk management activities throughout the Authority, including current projects ‣ Collating the Council's Strategic and Departmental risk registers and project risk logs ‣ Control assurance statements from Senior Managers and Project Managers for consideration of the relevant committee ‣ Review and update the Risk Management Strategy for approval of SLT and the Policy & Resources committee ‣ Ensuring all appropriate staff are adequately trained in risk management and risk assessment techniques
Senior Managers	<ul style="list-style-type: none"> ‣ Ensures staff are aware of risk management and their roles within the organisational structure 	<ul style="list-style-type: none"> ‣ Communicating the corporate approach to risk management to staff ‣ Identifying training needs of staff and reporting these to the Corporate Governance Lead ‣ Seeking clarification on corporate risk requirements from the Corporate Governance Lead and cascading to all staff ‣ Supporting the Corporate Governance Lead and Officer Risk Champion in their role by facilitating the effective operation of the risk management within their department
Staff	<ul style="list-style-type: none"> ‣ Staff are accountable for individual risks 	<ul style="list-style-type: none"> ‣ Understanding their accountability for individual risks ‣ Reporting any perceived new risks or risk controls not being achieved to their manager promptly ‣ Seek clarification from their manager on obtaining continuous improvement of risk management and awareness
Internal Audit	<ul style="list-style-type: none"> ‣ Audits the Council's internal controls and risk management processes 	<ul style="list-style-type: none"> ‣ Challenging the risk management processes ‣ Ensuring that internal controls are robust and operating properly ‣ Ensuring that the results of the risk management process within the Authority inform the internal audit plan
Project/Partnership Managers	<ul style="list-style-type: none"> ‣ Manages issues of risk management in projects/partnership working/service level agreements, including third party working groups 	<ul style="list-style-type: none"> ‣ Managing partners and working groups engaged in project/partnership work in risk management in line with the Council's Risk Management Strategy ‣ Managing project scope and change control and escalating issues where necessary ‣ Providing advice to the Council of risks arising from partnership working and possible mitigating actions ‣ Recording and managing project/partnership

Title	Role	Responsibilities
		<p>working risk issues in a risk log and escalating where necessary in line with the Risk Management Strategy</p> <p>› Support the Council by reporting risk management issues to the Corporate Governance Lead and Project Board in a timely manner</p>

5.5 EQUALITY & DIVERSITY

- 5.6 All organisations have a duty of care to the public they serve and it is important that the all members of the community are treated appropriately.
- 5.7 The importance of delivering services that meet the needs of different communities is essential. There is a legal and moral responsibility at all levels of the service to meet the requirements as laid down under Race, Gender and the Disability Equality legislation.
- 5.8 All Councillors and staff should remain mindful and respectful of individuals' human rights and must also recognise the importance of taking into account all six equality strands, e.g. Race, Disability, Gender, Sexual Orientation, Religion and Belief and ensure that these needs are considered.

6. CORPORATE GOVERNANCE

- 6.1 Corporate Governance is the system by which the Council's functions and services to the community are directed and controlled. The Corporate Risk Management Strategy forms part of the corporate governance arrangements as published in the Local Code of Governance.
- 6.2 Internal controls are those elements of the Authority that support the achievement of the objectives and provide assurance at the corporate level that the organisation is operating efficiently and effectively and is linked to the risk management process. Financial controls form part of a wider system of internal control.
- 6.3 Service Managers have a responsibility to ensure controls that guarantee resources are utilised appropriately and provides value for money in the delivery of the corporate objectives. These controls are reviewed and reported in the Annual Governance Statement to inform the Council and the community of the effectiveness of results in meeting the corporate objectives.
- 6.4 The risk management process serves the Internal Audit function by making possible the identification of areas of risk and allocates resources more effectively. Internal Audit function ensures the Council's systems of control are protecting financial and physical assets.

- 6.5 The Council's Health & Safety Policy contributes to the management and effective control of risks affecting staff, contractors, volunteers, service users and the general public.
- 6.6 The Devon, Cornwall and Isles of Scilly (DCIoS) Community Risk Register is a strategic document and a legal requirement of the Civil Contingencies Act 2004. Its purpose is to assess the risks within the local resilience area in order to inform the Local Resilience Forum in the preparation, validation and exercising of contingency plans and allows the Forum to focus on multi agency work on a rational basis of priority and need. The Local Resilience Forum covers Devon, Cornwall and the Isles of Scilly, boundaries and in order to focus priority and need further, the Council of the Isles of Scilly has risks specific to the Islands within the DCIoS Community Risk Register.
- 6.7 Business and Service Planning is linked to corporate objectives cascaded through the levels as set out in Figure 3: Risk Management Structure and Communication below. Performance measures are set from the objectives (section **Error! Reference source not found.** below shows this process) and linked to the identified risks for each objective within the service plans.
- 6.8 Business Continuity manages the risks throughout the Authority and assesses its ability to continue with its service provision in the event of a catastrophic event. This is closely linked to the Corporate and Departmental risk registers to ensure processes are applied throughout the Authority and the business continuity plans.
- 6.9 The Council is committed to the effective monitoring and management of performance. Each Service Plan indicates that risks have been assessed and the performance measures to be monitored. A performance management Task & Finish Group has been formed to implement performance management improvements during 2014/15.
- 6.10 Risk is a major factor to be considered during the management of any project and focuses on keeping unwanted outcomes to an acceptable minimum throughout the project or programme. The identified risks are reported to the Project Board or relevant committee.
- 6.11 Contracts and Agreements are managed using the Authority's Contract Management Framework. Each contract manager assesses risks in the initial involvement with the contractor or partner and each contract or agreement requires the use of the Council's Risk Management framework.
- 6.12 **Error! Reference source not found.** shows the link between the Risk Management Strategy, Communication and Internal Controls.

