



Listening Learning Leading



Risk management strategy

2009 – 2012

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1 – Context

1. This is a combined risk management strategy for South Oxfordshire District Council and Vale of White Horse District Council.

WHAT IS RISK MANAGEMENT?

2. Risk can be defined as the possibility of something happening, or not happening, that would have an impact on an organisation's ability to meet its strategic or operational objectives. All organisations exist to achieve their objectives. The purpose of risk management is to manage the barriers to achieving these objectives.
3. Risk management can be defined as the process of identification, analysis, prioritisation, management and monitoring of risks, and any resulting actions, which would reduce the likelihood or impact of the risk occurring. Risk management is thus a strategic tool and is an essential part of the effective and efficient management and planning of the councils' operations.

LOCAL AND NATIONAL DRIVERS

4. There are a number of local and national factors that drive risk management.

Business improvement and performance management

5. Effective risk management enables the councils to identify, prioritise and manage barriers in the achievement of strategic objectives, corporate priorities, targets and service plan actions. It also supports the organisation in taking and managing significant risks to increase confidence and ability to successfully deliver innovative and challenging projects. Risk management helps to enhance performance at all levels of the performance management framework and to demonstrate commitment to continuous improvement.

Corporate governance framework

6. Risk management and assurance form part of the corporate governance for local authorities. It involves ensuring that risk management is embedded into the culture of the authority; with councillors and officers at all levels recognising that risk management is part of their role within the council. The Accounts and Audit Regulations 2003 require us to be responsible for ensuring that we have a sound system of internal control which facilitates the effective exercise of the councils' functions and which includes arrangements for the management of risk and measures to ensure that risk is appropriately managed. We have to demonstrate these arrangements in the Annual Governance Statement.

Comprehensive Area Assessment (CAA)

7. The Audit Commission's CAA framework introduced in 2009 looks at the public services delivered by the councils and their partners including the private and voluntary sectors. The councils' risk management arrangements will form part of the 'Use of resources' self-assessment which the councils are required to submit to the Audit

Commission. The use of resources assessment forms part of CAA and will also feed into other relevant performance assessment frameworks as appropriate. The use of resources assessment considers how well organisations are managing and using their resources to deliver value for money and better and sustainable outcomes for local people. It is structured into four themes. One of the themes called 'governing the business' includes an element on risk management. This requires councils to demonstrate that they manage risks, have a clear strategy and effective arrangements, including allocation of appropriate resources.

Civil Contingencies Act 2004

8. In addition, the Civil Contingencies Act 2004, places a duty on councils to assess the risk of an emergency occurring and to maintain plans for the purpose of ensuring that if an emergency occurs, the councils are able to perform their functions. Both councils are already meeting the requirements of this Act by each having (separate to the risk management strategy) an emergency plan and business continuity arrangements.

2 – Risk management outcomes

9. We have implemented a rationalised risk management approach based on good practices already in place at each council. The final stage of this process is that we have produced this combined risk management strategy for South Oxfordshire District Council ("South") and Vale of White Horse District Council ("Vale").

CORPORATE PRIORITIES

10. Effective risk management contributes towards both councils' ability to meet their corporate priorities (appendix 1) by:
- identifying barriers to achievement and implementing actions to reduce the likelihood or consequences of potential risks occurring
 - a greater awareness and understanding of potential risks and their ability to be controlled will help the councils become less risk averse
 - improving service planning through a risk based decision making process, resulting in prioritised actions that focus on managing risks and directing resources to achieve maximum benefit and value for money.

RISK MANAGEMENT STRATEGY - DESIRED OUTCOMES

11. The intended outcomes resulting from implementation of this strategy are to enable both councils to:
- comply with government guidance and statutory instruments relating to risk management.
 - have a strategic approach to risk management which is supported by councillors, management and staff
 - have a simple view of risks on a service basis with the knowledge and confidence that risks are being managed or reduced within each service area
 - have a clear risk management process and standards that managers support and understand
 - formally use the risk management process for all key decisions
 - integrate risk management into normal business practices
 - have the ability to demonstrate that risk management is embedded in business processes, including strategic planning, financial planning, policy making and review, performance management and project management.

3 – Approach

ROLES AND RESPONSIBILITIES

12. A senior officer takes responsibility for embedding risk management throughout each council. Heads of service, service managers, risk champions and staff all have specific responsibilities. These are detailed in appendix 2.
13. The risk management process is coordinated by the corporate risk officer. Each service has a risk champion, which is often the head of service, or a nominated officer who has a broad understanding of the service's operations and projects. The risk champion acts as the point of contact for risk management enquiries, coordinates the annual risk review process, regularly reviews risks and ensures risk mitigating actions are taken.
14. Councillor responsibility for corporate risk management is identified in the terms of reference of the Audit and Corporate Governance Committee (ACGC) (South) and Audit and Governance Committee (AGC) (Vale). These are detailed in appendix 3. The committees provide effective challenge of the risk management process and outcomes.

