Risk Management Framework

Document Control:	Risk Management Framework
Version: 1	31 August 2016

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Risk Management Policy

<u>Policy Statement</u>

It is the Council's policy to proactively identify, understand and manage the risks inherent in our services and associated within our plans and strategies, so as to encourage responsible, informed risk taking.

Risk management is all about understanding, assessing and managing the Council's threats and opportunities. The Council accepts the need to take proportionate risk to achieve its strategic obligations, but expects these to be appropriately identified, assessed and managed. Through managing risks and opportunities in a structured manner, the Council will be in a stronger position to ensure that we are able to deliver our objectives.
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We recognise that it is not always possible, nor desirable, to eliminate risk entirely. However, visibility of these areas is essential, and with a robust and strong framework we can place ourselves in the best position to achieve our strategic objectives and ambitions.

Ian Curryer
Chief Executive

Introduction

Risk management helps us to understand the risks associated with delivering Nottingham City Council's services. It makes us think about the decisions we take, and how we manage everyday service delivery, projects and our work with partners.

Risk management is often primarily concerned with the adverse potential of risk. However, not all risk is bad. Some opportunities can only be unlocked by taking risks. The key to success in these situations is to take risks knowingly and manage them appropriately.

The following statement sums up the purpose of risk management:

"***To ensure that the Council is not unnecessarily risk averse and is enabled to take or face risks knowingly and manage them appropriately.***"

Benefits of Risk Management

To manage services effectively we need to identify, understand and manage risks which threaten our ability to deliver our critical or most important business priorities. The application of risk management supports us in:

- Achieving our business priorities and planned financial targets;
- Achieving a high level of citizen satisfaction in our service delivery;
- Maintaining a safe and supportive working environment for colleagues;
- Optimising management and leadership competence;
- Enhancing our reputation;
- Maintaining compliance with legal and regulatory frameworks.

Effective Risk Management

Effective implementation of risk management will:

- Ensure colleagues, councillors and partners can face risks knowingly and manage them for the benefit of service users, citizens, tax payers and other stakeholders;
- Ensure risk management plays a central role in the management of its business activities, projects and partnerships, improving the quality of decision making and management;
- Ensure risk management practices are executed within a common framework that provides a consistent approach and channel for escalation of serious risks;
- Avoid risk aversion and ensure that risks and opportunities are taken with understanding and managed to achieve business priorities;
- Ensure partners undertake effective risk management in the interest of the Council's service users, citizens, tax payers and other stakeholders.

Risk management principles and good practice

Our approach to Risk management is supported by a number of principles:

- Risk management activity is aligned to business priorities (including those priorities supported by partnerships and projects). It encompasses all strategic and operational risks that may prevent Nottingham City Council achieving its objectives;
  - o Risk management is integrated into our planning process;
  - o The Council Risk register comprises separate risk registers and risk strategies corresponding to levels of management accountability and plans;
  - o Criteria exist for the escalation and delegation of risks between registers;
- Risk management engages stakeholder and deals with differing perceptions of risk. It is important to engage individuals and groups who have a stake in the organisational activity being undertaken, to understand their requirements and perceptions of risk.
- Risk management is a process to improve our understanding of risks and our decision-making, helping the Council anticipate and where possible/appropriate take preventative action rather than dealing with consequences. However, the purpose is not to remove risk entirely, but to manage risks most effectively (risk aware not risk averse);
  - o Risk is considered in all formal council reports;
  - o Risks are regularly reported at Departmental Management Teams and Corporate Leadership Team to facilitate updating and communication of risks and inform decision making;
- A consistent approach to the identification, assessment, management and escalation of risks throughout the Council;
  - o Use of threat assessment matrices to assist in making an assessment of likelihood and impact of risks materialising;
  - o The Risk Management Framework, including Policy, Process Guide and supporting Risk Strategies, additional guidance, templates and training support a consistent approach to risk management;
  - o Corporate Risk Management Group (CRMG) comprises Departmental Risk Champions embedding risk management. CRMG is a focal point for developing the Council's approach to risk management;
- Risk control and mitigation measures that are effective, proportionate, affordable and flexible;
  - o Risk mitigations are captured in Risk Management Action Plans, Risk Registers or Covalent. An assessment of the their effectiveness is made by the risk owner;
  - o Mitigations are reflected in corresponding Service Plans with a regular review of the risks that are a threat/opportunity to the achievement of the KPI's;
  - o Risks are subject to assurance work proportionate to the importance of the associated business objective and the impact of the risk.

