London Borough of Enfield

General Purposes Committee

23 July 2020

Subject: **2020/21 Risk Strategy and Risk Operating Plan**

Cabinet Member: **N/A**

Key Decision: **N/A**

Executive Summary

The effective achievement of corporate objectives and priorities, within a culture that allows for innovation and creativity, requires a deep understanding of risks so that they can be managed and not avoided.

A new Risk Framework has been developed incorporating a major rewrite of the Risk Management Strategy.

As part of this framework, a forward looking 2020-21 Risk Operating Plan has also been developed and an operational manual is currently in development.

A fundamental principle underlying the Risk Framework is that everyone, not matter what their role, has a clear part to play in establishing and maintaining a positive risk culture to ensure risks are managed.

Key points to note from the Risk Management Strategy are the **risk maturity rating** and the **risk appetite**.

The Council's risk maturity has currently been self-assessed as *Developing*, which is defined by the Institute of Risk Management as being "aware of the need for good risk management but not yet fully committed to the concept."

We will be working towards becoming *Proficient*, which is defined as "Risk management is established and becoming mainstreamed and less noticeable as a separate activity" within the next three years.

The Council's risk appetite reflects our current position of how much risk we are willing to take and seek. This is formalised in our risk appetite statement, which is:

The Council is willing to accept risks with a score below 8. Risks with a score of 9-15 will be accepted if mitigations are put in place. Any risk with a score above 16 is beyond the current risk appetite and requires escalation to at least one management level.

Proposal(s)

The General Purposes Committee is asked to review and approve the updated Risk Management Strategy and 2020-21 Risk Operating Plan.

Reason for Proposal(s)

These items are being brought to the attention of the General Purposes Committee in line with the terms of reference of the Committee.

Ian Davis
Chief Executive

General Purposes Committee

23 July 2020

Subject: **2020/21 Risk Strategy and Risk Operating Plan**

Cabinet Member: **N/A**

Key Decision: **N/A**

Purpose of Report

1. These items are being brought to the attention of the General Purposes Committee in line with the terms of reference of the Committee.

Relevance to the Council's Corporate Plan

2.1 Good Homes in Well-Connected Neighbourhoods

An effective Risk Management Service helps to provide assurance over any risks that might adversely affect the delivery of good homes in well-connected neighbourhoods.

2.2 Safe, Healthy and Confident Communities

An effective Risk Management Service will help the Council achieve its objectives to sustain safe, healthy and confident communities.

2.3 An Economy that Works for Everyone

An effective Risk Management Service will help the Council achieve its objectives in building a local economy that works for everyone.

Background

3.1. It is good practice to review an organisation's strategic approach to risk management, on a regular basis to deliver assurance that it remains appropriate and effective.

3.2. The Council's Risk Management Strategy was last refreshed and approved by Audit and Risk Management Committee in March 2018.

3.3. The Risk Management Strategy has had a major rewrite and a new Risk Framework has been developed.

3.4. This Framework consists of a strategy document and operating plan presented here. An operational manual is currently being developed.

3.5. The strategy is a high-level document guiding the organisation on its approach to Risk Management and the manual provides guidance to staff in managing risks.

3.6. The Executive Management Team has been consulted in this update of the Risk Management Strategy which is attached at Appendix 1.

3.7. A fundamental principle underlying the Risk Framework is that everyone, no matter what their role, has a clear part to play in establishing and maintaining a positive risk culture to ensure risks are managed.

3.8. Therefore, the strategy is applicable for all staff as there is an expectation for all staff to manage risk in their day to day activities and should, as a minimum, understand how to identify and escalate risks.

3.9. Key points to note in the Risk Management Strategy are the **risk maturity rating** and the **risk appetite**.

3.10. The Council's risk maturity has currently been self-assessed as *Developing,* which is defined by the Institute of Risk Management as being "aware of the need for good risk management but not yet fully committed to the concept."

3.11. We will be working towards becoming *Proficient*, which is defined as "Risk management is established and becoming mainstreamed and less noticeable as a separate activity" within the next three years.