METHODOLOGY

15. The risk management process in place at both councils has been guided by the Zurich Municipal Management Services (ZMMS) STORM[®] methodology (Strategic and Organisational Risk Management). This is a structured, systematic methodology for identifying, analysing, prioritising and managing risk at both strategic and operational levels. The process is detailed in appendix 4.
16. There is a separate guidance document in place specific to the risk management process that is available on the intranet.

RISK REGISTERS

17. Each council maintains a separate register of their strategic and operational business risks, which:
 - links risks to strategic objectives
 - assesses both the gross and net risks for likelihood and impact
 - assigns named individuals to lead on actions identified to mitigate (reduce the likelihood and/or consequences of) each risk.
18. Each service has its own operational risk register and the risk champion records the risks identified by their team. Heads of service endorse their specific risk registers when they are updated and the risk management process ensures that we review and update the operational risk registers on a quarterly basis.

19. Management team are responsible for the strategic risk register, which they review a regular basis. The strategic risk register is presented to ACGC (South) and AGC (Vale) on a regular basis.

PARTNERSHIP WORKING

20. The councils' risk management process considers and manages risks in relation to significant partnerships. The management team regularly reviews the risks of joint working, collaborations and partnerships. This includes joint service delivery with the councils' main contractors and organisations in the public and private sector. Separate guidance on partnership risks is available to officers via the intranet.

BUSINESS CONTINUITY

21. The Civil Contingencies Act 2004 places duties on the councils to assess the risk of an emergency occurring and to maintain plans for the purpose of ensuring that, if an emergency occurs, the councils are able to continue to perform their functions. In response to this requirement, Vale drafted a Business Continuity Strategy Statement in September 2007 and South agreed a Business Continuity Strategy in August 2006 that was approved by Cabinet. Both councils also have an Emergency Plan.

22. Following the management restructure, management team made the decision to rationalise the approach to business continuity between the two councils and create a process that was common to both. We have written a draft Joint Business Continuity Strategy to serve both councils and anticipate it will be approved by Executive (Vale) and Cabinet (South) towards the end of 2009/2010.

23. The current business continuity arrangements ensure that each council has a crisis management plan and a set of service business continuity plans in place. The purpose of these plans is to set out a process for continuing to provide public services in the event of a disruption to the councils' normal operations. The plans are designed to be implemented in the event of any significant disruption. The crisis management plan is owned by a strategic crisis team (SCT), made up of members of management team and other key officers, whose role is to provide overall direction in recovery of service activities, to make decisions on the councils' priorities and coordinate resource requirements across the organisation. Each service team has its own business recovery team with sufficient resilience to implement the business continuity plan in the event that one or more team members are unavailable. These plans are reviewed and tested on a regular basis.

24. We need to obtain assurance on the viability of our significant contractors' and partners' business continuity plans and because we outsource many of our services, business continuity arrangements with suppliers are to be included in the plans. At South, the pre-qualification questionnaire used for all major procurements asks for details of the supplier's business continuity arrangements and we assess this information as part of the tender evaluation. There is a standard contract term that requires key suppliers to have business continuity arrangements in place. South has also held a workshop and issued guidance to help its biggest contractors improve their business continuity arrangements. We will introduce the above process at Vale during 2009/10.

TRAINING

25. All those involved in the organisation's risk management arrangements are given relevant training and guidance. The risk champions within each service will be suitably trained to enable them to take responsibility for managing risk within their area and provide assurance to their head of service that risks are being managed effectively.
26. The Audit and Corporate Governance Committee at South has received risk management awareness training and are regularly briefed on the risk management process when they receive a report. We intend to provide suitable awareness training to Audit and Governance Committee at Vale in 2009/2010 and submit regular risk management update reports.

REVIEW AND REPORTING

27. The risk management approach and the supporting procedures are reviewed and updated at least annually.
28. Management team will approve each council's risk register on an annual basis and review the operational risk registers regularly, noting any risk mitigating actions that have not been implemented.
29. South ACGC and Vale AGC will review the strategic risk registers on a regular basis and receive regular reports on how strategic and operational risks are being managed. Both committees will review an annual report as part of the annual governance statement.
30. ACGC and AGC review the risk management approach and supporting procedures and comment on drafts of this risk management strategy before approval by South Cabinet and Vale Executive.
31. Committee reports to support strategic policy decisions, and initiation documents for all major projects, include the requirement and guidance for carrying out a risk assessment.