Risk management in planning and decision making

The risk management process, practices and the hierarchy of risk registers helps us to manage the risks that the Council and City faces. The Council is committed to using risk information to inform decision making and planning:

- Strategic and operational service planning guidelines require that all service plans include relevant risk information (e.g. from risk registers) within their action plans;
- Departments are required to use information on significant risks, contained in risk registers to inform decisions on budget re-alignments and investments;
- All proposed budget reductions must include a detailed analysis of the risk surrounding the delivery of such reductions as well as the additional risks presented by their successful implementation;
- All efficiency improvements must be accompanied by a detailed analysis, including proposed mitigations. Of the risks that threaten the delivery of the savings, whether they are cashable or non-cashable;
- All projects and partnerships must be planned in recognition of the risks that threaten their effective operation and the delivery of their outcomes.

Risk management and performance management

The Council acknowledges the crucial links between risk and performance management. Risk management is an integral part of the business performance management framework. Performance cannot be reviewed or reported on without an accompanying review and report on the risks in play, whether they are a direct threat to progress or arise from an initiative to achieve new and critical benefits.

Risk management in partnerships and stakeholder engagement

The Council's approach to partnership risk management identifies and prioritises the priorities of the partnership so that the most critical are managed proportionately. Partnership governance bodies should ensure that partnerships (including their constituent projects and/or partnerships) are risk managed according to the Council policy and guidance and ensure that the risk management is proportionate to the complexity and significance of the partnership. Risk management for the partnerships must be designed to work across the appropriate organisational boundaries and accommodate and engage the different stakeholders involved. Large and or complex stakeholder communities can introduce their own risk and need to be explicitly managed.

Where the Council is not the 'leading partner' that 'sets' the management culture, it is the responsibility of Council colleagues in the partnership to ensure that the potentially different risk management approaches work together harmoniously to the benefit of all partners.

Good governance is the foundation of effective partnership risk management. The Council has adopted a corporate governance approach to its 'significant' partnerships.   The full details, which include the contribution of risk management, can be found in the Council's Partnership Governance Framework.

Stakeholders may include a wide range of individuals with an interest in the delivery of a priority or the management of its risks for example Councillors, managers, employees, trade unions, suppliers, partners, citizens and members of the wider community affected by the Council's existence.

The objectives of differing stakeholders may not be aligned and perceptions of risk may vary significantly. This will influence their contribution in identifying and managing the Councils risks. By facilitating discussions about risk and providing challenge, effective risk management practices will reduce subjectivity and bias caused by different stakeholder perceptions.

In order to engage stakeholders effectively the appropriate level and style of communication must be undertaken in order to identify who the various stakeholders are and understand their requirements and build common understanding. Proactive and timely involvement of stakeholders helps to ensure that the risk identification process is thorough and differences are understood and resolved early on helping the Council to achieve its objectives.

Process Guide (Toolkit)

Risk Management Process

The following diagram highlights the key stages in Risk Management.
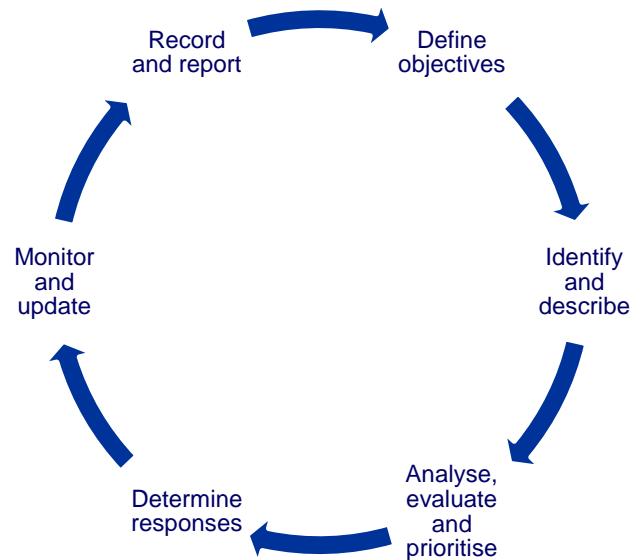
1. Define objectives. The first step is to identify the objectives, outcomes or deliverables. A risk is essentially something that could occur which will have an impact (negative or positive) on those objectives. It is also important to ensure that major stakeholders who have an impact on or are affected by the objectives are identified.