3.12. The Council's risk appetite reflects our current position of how much risk we are willing to take and seek. This is formalised in our risk appetite statement, which is:

3.13. *The Council is willing to accept risks with a score below 8. Risks with a score of 9-15 will be accepted if mitigations are put in place. Any risk with a score above 16 is beyond the current risk appetite and requires escalation to at least one management level.*

3.14. A forward-looking 2020-21 Risk Operating Plan is attached at Appendix 2 outlining practical steps that will be taken in implementing the Risk Framework.

Main Considerations for the Council

4. All large, complex organisations need a well-established and systematic risk framework in place to identify and mitigate the many risks it may face. This Strategy and Operating Plan sets out the Council's approach to identifying, prioritising and mitigating key risks that could prevent the achievement of objectives.

Safeguarding Implications

5. N/A

Public Health Implications

6. **N/A**

Equalities Impact of the Proposal

7. It is not relevant or proportionate to carry out an equalities impact assessment / analysis for the review of the Council's Risk Strategy.

Environmental and Climate Change Considerations

8. N/A

Risks that may arise if the proposed decision and related work is not taken

9. The Council may not adequately mitigate its risks leading to reputational, financial and legal damages including risks to life and safety of employees and residents.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

10. N/A

Financial Implications

11. There are no specific financial implications associated with this report

Legal Implications

12.1. The Council's chief finance officer (the 'Section 151 officer' – section 151 Local Government Act 1972) has statutory status and is responsible for financial administration. The chief finance officer is also under a statutory duty to issue a formal report if s/he believes the Council is unable to set or maintain a balanced budget (the 'section 114 report' (section 114 Local Government Finance Act 1988).

12.2. The Accounts and Audit Regulations 2015 (the '2015 Regulations') places an obligation on local authorities to maintain a system of internal audit whereby it:

   (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
   (b) ensures that the financial and operational management of the authority is effective; and
   (c) includes effective arrangements for the management of risk.

12.3. The internal audit must be an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

12.4 Each financial year the Council must conduct a review of the effectiveness of the system of internal control required by regulation and prepare an annual governance statement.

12.5 This report addresses the statutory obligations under the statutory obligations for local audit processes in compliance with the 2015 Regulations.

Workforce Implications

13. There are no specific workforce implications associated with this report

Property Implications

14. There are no specific property implications associated with this report.

Other Implications

15. None

Options Considered

16. There are no other options which can be considered as these matters need to be reported to the General Purposes Committee.

Conclusions

17. The General Purposes Committee is asked to review and approve the updated Risk Management Strategy and 2020-21 Risk Operating Plan.

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Date of report   13 July 2020

Appendices

Appendix 1:   Risk Management Strategy

Appendix 2:   2020-21 Risk Operating Plan

Background Papers

N/A

Enfield Council

Risk Management Strategy

Making better decisions

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Contents

Foreword

We all manage risk – often without realising it. The very nature of risk makes it part of everything we do. We live and work in an ever-changing environment which brings about uncertainty. That uncertainty brings new risks, both opportunities and threats. Our management of these is crucial in helping us meet our objectives whilst also improving service delivery, achieving value for money and reducing unwelcome surprises.

We believe in the value of effectively managing risk as it informs business decisions; enables a more effective use of limited resources; enhances strategic and business planning; strengthens contingency planning and is key in *making better decisions*. None of this is possible without a positive and supportive risk culture. A culture which encourages openness and discusses issues in a realistic manner.

Requirement for Risk Management

London Borough of Enfield (the Council) acknowledges its statutory responsibility to manage risks and deliver cost effective and efficient services (Accounts and Audit Regulations 2015). The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

In discharging this responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective delivery of its functions, which include arrangements for the management of risk.

Purpose of this document

This strategy is a formal acknowledgement of the Council's commitment to Risk Management. It does not aim to bring about a one-size-fits-all approach to managing risks, as this approach would be unlikely to work for such varied departments within the Council. However, it does aim to provide a high-level framework and details of good practice that can help manage risks whilst also allowing flexibility for teams, managers and individuals to adapt as necessary.

Risk Maturity

The development of Risk Management is different in every organisation and even more so for Local Authorities. To effectively improve we must measure where we are, against where we want to be. One method of doing this is to use a risk maturity model.