7. COMMUNICATION

- 7.1 Communication and learning runs through the whole risk management process and includes internal and external stakeholders. New risks or a change in risk is itself is dependent on a good network of communication to facilitate identification of changes which will affect the authority's risk profile; including national security, partner organisations and key contractors.

7.2 Communication within the authority is essential to ensure:

- all staff are aware of the risk strategy, the risk priorities, how their responsibilities fit into the authority plans; without this risk management will not be embedded throughout the authority and risk priorities may not be addressed,
- lessons are learned by/transferred to those who can benefit from them; an effective control of risk in one department may also apply to another,
- each level of management through to the relevant committee and/or Council, seeks and receives appropriate assurances on a regular basis regarding the management of risk within the scope of their responsibility. Sufficient information should be provided to allow an informed decision where a risk or the action planned is not acceptable,
- partner organisations are made aware of the importance of the Council's risk management process and ensures that their employees and any third party are involved,
- a mechanism for important risk issues which suddenly develop or emerge,
- external stakeholders are informed to assure them that the authority is managing risk and that the authority will deliver services as expected.

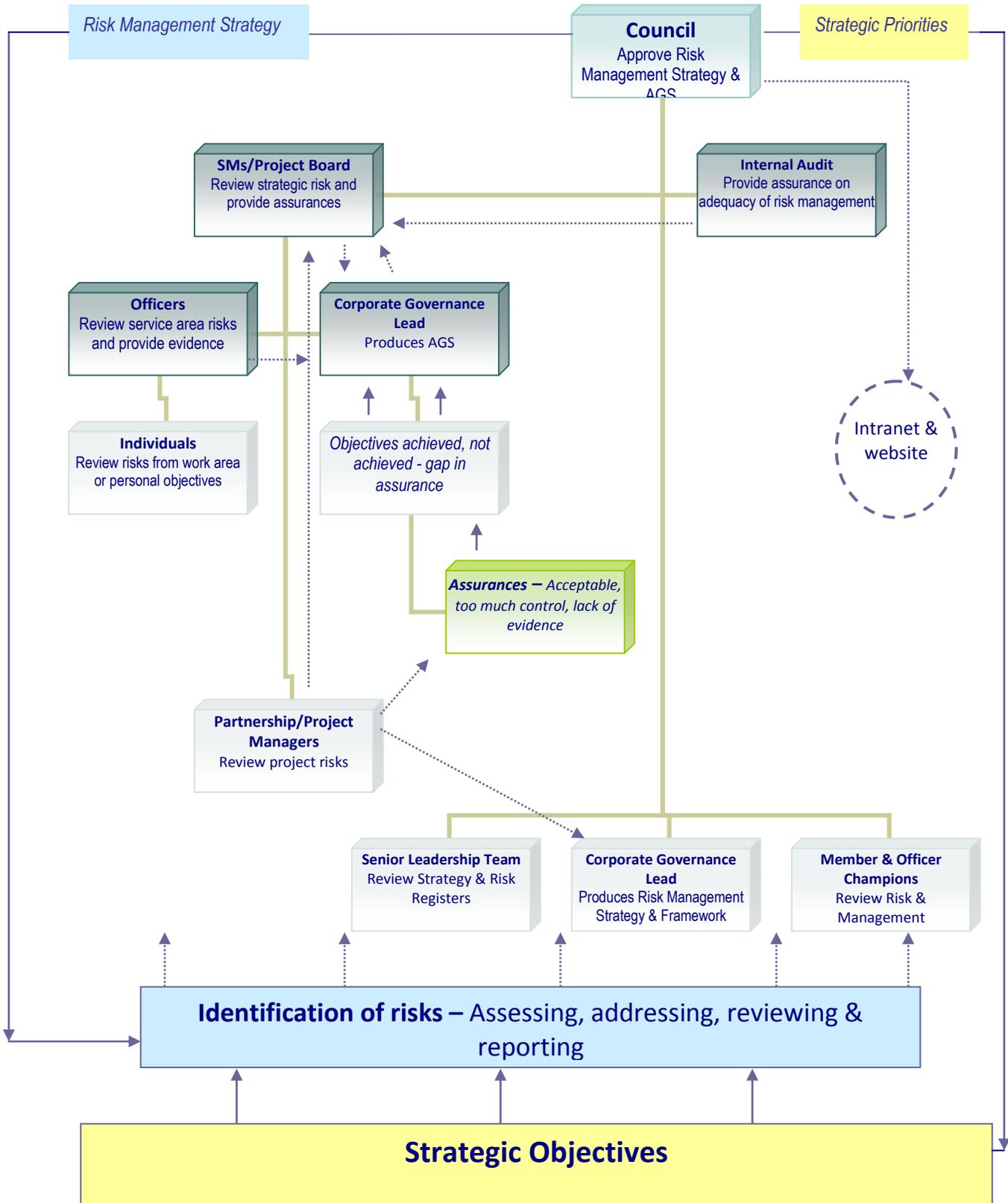
7.3 The Risk Management Strategy is reviewed annually and is the responsibility of the Corporate Governance Lead reporting to the Senior Leadership Team. Corporate and Departmental Risk Registers are reviewed, and actions identified to mitigate risks, by the Senior Leadership Team not less than twice per year and report any issues to the relevant committee.