Appendix 1 – Corporate priorities

2008-2012 SOUTH OXFORDSHIRE DISTRICT COUNCIL

32. Strategic risks are assessed on the barriers to achieving the following corporate priorities:

Managing our business effectively

- Provide value for money services that meet the needs of our residents and service users
- Provide equality of access to our services

Protecting our environment

- Reduce the amount of waste we send to landfill
- Reduce energy use from our own operations
- Keep the district clean and tidy, and tackle environmental crime such as litter, graffiti, fly-tipping and abandoned cars

Helping people to find homes

- Increase the supply of housing in the district, including affordable housing
- Prevent homelessness and improve housing options, particularly for vulnerable groups such as young people and older people

Supporting economic growth

- Support creation of vibrant market towns
- Promote business growth and creation of new jobs

Transforming Didcot

- Plan for the expansion of Didcot as a major centre of population and employment in Southern Oxfordshire
- Develop a thriving town centre with a wider range of facilities

Helping people feel safe and secure

- Tackle crime and antisocial behaviour
- Maintain low levels of fear of crime and antisocial behaviour

Improving opportunities, activities and support for young people

- Increase access to a wide range of activities for young people, which meet their needs; and support young people at risk of committing antisocial behaviour and crime

Strengthening local communities

- Support local groups to provide services and solutions in their local communities
- Advocate and influence on behalf of our communities on important local issues for which we are not the main provider

2009-2012 VALE OF WHITE HORSE DISTRICT COUNCIL

33. Strategic risks are assessed on the barriers to achieving the following corporate priorities:

Meeting people's need for housing

- Enable affordable homes to be built in the district each year in line with the Vale's ambitious targets
- Help people in housing need to resolve their housing problems

Supporting a vibrant local economy

- Work in partnership to sustain vibrant market towns
- Support rural business and communities
- Promote 'Science Vale UK' as a world leading area for science and technology

Managing our business effectively

- Provide value for money services that meet the needs of our residents and service users
- Optimise access to our services
- Improve communication about the council's activities and achievements

Rising to the challenge of climate change

- Minimise our impact on the causes of climate change
- Respond to the effects of climate change, particularly flooding
- Minimise the waste we produce and maximise recycling

Helping to maintain a safe Vale

- Help to maintain, or further reduce, low levels of crime and anti-social behaviour
- Reduce the fear of crime and anti social behaviour

Keeping the Vale a clean place to live

- Deal effectively with litter and detritus
- Tackle 'envirocrime', such as fly tipping, dog fouling and graffiti

Appendix 2 – Roles and responsibilities

34. This appendix describes the roles and responsibilities that councillors and officers play in introducing, embedding and owning the risk management process:

CHIEF EXECUTIVE AND MANAGEMENT TEAM

35. The overall responsibility for effective governance and risk management in both councils lies with the chief executive, who, supported by management team, will

- recommend to South's Cabinet and Vale's Executive the risk management strategy and subsequent revisions
- provide strategic leadership, direction and oversight of the risk management process
- promote, demonstrate and embed risk management within the council as part of usual activities, including the sharing of best practice and experience between services
- actively identify, assess and monitor strategic risks on a regular basis
- ensure that appropriate training is provided to enable staff to carry out their duties as defined in the risk management strategy
- conduct reviews of the operational risk register
- the chief executive is required to agree and sign the annual statement of internal control (assurance statement).

36. Individual strategic directors are responsible for developing relevant action plans for the key risks identified within the strategic risk register and establishing relevant performance indicators to measure their performance through the performance management framework.

HEADS OF SERVICE

37. All heads of service are responsible for:

- actively identifying, assessing and monitoring operational risks on a regular basis
- ensuring that risk assessments are undertaken in their service areas, and that risks identified are prioritised and entered onto the risk register
- highlighting any emerging trends and unacceptable risks and providing actions plans for elimination or minimisation of such risks
- incorporating risk management actions into service plans
- ensuring risk assessments are reviewed at least annually or when a change of circumstances dictates
- ensure that there are policies, protocols and procedures in place that are communicated to and followed by staff to minimise risks

- ensure all staff, contractors (both on-site and off-site) and members of the public are informed of any risks that they may be exposed to and the action that has been taken to reduce or eliminate them
- ensuring adequate communication, training, assessment, monitoring and proactive action is taken with regard to risks
- ensuring that where incidents have occurred, they are reported, practices reviewed, and where appropriate, procedures and activities changed based on current best practice
- ensuring that the risk management process is part of all major projects and change management initiatives
- where appropriate in reports written for councillors, to include a risk assessment of the options presented for a decision
- monitoring and reviewing relevant performance indicators regularly to reduce or control the significant risks via the performance management framework.
- appoint a service risk champion and ensure that they have adequate skills, training, resources, information, knowledge and supervision to undertake their duties
- ensuring that all staff working within their service receive adequate training to enable them to work safely and discharge their responsibilities under the risk management strategy.