The model we are using has been developed by the Institute of Risk Management and has four stages:

Maturity level	Summary
1. Conscious	Aware of risk management but unsure how to 'make it happen'.
2. Developing	Aware of the need for good risk management but not yet fully committed to the concept.
3. Proficient	Risk management is established and becoming mainstreamed and less noticeable as a separate activity.
4. Expert	Risk management is embedded at all levels within the organisation on a consistent basis.

(A detailed breakdown of these stages is provided in **Appendix A**)

Based on the current stage of progress and approach to risk, the Council has currently assessed itself as *Developing* and is currently working towards become *Proficient* within the next three years.

Risk Framework

To aid in the development of Risk Management, we have a developed a simple framework that allows for continual improvement. This framework is composed of three parts which all feed into each other as shown below.
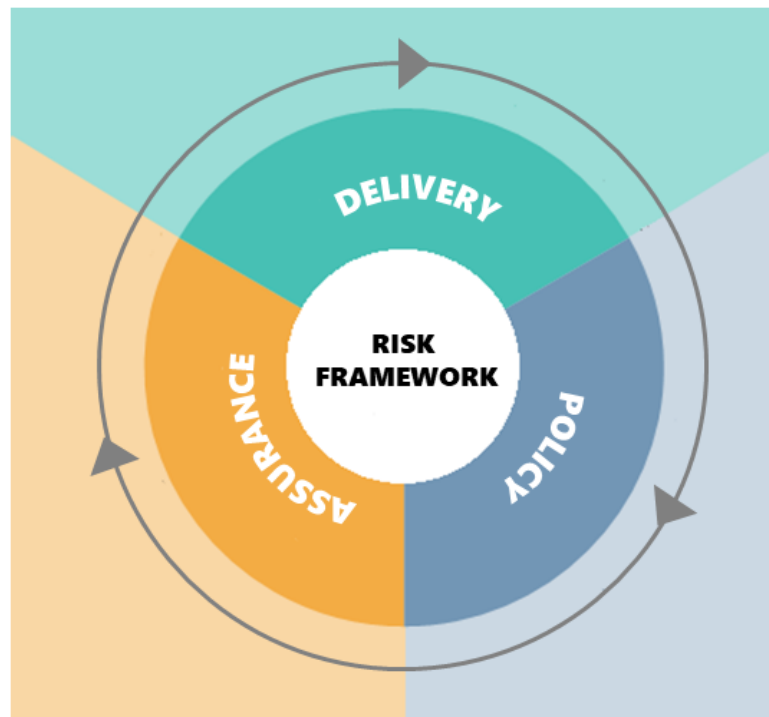
As part of this framework, everyone has a clear role to play in establishing and maintaining a positive risk culture to ensure risks are managed.

Those involved in *Delivery* have accountability and ownership of risks. Those involved in *Policy* provide advice, challenge and oversight. *Assurance* is provided by Internal Audit.

Responsibility

The below diagram provides details of responsibility for each part of the Risk Framework.

Delivery
- Full Council / Cabinet
- General Purposes Committee
- Assurance Board
- Executive Management Team
- Departmental Management Teams
- Service Management Teams
- Programme, Project (and other) Boards
- All Staff

Policy
- Risk Management Team
- Risk Management Group

Assurance
- Internal Audit

Whilst all staff are expected to manage risk in their day to day activities and should, as a minimum, understand how to identify and escalate risks, the level of responsibility and management accountability will depend on their role within the Council. This is defined in more detail in **Appendix B**.

Risk Process

To manage risk, an organisation needs to know what risks it faces and have a process for managing them.

The process we use is broken down into four stages;

1. **Identify** (Risks need to be known.)

2. **Assess** (As resources are limited, risk needs to be prioritised.)

3. **Control** (Risks need to be mitigated.)

4. **Review** (Risks need to be monitored.)

More detail is provided on these stages in the accompanying Risk Manual.

Risk Appetite

The Council is a diverse organisation and our risk appetite guides how much risk we are willing to take to meet our objectives. We recognise that we need to take risks to achieve our targets set in the Corporate Plan and our risk appetite reflects our current position of how much risk we are willing to take and seek.