7.4 In medium/high risk procurement activities, a Project Manager will be assigned, in line with the Corporate Procurement Strategy. The Project Manager has a responsibility to open a Risk Log and an Issues log. These logs must be reported to the appointed Project Board and the Corporate Governance Lead.

7.5 All relevant staff must give assurances on risk management to the Corporate Governance Lead on a timely basis to enable the Annual Governance Statement to be produced at the end of the financial year.

7.6 The Authority's Risk Management Structure shown at **Error! Reference source not found.** below, shows the structure of the risk management process from the identification of the risks to the Strategic objectives through to the Annual Governance Statement produced annually and approved by Council. This in turn informs and feeds back to the strategic priorities and the cycle begins again. Communication of the evidence and assurances is shown by dotted arrow lines.

Figure 3: Risk Management Structure and Communication



8. PERFORMANCE MEASURES

8.1 The Council's objectives and performance measures for Risk Management are shown in the following table.

No.	Objective	Performance Indicator	Measured by	Owner
1	To integrate the Council's risk management framework across the Council as part of corporate and business planning, and service delivery	<ul style="list-style-type: none"> ◦ Corporate Risk Register entries ◦ Departmental Risk Register ◦ Projects Risk Logs ◦ Internal Auditing ◦ Risk identification and reporting 	<ul style="list-style-type: none"> ◦ Audit reports ◦ Assurances from officers annually ◦ Reports of project issues and risks ◦ Communication of guidance 	CGL
2	To mitigate against the identified risks, providing assurances to comply with good corporate governance practice and rigorous performance management	<ul style="list-style-type: none"> ◦ Entries in mitigation section of Corporate and Departmental Risk Registers reviewed at least twice per annum ◦ Entries in Project Risk Logs ◦ Assurances from risk owners at annually 	<ul style="list-style-type: none"> ◦ Reports and minutes of meetings ◦ Assurance statements from relevant officers annually ◦ Financial reports to committee regarding mitigation finance/insurance 	CGL
3	To identify opportunities that may arise from the business plans linked to the corporate objectives	<ul style="list-style-type: none"> ◦ Entries in Corporate and Departmental Risk Registers reviewed at least twice per annum 	<ul style="list-style-type: none"> ◦ Reports and minutes of meetings ◦ Assurances from Officers 	CGL
4	To identify and address risks at all to turn uncertainty to the benefit of the community	<ul style="list-style-type: none"> ◦ Corporate Risk logs ◦ Project Manager Risk Log ◦ Management Information to Project Board 	<ul style="list-style-type: none"> ◦ Internal Audit reports ◦ Financial reports to committee regarding mitigation finance/insurance ◦ Minutes of relevant meetings 	CGL
5	To ensure any public or private partnerships have effective risk management procedures in place, including risk assessment prior to entering into an agreement and monitoring throughout	<ul style="list-style-type: none"> ◦ Project Manager Risk Log ◦ Management Information to Project Board ◦ Contract Management Form 	<ul style="list-style-type: none"> ◦ Internal Audit reports ◦ Reports to relevant committee from Project Board ◦ Completed Contract Management Form 	CGL
6	To provide training of risk management for Members, Officers, Managers and all relevant staff	<ul style="list-style-type: none"> ◦ Reports to SLT at least annually ◦ Training workshops ◦ Induction training 	<ul style="list-style-type: none"> ◦ Total hours training of staff and Members per year ◦ Notices on staff board, 	CGL

		<ul style="list-style-type: none"> ◦ Staff performance reviews twice annually 	<ul style="list-style-type: none"> ◦ Training needs analysis in Weekly Wave 	
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References

The Orange Book – H M Treasury

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/191513/The_Orange_Book.pdf

A Risk Management Standard – IRM, AIRMIC and ALARM www.theirm.org www.alarm-uk.org www.airmic.com

PRINCE2™ – <http://www.prince2.com/prince2-methodology>