LINE MANAGERS

38. All line managers are responsible for:

- implementing this strategy at team level by ensuring adequate communication, training and the assessment and monitoring of risks
- undertaking risk assessments throughout their area of responsibility, and that risks identified are prioritised and entered onto the risk register
- highlighting any emerging trends and unacceptable risks and providing actions plans for elimination or minimisation of such risks
- ensuring that policies, protocols and procedures are communicated to staff and are followed
- ensuring that all incidents are reported in accordance with the council's incident reporting procedure
- ensure all staff, contractors (both on-site and off-site) and members of the public are informed of any risks that they may be exposed to and to the action that has been taken to reduce or eliminate them
- ensuring that there is an effective system for consultation and communicating health and safety information throughout their teams
- ensuring staff have suitable and sufficient training to undertake their work safely and competently.

OFFICERS

39. All officers are responsible for:

- considering risk as part of everyday activities and provide input to the risk management process
- reporting to their line managers all faults, hazards, unsafe practices, accidents, adverse incidents, dangerous occurrences and near misses, whether injury is sustained or not.

LEAD RISK CHAMPION – CORPORATE RISK OFFICER

40. The corporate risk officer is responsible for:

- leading and driving the implementation of a combined risk management approach at both councils
- acting as a single point of contact for risk management queries from all officers of the councils
- facilitating training of officers and councillors
- co-ordinating the completion of the combined risk register for each council
- ensuring adherence to the risk management process
- quarterly reviewing of service plan actions
- providing regular performance reports to management team and committees
- updating of procedure notes and guidance documents.

RISK CHAMPIONS

41. The duties of the risk champion include:

- acting as the first point of contact for risk management enquiries from their own service
- facilitate the dissemination of risk information to all levels within their service team
- regularly updating their manager on progress or otherwise being made in implementing risk management programmes
- liaising with the lead risk champion regarding progress with risk management developments
- providing basic advice to service team members, to allow them to be self sufficient in undertaking risk assessments
- where necessary initiate the risk assessment process, with the view to passing the responsibility during the course of the assessment onto the relevant manager(s)
- completing an annual risk review
- integrating risk actions into service plans
- ensuring risk actions are taken, and where not, raise with their head of service
- regularly review risk actions and projects for progress

- ensure colleagues are aware of risk-related issues within their area.

In order to undertake these duties the risk champions must be supported by the chief executive, directors, councillors and lead risk champion.

ROLE OF INTERNAL AUDIT

42. Internal audit's role is seen as challenging established processes, challenging risk identification and evaluation and providing assurance to officers and councillors on the effectiveness of controls. They will be responsible for undertaking an annual assessment of the council's risk management and internal control mechanisms as part of the review of corporate governance arrangements.

43. Internal audit will also need to feed the results of the corporate and service risk analysis into its annual audit programme.

Appendix 3 – Committee terms of reference

AUDIT AND CORPORATE GOVERNANCE COMMITTEE (SOUTH)

- Approval of the Council's statement of accounts
- To receive the District Auditor's management letter and make any recommendations thereon
- To consider Corporate Governance matters and make any recommendations thereon
- To approve the Annual Governance Statement
- To receive external and internal audit reports and make any recommendations thereon
- To consider complaints under the Council's complaints procedure
- To consider risk management issues and make any recommendations thereon
- The determination of enhanced benefits in respect of redundancies and early retirements
- To agree the changing of salary grades for any posts at head of service and above
- To agree human resources matters relating to the Local Government Pension Scheme. These include changes to the scheme requiring local decisions; responding to consultations for scheme amendments; applying discretionary termination payments to staff, in cases of early retirement on efficiency grounds; and amending or implementing new Council policies on pensions (i.e. discretionary payments policy).

AUDIT AND GOVERNANCE COMMITTEE (VALE)

- To consider and determine on behalf of the Council all aspects of the Accounts of the Authority including the approval of the statement of accounts
- To receive the District Auditor's Annual Governance Report (or equivalent) and review responses to it
- To consider Corporate Governance matters (including not limited to comments and complaints and risk management issues and review responses to them)
- To approve the Annual Governance Statement
- To receive external and internal audit reports and review responses to them
- To consider and determine any other issue related to the above functions properly referred to the Committee by the Council.