For example:

- Service plan objectives
- Project deliverables
- Corporate objectives and priorities

2. Identify and describe.

Risk identification should be done at least once a year, in the context of what could prevent you from delivering your (or the council's) objectives.
- Consider types of risk
- Examine trends and historical information
- Are there any opportunities?

For example (what might give rise to risk):

Risk Category	Example Causes
Political	Change of political control locally or nationally
Economic & Financial	Interest rate change; recession; cuts
Social	Population growth; ageing population
Governance	Compliance requirements; controls
Legislative or Regulatory	Fail to meet requirements; law changes
Resources (incl. HR, IT, Finance)	Recruitment; retention; capacity; capability
Legal	Breach of contract; changed terms
Environmental	Extreme weather events; climate change
Stakeholders	Disagreements; changed priorities
Change Management	Low staff morale; improved efficiency

The **description of the risk** should have three elements;
   - The likely source of the risk;
   - The possible risk event;
   - Its potential "impact" on the achievement of the associated business priority;
- Each risk should be described at a level of detail where it can be assigned to a *single owner*, with clear responsibility and accountability for addressing the risk;
- Be careful not to describe the Risk Event as the Effect/Impact.

For example:

Cause	Risk Event	Effect/Impact
If/As a result of	**Then/there is a risk that**	**Which will result in**
Restructures and cuts	We cannot recruit/retain skilled staff	Inability to deliver services (e.g. which might result in breach of safeguarding)

3. Analyse, evaluate and prioritise. Risk characteristics are assessed in terms of likelihood (how likely it is to occur) and impact (consequences if it did occur). The resultant score helps us establish the seriousness of the risks and prioritise them.

With some areas of work it is likely that counter measures and contingency plans have already been identified. These should be reviewed to ensure they reduce the seriousness of identified risks to an acceptable level.

Risk threat assessment matrix (Likelihood x Impact)

IMPACT

LIKELIHOOD		Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)	Description of occurrence
Remote (1)		**1** Tolerate	**2** Tolerate	**3** Tolerate	**4** Tolerate	**5** Prioritise for treatment / Tolerate	Never heard of occurring. We can't imagine it occurring.
Unlikely (2)		**2** Tolerate	**4** Tolerate	**6** Prioritise for treatment / Tolerate	**8** Prioritise for treatment / Tolerate	**10** Treat / Prioritise for treatment	May occur within the sector. We can imagine it happening.
Possible (3)		**3** Tolerate	**6** Prioritise for treatment / Tolerate	**9** Prioritise for treatment / Tolerate	**12** Transfer / Treat / Tolerate	**15** Terminate / Transfer / Treat	May occur within the Council. It would be unusual.
Likely (4)		**4** Tolerate	**8** Prioritise for treatment / Tolerate	**12** Transfer / Treat / Tolerate	**16** Transfer / Treat / Tolerate	**20** Terminate / Transfer / Treat	Occurs in 10 to 100 years. It may happen.
Almost certain (5)		**5** Tolerate	**10** Prioritise for treatment / Tolerate	**15** Terminate / Transfer / Treat	**20** Terminate / Transfer / Treat	**25** Terminate / Transfer / Treat	Occurs several time per year. It will happen.

Financial
A financial loss or loss of opportunity of less than £50k.	A financial loss or loss of opportunity of between £50k & £250k.	A financial loss or loss of opportunity of between £250k & £1 million	A financial loss or loss of opportunity of between £1 million & £10 million.	A financial loss or loss of opportunity of greater than £10 million.

Customer / citizen
Rise in complaints regarding service delivery under 5%.	Rise in complaints regarding service delivery of 5-10%.	Rise in complaints regarding service delivery of 10-20%.	Rise in complaints regarding service delivery of 20% - 30%.	Rise in complaints regarding service delivery of 30% or more.

Health & Safety
No injury.	First aid case or slight short term health problem.	Violence or threat or short term health problem.	Serious medium term health problem.	Fatality, disability or serious long term health problem.

Environmental
Localised short term reversible damage to the environment.	Localised medium term reversible damage to environment.	Widespread medium term reversible damage to environment.	Widespread long term damage to the environment.	Widespread irreversible damage to the environment.

Legal / legislation
Sued or fined less than £50k.	Sued or fined between £50k & £250k.	Sued or fined between £250k & £1 million.	Sued or fined between £1 million & £10 million.	Sued or fined for £10 million or greater.