Our current risk appetite is as follows:

> **The Council is willing to accept risks with a score below 8. Risks with a score of 9-15 will be accepted if mitigations are put in place. Any risk with a score above 16 is beyond the current risk appetite and requires escalation to at least one management level.**

This is summarised in the table below:

Risk Score	Risk Level	Risk Response	Monitoring	Appetite
1-8	Low	Accept	Six Monthly	• Risk accepted • No mitigation required
9-15	Medium	Mitigate	Quarterly	• Risk accepted **if** mitigations put in place
16-25	High	Escalate	Monthly	• Above Council's **Risk Appetite** • Mitigations **must** be put in place • Risk must be **Escalated** to at least **one** managerial level • If escalated to EMT, the risk **must** be included on **Corporate Risk Register**

The risk scores, which are calculated by multiplying the *Likelihood* score by the *Impact* score, are shown on our current risk matrix traffic light system shown below.

		Impact				
		1 **Insignificant**	**2** **Minor**	**3** **Moderate**	**4** **Significant**	**5** **Critical**
Likelihood	**5** **Almost Certain**	5 Low Risk	10 Medium Risk	15 Medium Risk	20 High Risk	25 High Risk
	4 **Likely**	4 Low Risk	8 Low Risk	12 Medium Risk	16 High Risk	20 High Risk
	3 **Possible**	3 Low Risk	6 Low Risk	9 Medium Risk	12 Medium Risk	15 Medium Risk
	2 **Unlikely**	2 Low Risk	4 Low Risk	6 Low Risk	8 Low Risk	10 Medium Risk
	1 **Rare**	1 Low Risk	2 Low Risk	3 Low Risk	4 Low Risk	5 Low Risk

Example 1

If a risk is thought to be *unlikely* but the impact if it did happen is thought to be *significant*, the Risk Score would be 2 x 4 = 8.

Using the matrix and table above, we then develop our approach to this risk. As the Risk Score is 8, this means:
- The risk has a *Low Risk* Level
- We *Accept* the risk,
- We monitor the risk for changes every *6 months*
- This risk is deemed to be within the Council's risk appetite, so no mitigation is required.

Example 2

If a risk is thought to be *likely* but the impact if it did happen is thought to be *significant*, the Risk Score would be 4 x 4 = 16.

Using the matrix and table above, we then develop our approach to this risk. As the Risk Score is 16, this means:
- The risk has a *High Risk* Level
- We *Escalate* the risk,
- We monitor the risk *monthly*

- This risk is deemed to be beyond the the Council's risk appetite, so management approval and mitigations must be put in place.

Persistent High Risks

Our Risk Appetite takes into account that all risks cannot be eliminated and that there will be cases where risks remain beyond the current risk appetite level despite taking mitigating actions.

By March 2021, we will have a process in place whereby if risks continue to remain high for an extended period of time, they will be reported to EMT, Assurance Board and General Purposes Committee.

Escalation

Some risks (or group of risks) may not be manageable at the level where they exist, or they may exceed the current risk appetite level. In these instances, the risk owner should escalate the risk to at least one management level above them. This means there will be appropriate management appraisal of the risk.

The next management level will then be responsible for deciding on an appropriate course of action and if necessary, escalating the risk further up the corporate hierarchy. In most cases the escalation route will be the same as the line management structure and will follow the route below.

Risks managed by EMT will usually have a wide ranging and significant impact on the organisation, these risks are defined as Corporate Risks.

Required Risk Registers

Risk registers are used as a means of providing a simple overview of risks and mitigations and allow for convenient sharing of information. However, risk registers should not be confused for "Risk Management." The presence of a risk register on its own does not confirm risks are being managed, as without regular reviews, risk registers quickly become obsolete.

Taking this into account and to help ensure risk management is a continuing and developing process that runs throughout the organisation, certain risk registers are mandatory and are required to be reviewed by senior management and Members at regular intervals.

Officers at Head of Service level and above will be required to maintain a risk register covering the areas that they have direct responsibility for. Further details, along with escalation routes, are shown in the table below.