Appendix 4 – The risk management process

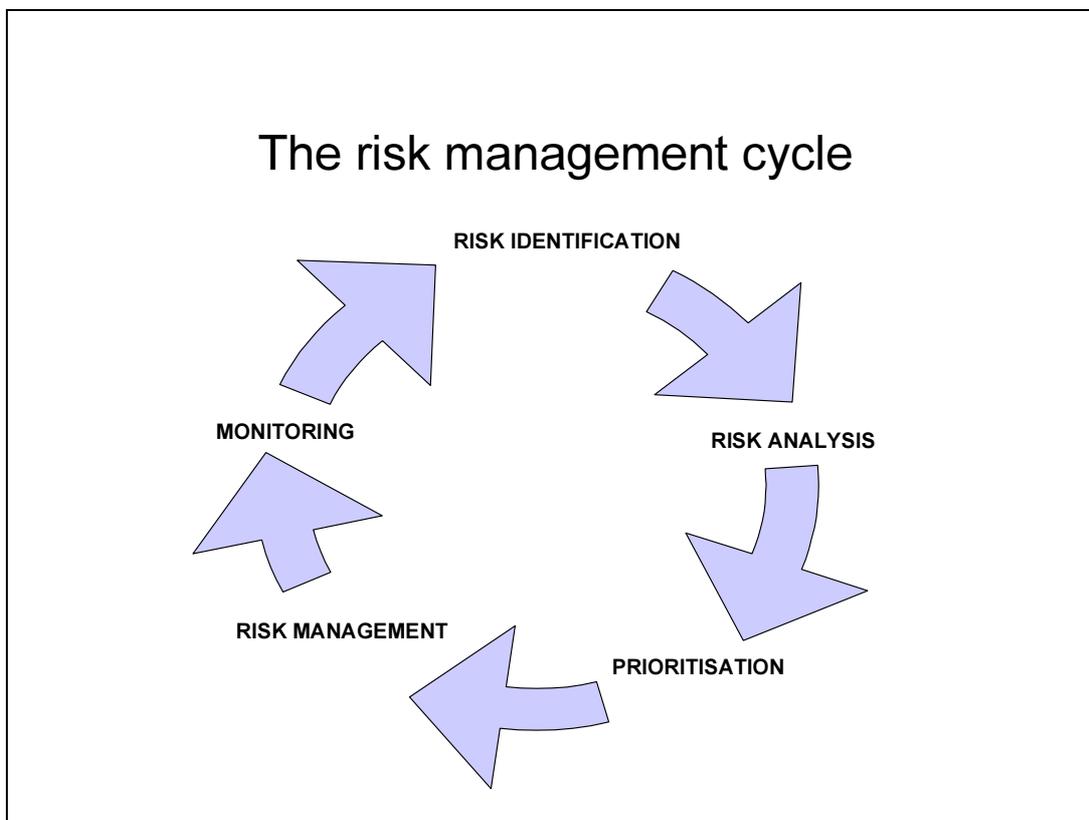
44. The risk management process adopted by both councils has been guided by the Zurich Municipal Management Services (ZMMS) STORM[®] methodology (Strategic and Organisational Risk Management) that is a structured, systematic methodology which identifies, analyses, prioritises and manages risk at strategic and operational levels.

45. There are five stages within this methodology:

- Stage 1 – risk identification
- Stage 2 – risk analysis
- Stage 3 – risk prioritisation
- Stage 4 – management
- Stage 5 – monitoring

46. Figure 1 outlines the risk management cycle adopted by both councils and highlights the key stages of the risk management process.

FIGURE 1: THE RISK MANAGEMENT CYCLE



47. Each stage of the risk management process is summarised below and there are comprehensive procedure/guidance notes in place to assist officers in the application of the risk management process. Guidance notes can be found on the intranet.

STAGE 1 – IDENTIFYING RISKS

48. There are 13 categories of risks to consider when identifying risks and they should act as a prompt for those involved in the process. This ensures that a holistic approach to risk identification is taken and that the risk process does not just concentrate on operational, financial or legal risks.

- political
- economic
- social
- technological
- legislative / regulatory
- environmental
- competitive
- customer / citizen
- managerial / professional
- financial
- legal
- partnership / contractual
- physical

49. The initial stage for the identification of risk is incorporated in the service planning process as this provides an opportunity to identify new risks that the council will face whilst delivering its services. Risks can be identified through audits (internal and external) reported incidents / issues, reference to published codes of practice, best practice in other organisations and customer surveys. Existing risks previously identified are reviewed to ensure that they remain appropriately analysed and prioritised.