Personnel
Permanent staff turnover exceeds 5% p.a. above norm.	Permanent staff turnover exceeds 5% - 10% p.a. above norm.	Permanent staff turnover exceeds 10% - 20% p.a. above norm.	Permanent staff turnover exceeds 20% - 30% p.a. above norm.	Permanent staff turnover exceeds 30% p.a. above norm.

Buildings/assets
Slight damage to building with no impact on service.	Slight damage to building with minor impact on services.	Damage to building rendering it temporarily unusable.	Damage to building rendering it unusable, but repairable.	Damage to building rendering it unusable & dangerous requiring demolition.

Achievement of highest priorities
No impact on achieving one of the Council's highest priorities.	Little impact on achieving one of the Council's highest priorities.	Noticeable impact on achieving one of the Council's highest priorities.	Partial failure to achieve one of the Council's highest priorities.	Failure to achieve one of the Council's highest priorities.

Partnership engagement
|				
Lack of resource provided from the partner side of a project leads to minor staffing issues.	Lack of resource provided from the partner side of a project leads to project delays.	Lack of resource provided from the partner side of a key project leads to project delays.	Lack of resource provided from the partner side of a major project leads to project delays.	Lack of resource provided from the partner side of a major project leads to termination.

Reputation
No significant comment or media coverage.	Adverse local media coverage for 1 to 7 days.	Adverse local media coverage with moderate change in stakeholder confidence lasting 1 - 3 months.	Adverse national media coverage with significant change in stakeholder confidence lasting more than 3 months.	Adverse national media coverage with dramatic change in stakeholder confidence lasting more than 12 months.

Service delivery
Key front line service unavailable for no more than 1 hour.	Key front line service unavailable for less than 6 hours.	Key front line service unavailable for more than 2 days.	Key front line service unavailable for 1 week.	Key front line service unavailable for more than 1 week.

4. Determine responses. If existing counter measures and contingency plans are considered insufficient, then new risk responses are required. However, we need to be careful that the cost of implementing risk responses is proportionate to the risk.
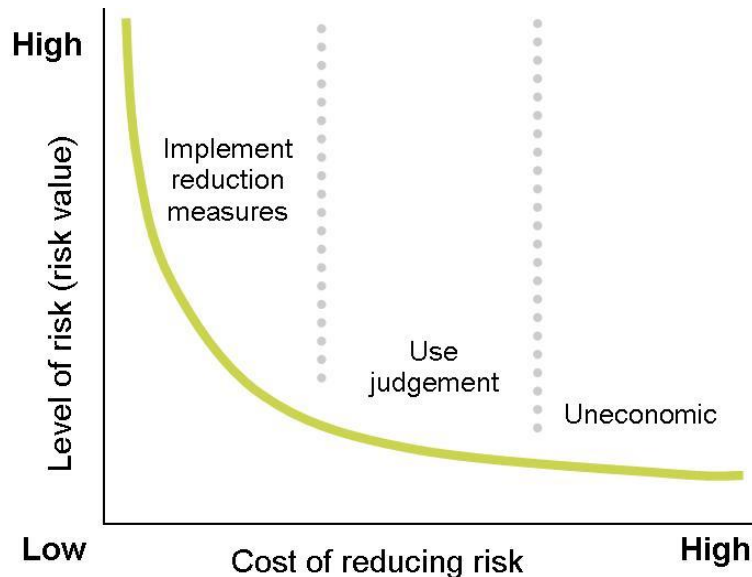
Our response to the risk is largely determined by the seriousness of the risk and our risk appetite or tolerance but can be broadly categorised into four options:

- **Terminate:** Terminate the activity which gives rise to the potential risk.
- **Transfer:** Transfer the risk or the consequences of the risk to a third party for example using insurance or outsourcing.
- **Treat:** Implement mitigation actions to reduce the likelihood and/or the impact. (Note: it is not always possible to influence both likelihood and impact).
- **Tolerate -** Accept the current risk level as the probability and severity are within a comfortable risk appetite.

5. Monitor and update. It is important to monitor risk behaviour and response to ensure that steps taken to reduce risk are implemented and effective. Also there may be new previously unidentified risks which require a response. When undertaking this monitoring effort should be focussed on the most serious risks.