Risk Register	Owned by	Reviewed by	Review Frequency (minimum)	Escalation (both from and to)
Corporate Risk Register	Executive Management Team (EMT)	• Assurance Board • General Purposes Committee	Quarterly	• Departmental • Programme, Project (and other) Boards
Departmental	Executive Directors	Departmental Management Teams (DMTs)	Quarterly	• Corporate • Directorate • Programme, Project (and other) Boards
Director Level	Directors	Service Management Teams (SMT)	Quarterly	• Departmental • Service • Programme, Project (and other) Boards
Service Level	Heads of Service	Head of Service and Direct reports	Quarterly	• Directorate • Programme, Project (and other) Boards
Programmes, Projects, Contracts, Partnerships & Other Initiatives	Operational Board / Manager	Strategic / Oversight Board	Regularly	• Corporate • Departmental • Directorate • Service

Operational and Strategic Decisions

As part of an officer's role, they may be required to submit recommendations for decision by senior management and/or Members via Council, Cabinet or Committee written papers.

Report authors need to think both about risks around taking a particular initiative or course of action (e.g. not being delivered, delayed, or with a different outcome from that intended) and also risks of not taking that action (e.g. the risk of doing nothing) and include these in the report under the Key Risks section. Where no significant risks have been identified then reports should say so.

Any significant risks, (where mitigating action and/or escalation is required) should be summarised along with details on how the risk will be mitigated in the case of threats and enhanced in the case of opportunities.

Reports to support strategic policy decisions, project initiation documents and project updates usually require a risk register. This should be included as an appendix to the report and referenced in the Key Risks section.

For longer term initiatives, where risks are monitored on an ongoing and regular basis, the most recent risk register should be included as an appendix.

Risk Management Group

The Risk Management Group was setup to provide a mechanism for risk management issues to be discussed and disseminated to all areas of the Council. The terms of reference for the group are provided at **Appendix C**.

Internal Audit

A function of managing risks is the Internal Audit Service. The Service's purpose according to its Charter is:

Internal Auditing is an independent, objective assurance and consulting activity designed to add value to and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

The annual programme of internal audit work dedicates resources to test key mitigations using a risk-based approach.

Effectively identified risks and mitigations within the risk registers can assist internal audit to focus resources on providing assurances where they matter and in turn, advise managers where improvements can be made.

Internal audit reviews should be seen as part of the risk management process and should feed into the continual risk review process.

Further Information

For any further information please visit the risk management service intranet page or email RiskManagement@Enfield.gov.uk

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Appendix A

Risk Management Maturity Model (Developed by the Institute of Risk Management)

	Conscious	Developing	Proficient	Expert
Level	Aware of risk management but unsure how to 'make it happen'. Planning is a repeated exercise based on previous years as no one has time to consider further. Objectives and targets are often missed as senior management are diverted to deal with unplanned events.	Aware of the need for good risk management but not yet fully committed to the concept. Risks are considered on occasions as part of planning by some, but others are unenthusiastic. Objectives and targets are not always achieved as senior management are diverted to deal with unplanned events or unenthusiastic about using a risk based approach.	Risk management is established and becoming mainstreamed and less noticeable as a separate activity. Risks are considered as part of planning but not fully explored. Objectives and targets are usually achieved. Contingency plans for key risks are generally in place, resulting in minimal disruption when unwanted events occur.	Risk management is embedded at all levels within the organisation on a consistent basis. Risks are fully explored as part of the planning process. Objectives and targets are nearly always fully achieved, and the organisation is rarely surprised by unplanned events. Contingency plans exist for key risks and any surprises are normally external in origin.
Knowledge and Skills	Staff, managers and leaders are aware of need to do risk management, but do not understand why or how. Risk management may be seen as a separate discipline not connected to business planning or day-to-day decision making. It's perceived as a distraction. There is no one or few within the organisation who understand risk management.	Managers and leaders understand the theory and processes behind formal risk management. They know a risk policy and guidance exist, but may think of risk as a compliance tool, not as a tool for real organisational improvement. Key staff have read the risk policy and guidance. Staff and managers understand some of the organisation's key risks and risks to their area.	Training has been provided to managers and leaders who know how to identify, assess, address, monitor and report risk in a consistent way in line with policy. Managers throughout the organisation know what is expected of them to manage risks and there's real ownership of risks and actions. There's a real belief that risk management can help and add value. An understanding of upside risk is beginning to be shown	Leaders seek out and demand quality risk information as part of decision making processes. Training and refresher training is available so that staff and key volunteers understand risk management and know what is expected of them. Risk management is seen as fundamental to "the way we do things around here" within an established Risk Culture. Understanding of upside risk is widespread