STAGE 2 – ANALYSING THE RISKS

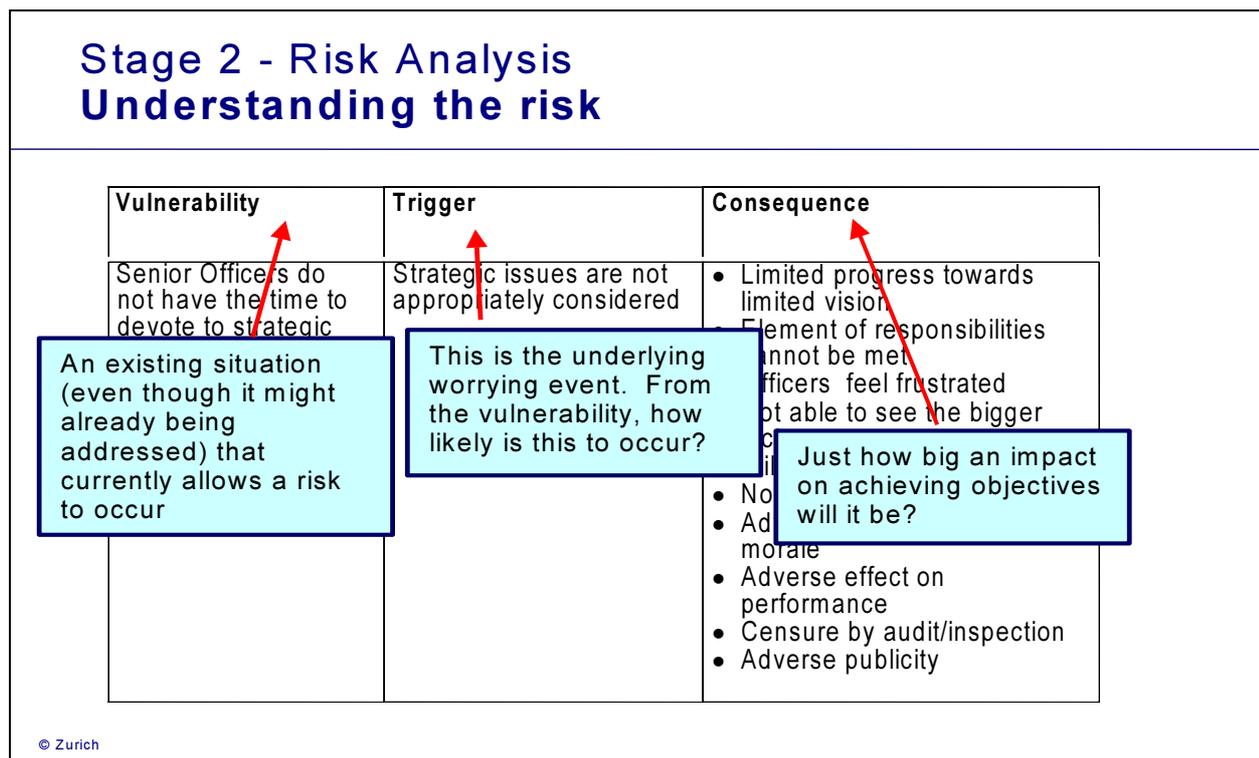
50. Following the stage of risk identification, each risk needs to be analysed. The objective of analysis is to distinguish the major from the minor risks and involves the consideration of the consequence of the risk. It is important to distinguish between the evaluation of risk before management action (inherent or gross risk) and the evaluation of risk after management action (residual or net risk). This is because the difference between the gross and net risk is the measure of the effectiveness of risk management activities.

51. The risk is analysed by its 'vulnerability', 'trigger' and 'consequence', in order to build up a complete scenario of the risk:

- 'vulnerability' describes the real or perceived situation that exposes the council to a risk.
- the 'trigger' is an event or change in situation that has a negative result.
- the 'consequence' is the event that follows in the wake of the risk.

52. This analysis also ensures that the root cause of the risk is clarified. Risk scenarios also illustrate the possible consequences of the risk if it occurs so that its full impact can be assessed. This is illustrated in more detail in figure 2 below.