6. Record and report. It is important that there is a formal record of the status of risks informing the wider understanding of risks across the organisation. Risks and mitigations are recorded in risk registers and supporting Risk Management Action Plans (RMAPs) which are formally reported to Departmental and Corporate Leadership Teams, Audit Committee and Executive Board.

Risk Registers (RR) are used to record of the risk exposure (the risks and their characteristics) and the decisions taken as a result of that knowledge (e.g. new mitigations). Where more detailed tracking of risks and management actions is necessary, **Risk Management Action Plans** (RMAP) can be used. To ensure accessibility to Councillors, colleagues, partners and project stakeholders and project managers are required to use corporate RR and RMAP templates that provide consistent ways of presenting information. Templates for the RRs and RMAPs are available from the risk management intranet site.

Risk Reporting

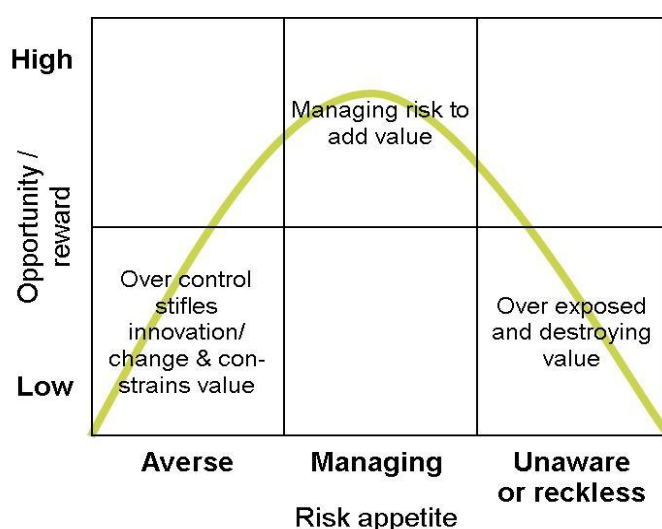## Guidance on escalation and delegation of risks

Risk threats should be known to the level of management best placed to decide if, and to what degree, mitigations should be initiated. However, we need to ensure there is not an excessive flow of information to the higher levels of management which could increase the risk of delayed mitigation. To assist with the consistent assessment of risks tolerance levels and criteria shall be established in risk management strategies corresponding to levels of management accountability, planning and risk registers.

Risks can also be delegated to lower risk registers although this should only happen if:

* The threat level on a business priority under risk management has fallen significantly and is now of considerable less concern at the higher level in the Council Risk Register. This might happen after a period of sustained risk management at the higher level.
* The higher (management) level does not have the primary delivery responsibility for the business priority being risk managed.

The final decision to escalate is a local management decision that depends upon the nature of the risk and the local and corporate operating/political environment.

A factor which can influence risk escalation is risk appetite. Risk appetite in areas such as child protection is understandably lower than say, economic development where 'only' money is at risk rather than potentially someone's life or well being.

Risk Reporting and Escalation Process

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                    │                     │
                    │   Audit Committee   │
                    │                     │
                    └─────────────────────┘
                              ▲                    ┌──────────────────────────┐
                              │                    │ Strategic Risk Register  │
                    ┌─────────────────────┐        └──────────────────────────┘
                    │     Corporate       │
                    │  Leadership Team    │
                    │                     │
                    └─────────────────────┘
                         ▲        │
┌──────────────────────┐ │        ▼          ┌──────────────────────────────┐
│ Risks escalated if the│ │                  │ Risks referred back for      │
│ corporate impact is   │ │                  │ departmental management      │
│ significant for:      │ ┌─────────────────┐│ after satisfactory period of │
│ • Council reputation  │ │                 ││ corporate management or for  │
│ • Finance             │ │ Directorate Level││ appropriate/proportionate   │
│ • Breach of compliance│ │                 ││ management level            │
│ • Citizen wellbeing   │ └─────────────────┘└──────────────────────────────┘
│ • Strategic objectives│    ▲        │
└──────────────────────┘    │        ▼
                    ┌─────────────────────┐
                    │                     │
                    │   Service Manager   │
                    │                     │
                    └─────────────────────┘
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Risks escalated if the corporate impact is significant for:
- Council reputation
- Finance
- Breach of compliance
- Citizen wellbeing
- Strategic objectives

Strategic Risk Register

Risks referred back for departmental management after satisfactory period of corporate management or for appropriate/proportionate management level