	Conscious	**Developing**	**Proficient**	**Expert**
Possible Behaviours	Senior management do not yet see the benefits of risk management. Staff, managers and leaders are not yet taking action to identify and control risk across the organisation or in high risk areas. Policies and standards have not been developed. Without this staff decide for themselves what level of risk taking is acceptable. Little attention is paid to risk mitigation actions. Risks often occur which should have been foreseen and recorded on the risk register. There's no structured approach to learning lessons for future work.	Senior management give passive support to risk management or can be unsupportive or hostile. They rarely lead by example. Risk management often involves a junior team member creating a risk register document which then collects dust and is rarely updated. Progress against planned risk mitigation actions is often not satisfactory. There's no routine analysis for future projects.	Senior management are visibly giving direction on the oversight and management of risk, using basic risk information – including the defined risk appetite - to inform decision-making and generally promoting and supporting the concept. Managers act as role models and lead on risk management, regularly checking that risks are being managed and discussed with relevant people. Discussions about risk are becoming increasingly more mature and widespread and this is evidenced in minutes and notes. There's open communication internally on risk. The policy and processes are used and adhered to in everyday activities. Progress against the planned risk mitigation actions is usually satisfactory. There is communication of lessons learned.	Trustees and senior management demonstrate top-down commitment to risk management, leading by example. People adhere to policies and processes and use them appropriately. Application is widespread at all levels of the business, with regular updating, active feedback and learning. Risk management is used to spot opportunities as well as threats. Agreed risk responses are effectively carried out and monitored for all risks, including emerging risks. Responses can cope with any scenarios. Risk-based reporting and decision making is routine. Frontline, leadership and risk experts collaborate and communicate. Risks are explicitly discussed at all levels in the organisation. The effectiveness of risk management is regularly reviewed. Lessons learned are implemented and learning from experience is a routine part of the process.

	Conscious	Developing	Proficient	Expert
Systems, Policies & Processes	Someone may have risk management allocated to them but as part of a larger remit and without any supported learning. Pockets of operational risk management such as Health & Safety may be being addressed. Training is not considered or available. There's no formal risk policy or processes– some places are too risk averse while others take excessive risks. Risk registers may have been produced, but only as a one-off exercise. Risks in the risk registers are not clearly defined in all cases and/or risk owners have not been allocated. Contingency plans do not exist where they are needed. There is no approach to escalating risks from the frontline. It's done on an exceptional basis as the result of a crisis.	There may be a central risk manager who is the organisation's expert, or the responsibility may be assigned to a junior member of staff as part of a wider remit. There is no or only limited experience of using risk management. There are no risk champions across the organisation or other indicators of a risk management culture. Some staff have attended training, but the person allocated responsibility for risk management is normally called on to support management. Risk Management Policies and standards are not consistently used or fully adhered to. Application is patchy with different groups doing different things – there's no cohesion between groups. There are risk registers at directorate level which are typically compliance focussed documents, updated only when required. Risk is not routinely a standing item at management, team, project or programme board meetings. Risk management is partially effective and works in some specific areas where it has been embraced. There's evidence of some risks being escalated in accordance with the policy in areas where risk management has been embraced.	Accountability for management of key business risks is clearly defined and captured in role descriptions/personal performance targets. Risk appetite begins to be considered. There's a formal organised and updated training programme. There's an accepted policy for risk management and evidence that the defined risk appetite is often referred to in decision-making. Risk management is part of the business planning and performance process and organisational monitoring processes such as management reporting, performance management and individual objectives, all focus on risk. Risk registers exist at corporate and directorate level and are regularly updated and used at management meetings throughout the organisation. Contingency plans are in place where needed. Risk is a standing item at management meetings throughout the organisation. Managers regularly discuss risk with their staff and share and discuss critical cross-cutting risks. A visible process is in operation for escalating risks from the frontline to directorate and corporate level. No one is blamed for escalating a risk and good risk management is recognised positively in personal appraisal discussions. Business continuity planning is in place and all units have workable, up to date and tested Business Continuity (BC) plans. Information risks are identified and mitigating actions are in place.	As "proficient" but with the following additions: Senior management is actively engaged in the process of identifying risk and setting the organisation's risk appetite. Personal performance objectives include targets for risk management and proactive risk management is encouraged and rewarded. Mission, business planning and core risks are explicitly linked. Longer term risks are integrated into the strategy and business planning functions. Training is actively encouraged. Sustained regular discussions on risk are long established and routine throughout the organisation. Risk management adapts proactively to internal and external changes. Risk management is a dynamic and living approach that is constantly referred to and where necessary updated Strategic risks are taken into account and give direction to the business planning and policy making mechanisms. Information is safeguarded at all levels of the organisation