FIGURE 2: EXAMPLE OF THE STRUCTURE OF A RISK SCENARIO



STAGE 3 – PRIORITISING RISKS

Prioritisation

53. Following identification and analysis, each risk needs to be prioritised according to the potential likelihood of the risk occurring and its impact if it did occur.
54. The first stage is to ascertain the gross risk rating, the gross risk being the risk that the council is exposed to without any risk control measure being in place. The second stage is to consider the risk control measures that are needed to reduce the likelihood and impact of the risk. Ideally those risk control measures will already be in place and an assessment needs to be undertaken to confirm whether they are or not. The third stage is to ascertain the net risk rating of the same risk. This is done by assessing the likelihood and impact of the risk taking into account the risk control measures already in place, again using the risk matrix to determine the risk rating.
55. When assessing the potential likelihood and impact, risks are compared to the appropriate objectives e.g. corporate objectives and key aims for the corporate risk profile and service objectives and key aims for the service risk profile. Each risk is evaluated according to how much impact it could have on the ability to reach the objective. This allows the risks to be set in perspective against each other.

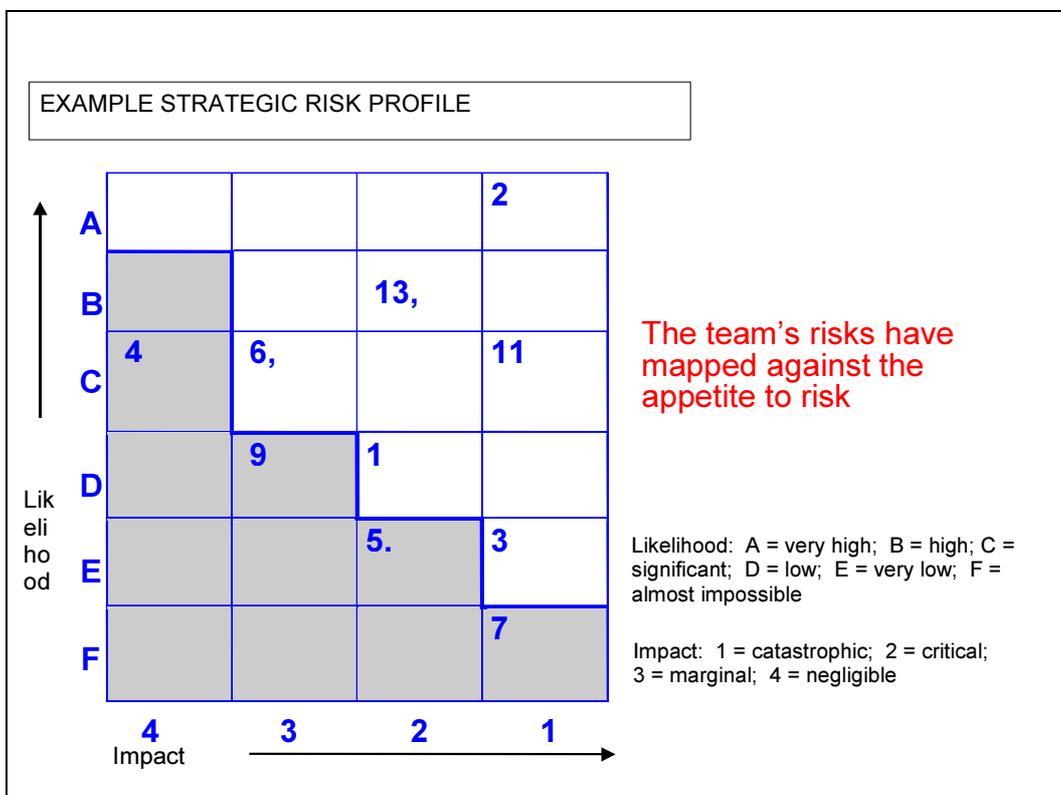
Risk appetite or tolerance

56. Risk appetite refers to the level of risk that the councils are prepared to tolerate. The councils' tolerance of risk is decided by management team for strategic risks, and this is used as the basis for risk tolerance lines in each service, though each head of service has discretion to set the tolerance line for that service. Any changes made by heads of service to the councils' risk appetite is noted by management team and

evidence to support the change retained. The risk appetite is endorsed by the Audit and Corporate Governance Committee when the risk register is presented.

57. Once each risk has been plotted according to its net risk on the risk matrix following prioritisation, the appetite for risk is assessed by plotting a risk tolerance line on the matrix. There is a corporate tolerance line however heads of service have the discretion to amend this line to ensure the risk appetite is appropriate to their service. The need for the risk tolerance line arises because few organisations have sufficient capacity to manage every risk, and it must be decided which are the most important risks to focus resources on. The tolerance line is drawn so that those assessing the risk are comfortable that all risks appearing below the tolerance line do not require further action for the time being. All risks above the agreed appetite cannot be tolerated and must be managed down, transferred or avoided. Figure 3 provides an example of risks plotted onto a risk matrix and a tolerance line has been added.