Strategy

Strategy Timeline
3 Months Commencing 1 September 2016

1. Review of strategy, policy, process and combine into one accessible document with toolkit approach. Communicate and re-launch
   a. Revisit scoring criteria
   b. Revisit benefits and outcomes of risk management to ensure they adequately reflect the council's current ambitions, and can realistically be met
   c. Support departments with the update of departmental risk registers
   d. Joint workshops with Performance team to support risk management in business planning
   e. All departmental risk registers to be reported to CLT
2. Challenge and update corporate risk register
   a. Determine what is 'a corporate risk'
   b. Determine escalation process for CRR risks
3. Risk management as standing agenda item at CLT. Determine how often to review which risks
4. Design training schedule for officers, managers, senior managers, Members, Audit Committee etc.
5. Risk refresh for Audit Committee Members
6. Decide on use of Covalent as risk management and reporting system. If continued, an approach is required to ensure consistent usage across services and ownership/oversight/administration of system. Otherwise, agreed format e.g. spreadsheets

3 to 6 Months
1. Horizon scanning exercise – repeat every 6 -12 months
2. Implement reporting and escalation processes
3. Review of departmental risks: assigned actions, target dates, owners etc. (every 6 months)
4. Contract risk management review (including partnerships registers, training etc.)
5. Review BCM arrangements: service level and corporately

6 to 9 Months
1. Consider risk appetite exercise
2. Audit contractually provided services
3. Assurance mapping exercise

9 to 12 months
1. Undertake further benchmarking review with focus on actions and outcomes
2. Review strategy
3. Review framework and update as necessary
4. Comprehensive review and challenge of corporate risk register (repeat annually)

Appendix A: Roles and Responsibilities

Risk management roles and responsibilities of colleagues, Councillors, committees and management teams:

The Chief Executive
- Ensure there is an agreed Risk Management Framework;
- Incorporate risk management in all strategic business planning and decision making;
- Ensure that the Risk Management Framework is implemented consistently across the Council via leadership of the Corporate Leadership Team (CLT);
- Ensure that there is sufficient management capacity and expertise across all Council departments;
- Ensure that risks to key objectives at strategic, project, partnership and operational levels are identified and assessed regularly at CLT and appropriate actions taken in response by risk owners;
- Ensure that risk issues are reported to Councillors with actions being taken.

The Deputy Chief Executive (S151 Officer):
- Ensure the design, production and operation of an effect risk management environment;
- Champion the concept of risk and opportunity management and ensure its proper consideration at CLT, Executive Board and Audit Committee;.
- Ensure there is a sound system of financial control;
- Ensure there is an up to date set of Financial Regulations;
- Ensure that budget holders are trained to comply with Financial Regulations;
- Ensure there are appropriate insurance arrangements in place and that these are reviewed at least annually;
- Ensure appropriate resources and expertise is provided to robustly manage risk and realise opportunities.

Corporate Directors:
- Take ownership of strategic and operational risks and the actions to mitigate them;
- Incorporate risk management in all departmental business planning and decision making;
- Proactively engage in risk management in their corporate leadership role, including engagement in the quarterly reports to CLT and Audit Committee;
- Ensure the Risk Management Framework is implemented consistently within their directorates and within corporate cross-cutting themes;
- Develop implement and maintain a Departmental Risk Strategy;
- Take an active and visible role in the management of risks within their department for their corporate lead responsibilities;
- Ensure that their department has an up to date Risk Register that is regularly reviewed by the departmental management team at least once a quarter;
- Demonstrate how significant risks are being managed.
- Identify a Risk management lead who is a senior manager at directorate level;

- Provide assurance for the Annual Governance Statement;
- Ensure that health and safety is integrated into the Risk management activities of the department;

Directors:
- Ensure that the Risk management Framework is implemented across their service;
- Incorporate risk management in all departmental business planning and decision making;
- Ensure the establishment and maintenance of a Risk Register for their services that is regularly reviewed and updated;
- Develop implement and maintain a Directorate Risk Strategy;
- Provide assurance for the Annual Governance Statement;
- Ensure managers are accountable for their risks;
- Ensure the Council's risk management policy is visible, understood and implemented within their directorates;
- Ensure that their Strategic Service Plan (SSP) is effectively risk managed;
- Ensure their colleagues and managers receive the relevant risk management training for their roles;
- Ensure that the management of serious risk is an explicit part of the coverage of Performance Appraisal processes.

Heads of Service/Service Team Leader:
- Ensure that the Risk management Framework is embedded in their team;
- Ensure that colleagues receive a briefing on the risk management and health and safety policies at local induction;
- Ensure that colleagues attend relevant training;
- Ensure that all colleagues are aware of strategic, operational, team and personal objectives and their contributions to achieving those objectives;
- Ensure that controls are operating effectively for the risks that they manage;;
- Ensure that any new risks identified within the team are fed through to the line manager;
- Ensure that they contribute to a sound system of internal control by following policy and procedures designed to reduce business risk such as fraud prevention.

Individual colleagues:
- Be familiar with the Risk management Policy;
- Take general steps in their every day working to reduce risk;
- Inform their line manager / supervisor of issues in their work activities that they consider are material risks or raise these issues at team meetings;
- Immediately report any incidents or near misses or any other incident they feel is relevant to their line manager / supervisor;
- To participate in risk management training.

Head of Internal Audit:
- Develop the Council's annual audit programme in conjunction with the Chief Finance Officer, Chair of the Audit Committee, Corporate Directors and Council managers;

- Co-ordinate the production of the Annual Governance Statement;
- Support risk assessments conducted on the Council Plan and key partnerships and projects;
- Act as a source of advice and good practice to Directorates;
- Actively participate in the work of the Audit Committee.

The Head of Resilience:
- Ensure that the Council complies with the requirements of the Civil Contingencies Act 2004;
- Ensures the LRF Community Risk Register is prepared annually and the programme of mitigation is undertaken;
- Prepares, trains and exercises Council wide Emergency Plans to mitigate the effects of incidents affecting the council;
- Oversee the work of the Departmental Emergency Planning Liaison Group through its 'Emergency Response and Recovery' and 'Continuity' work-streams;
- Co-ordinate the development of appropriate Continuity Plans at Corporate, Directorate, Division and Service levels;
- Co-ordinate the provision of appropriate Continuity Planning training and validation;
- Have regard to the need for appropriate Continuity Plan implementation during the response to internal and external emergencies.

Risk and Insurance Manager:
- Be responsible for the robustness and application of the Risk management Framework (RMF) across the Council:
- Co-ordinate the collation of quarterly strategic risk reports for CLT, and the Audit Committee:
- Provide an annual report on risk management to CLT, Audit Committee and Executive Board;
- Support and provide expertise to the quarterly review of departmental risk registers at DLT's;
- Chair the Corporate Risk management Group;
- Work with the departmental Risk Champions to ensure a consistent approach to service, project and partnership priority risk management across the Council's departments;
- Recommend and implement improvements to the Council's risk management processes;
- Commission and / or deliver the Council's on-going risk management training programme;
- Participate in continuing professional development to ensure that advice reflects emerging good practice and new developments.
- Liaise with other Councils on risk management practice, particularly the identification of new and emerging risks to local authority priorities;
- Commission reviews to evaluate risk management practice from internal audit or other specialists.

The Executive Board:
- Receive and review an annual report on risks in the strategic risk register and how they are being managed;

- Obtain assurance that the Corporate Leadership Team are taking appropriate action on significant risks to strategic objectives;
- Consider the draft Annual Governance Statement prior to Full Council.

The Audit Committee:
- To evaluate and ensure the effectiveness of the Council's Risk management programme and associated control environment, assessing individual risks where necessary;
- Approve the Council's Risk management Framework.

Corporate Leadership Team:
- Own and manage the Strategic Risk Register using the principles of the Council's Risk Management Framework;
- Ensure consistent implementation of the Risk management Framework across Council directorates, partnerships and projects;
- Assess that suitable actions are taken to mitigate different levels of risk;
- Ensure that controls are prioritised and that risk responses are proportionate;
- Incorporate risk management in all strategic business planning and decision making;

Directorate Leadership/Management Teams:
- Review the Departmental Risk Register on a regular basis;
- Obtain assurance that the Directors are taking appropriate action on significant risks to strategic objectives;
- Provide the Corporate Director assurance evidence for the Annual Governance Statement;
- Promote risk management practice in line with the approved Risk management Framework in the directorates.
- Incorporate risk management in all strategic business planning and decision making;

Internal Audit:
- Provide an independent and objective opinion to the City Council on its governance, risk management, and internal control by evaluating their effectiveness in achieving the Council's objectives;
- Examine, evaluate and report on the Council's risk management arrangements (including commissioned work);
- Develop and agree an annual programme of audit focussed on the significant risks to the Council's objectives in conjunction with the Chief Finance Officer;
- Provide an independent opinion on the Annual Governance Statement;
- Review the composition of the Strategic Risk Register and individual strategic red risks.
- Audit selected risks identified for delegation from the Strategic Risk Register.