FIGURE 3: EXAMPLE OF A RISK PROFILE AND TOLERANCE LINE



58. When prioritising risks the A1 box is the first priority or the most important risk to be managed. The priority then is led by the impact axis – i.e. B1 followed by A2, C2 followed by B2 followed by B3 and so on.

Grouping of similar risks

59. Once the risks have been prioritised the final step is to cluster the risks into similar categories. This is to aid the action planning process, especially where the mitigation of risks has a common action.

STAGE 4 – MANAGING RISKS

60. Most risks are capable of being managed – either by taking mitigating action to reduce the likelihood or impact or both. When risks have been identified, analysed and

prioritised, the risks should then be managed. Where additional mitigating actions are required to mitigate the risks and reduce them to an acceptable level, the actions should be included in the relevant service plan as either a service or work plan action. The details of the risk, including the date of implementation of required actions should be added to the risk register. Any risks that are rated below the tolerance line require no further management action but should still be included in the risk register.

61. The council controls risks through service plans. Management team and heads of service / risk champions routinely identify actions which would reduce or mitigate the likelihood and / or impact of risks. These action plans also identify the resources required to deliver the improvements, key dates and deadlines and critical success factors or key performance indicators. Any risks that require management action in order to mitigate the risk to an appropriate level should be subject to a deadline for implementation. This implementation date should be included in both the service plan and the risk register which allows the action to be followed up with the appropriate officer. Where appropriate action has been taken, the risk should then be re-prioritised accordingly and re-entered into the risk register. To ensure that risk actions are taken forward, all risk actions are added to service plans and where appropriate to the corporate plan. For any risk mitigation which requires additional resources to implement, a growth bid is submitted as part of the annual budget setting process.
62. To ensure that risks are regularly managed effectively service/work plan actions will be followed up during quarterly performance management monitoring. There will be regular reporting to both management team and Audit and Corporate Governance Committees at both councils.
63. Management team is responsible for ensuring that the key risks on the strategic risk register are managed and this will be achieved through the quarterly performance monitoring process. Heads of service are responsible for ensuring that the key risks in their service risk register are managed.

Risk management in service and financial plans

64. Heads of service are responsible for ensuring that they have sufficient budget to carry out all actions in their service plans. The council's service planning framework follows a timetable that requires budgets to be agreed in the February of each year and service plans to be finalised in the March. The drafting of the budgets and plans requires objectives to be set and priorities identified. Any risk mitigation actions requiring resources for which there is no existing provision within service budgets are progressed through the growth bid process. Any risk mitigating actions required will be included within service plans as a work plan action to allow quarterly review through the performance monitoring process.
65. In addition to service-specific risks, the council considers this risk management process in cross-cutting or thematic areas such as and health and safety.

Risk management in council projects

66. Project management is essential to service delivery and benefits from the management of risks. The council has a project management guide and methodology that incorporates stages of the risk management cycle at various gates within the project management approach. By this means project risks are identified, prioritised and managed at each relevant stage and are updated as the project progresses. If a full

assessment of risk has been undertaken and understood at each of the gates within the project, there is less likelihood of projects not delivering to budget, time or quality standards.

STAGE 5 – MONITORING RISK MANAGEMENT

67. On a cyclical basis throughout the year, heads of service make presentations to management team on the progress of their service plans. In this way, the combined strategic and operational risk register is regularly reviewed and risks re-prioritised where necessary. Risks are amended so they reflect the current situation, obsolete risks are deleted and new risks identified. This ensures that the risk registers and resulting risk mitigation measures are appropriate for the current service and corporate objectives. The risk registers are also updated annually as part of the process of reviewing the corporate plan and developing service plans.
68. The combined risk register is reviewed on a regular basis and an assessment made as to whether management mitigation actions have been implemented. The relevant head of service is asked to provide evidence of the implementation and the risk register updated. The head of service is asked to re-prioritise the risk and input this into the combined risk register.
69. At least annually, heads of service are asked to confirm that they have reviewed the existing risks in the risk register to ensure they remain relevant and appropriately prioritised. This will be in addition to the identification to new risks during the service planning process.
70. It is part of the ACGC and AGC remit to review the risk management arrangements in place at both councils. The committees receive regular risk management performance reports and review the strategic risk register on a regular basis. Both committees receive annual reports detailing the combined risk register and any changes in the tolerance levels.
71. Internal and external audits and inspections are also used to monitor the effectiveness of the councils' risk management arrangements.