Insurance and Risk management Services:
- Identify insurable risks and determine risk transfer mechanisms in line with the Council's tolerance for risk:
- Handle all claims in their entirety and identify historic and emerging risk trends;

- Provide underwriting advice and support to Directorates on insurance and operations risk matters;
- To establish and maintain Operational Risk management groups within services areas;
- To be responsible for the identification, assessment and mitigation of Operational Risk management across the Council;
- Deliver the council's Risk Management Framework.

The Corporate Risk management Group:
- Share learning, intelligence, experience and good practice across the organisation;
- Analyse and prioritise risks requiring corporate action;
- Advise the Corporate Directors and Directorate Management Teams on significant risk issues and their mitigation;
- Contribute to the quarterly risk report to CLT and Audit Committee and the Annual reports to Audit Committee, Council and Executive Board;
- Championing risk management within the authority.

Appendix B: Glossary of Terms

Term	Description
Assurance	An evaluated and preferably independent opinion, based on evidence gained from review.
Contingency Planning	The process of identifying and planning appropriate responses to be taken when, and if, a risk actually occurs.
Corporate Governance	The ongoing activity maintaining a sound system of internal control by which the directors and officers of an organisation ensure that effective management systems, including financial monitoring and control systems
Countermeasure	An action taken to reduce the likelihood of a risk materializing. Sometimes it is used loosely to include a contingency plan
Early warning indicator (EWI)	A leading indicator for an organisational objective.
Impact	Impact is the result of a particular threat or opportunity actually occurring
Inherent risk	The exposure arising from a risk before any action has been taken to manage it
Issue	A relevant event that has happened, was not planned and requires management action.
Opportunity	An uncertain event with a positive probable impact
Prevailing (or opening) risk	The exposure arising from a risk having taken into account existing mitigations/counter measures
Proximity (risk)	The time factor of risk, i.e. the occurrence of risks will be due at particular times and the severity of impact will vary depending on when they occur
Residual risk	The risk remaining after the risk response has been successfully applied
Risk	An uncertain event or set of events that, should it occur, will have an effect (positive or negative) on the achievement of objectives
Risk appetite	The amount of risk an organisation, or a subset of it, is willing to accept.
Risk capacity	The maximum amount of risk that an organisation can bear.

Term	Description
Risk cause	A description of the source of the risk, i.e. the event or situation that gives rise to the risk
Risk event	A description of the area of uncertainty in terms of the threat or opportunity
Risk management Policy	A high-level statement showing how risk management will be handled throughout the organisation
Risk management Process Guide	Describes the series of steps and activities to implement risk management
Risk management Strategy	Describes the goals of applying Risk management to the specific activity including the process to be adopted, roles responsibilities, risk thresholds, timing of risk management interventions etc.
Risk owner	A role or individual responsible for the management and control of all aspects of individual risks including the implementation of measures taken to manage the risk.
Risk profile	Describes the types of risks faced by an organisation and its exposure to them
Risk Rating (sometimes called score)	A numerical score for a risk that reflects its seriousness: high ratings point to the most serious risks. It is normally equal to the product of a risks impact and likelihood scores.
Risk register (or log)	A record of risks relating to an initiative including status, history.
Risk response (or treatment)	Actions that may be taken to bring the situation to a level where the exposure to risk is acceptable
Risk tolerance	The threshold levels of risk exposure that, with appropriate approvals, can be exceeded, but which when exceeded will trigger some form of response.
Strategic risk	Risk concerned with where the organisation wants to go, how it plans to get there and how it can ensure survival.
Terminate	An informed decision not to become involved in a risk situation (i.e. To choose another path, which does not encounter that risk)
Threat	An uncertain event that could have a negative impact on objectives or benefits
Tolerate	An informed decision to accept the likelihood and the consequences of a particular risk, rather than trying to mitigate it by implementing a countermeasure or contingency plan
Transfer	An informed decision to transfer the risk to another party, who will accept the risk and/or reap the rewards. Insurance transfers risk of financial loss from insured to insurer
Treat	An informed decision to take additional action to further minimise the likelihood or impact of an identified risk.