Appendix B

Detailed Roles & Responsibilities

1. Delivery (Ownership, Responsibility and Accountability)

Full Council / Cabinet
- Analyses and understands key risks.
- Monitors and acts on escalated risks from General Purposes Committee.

General Purposes Committee
- Monitors the effective development and operation of risk management in the Council to ensure compliance with the strategy.
- Reviews regular reports on key risk management activities across service delivery and service enablement activities.
- Monitors and challenges key risk mitigations and audit actions.
- Monitors and challenges the Corporate Risk Register.

Assurance Board
- Ensures compliance with this strategy.
- Reviews regular reports on key risk management activities across the Council.
- Monitors and challenges key risk mitigations within the Corporate Risk Register.

Executive Management Team
- Overall responsibility and accountability for risk management in the Council.
- Endorses and ensures this Strategy is sound and implemented across the Council.
- Ensures risk management is embedded into corporate processes including but not limited to business, strategic and financial planning; decision making and service delivery.
- Gives a view on and owns all risks within the Corporate Risk Register.
- Monitors any other risks which could affect the Council's ability to achieve its strategic aims and priorities.

Departmental Management Teams
- Responsibility and accountability for identifying and management of risks within (and across) department(s).
- Ensure risk management within and across the department(s) is implemented in line with the Council's Risk Management Strategy.
- Ensure risks are given due consideration in all management processes and decision making.
- Ensure mitigating controls are in place and performing adequately.
- Ensure planned actions are implemented.
- Suggest key risks which may be considered for inclusion into the Corporate Risk Register.
- Nominate key individuals who will work alongside the Risk Management Service as part of the Risk Management Group.

Service Management Teams
- Responsibility and accountability for management of risks within (and across) service(s).
- Ensure risk management within and across the service(s) is implemented in line with the Council's Risk Management Strategy.

- Ensure risks are given due consideration in all management processes and decisions.
- Ensure management controls are in place and performing adequately.
- Escalate risks to the Departmental Risk Registers.
- Monitor and challenge key risk mitigations.

Programme, Project (and other) Boards
- Responsibility and accountability for management of risks associated with programmes, project, contracts and other initiatives.
- Ensure associated risks are managed in line with the Risk Management Strategy.
- Ensure risks are given due consideration throughout the life of the programme, project, contract or other initiative.
- Ensure project management controls are in place and operating effectively.
- Monitor and challenge key risks, controls and actions.
- Own, maintain and regularly review risks / registers.
- Ensure risks identified are effectively managed to include escalation to Departmental Management Team or Executive Management Team where appropriate.

All Staff
- Responsibility and accountability for management of risks in day to day duties.
- Maintain risk awareness.
- Ensure risks in performing day to day duties are considered and managed in line with the Council's Risk Management Strategy.
- Actively support and contribute to risk management initiatives.
- Own, maintain and regularly review risks as appropriate.
- Ensure management controls are performing adequately and mitigating actions completed within expected timescales.
- Ensure identified risks are recorded and escalated appropriately.
- Consider and monitor key risks associated with any recommendations put forward.

2. Policy (Advice, Challenge and Oversight)

Risk Management Service
- Responsibility for providing support, advice and challenge on the management of risk in the Council.
- Provide the Council with training, advice, challenge and support on the application of risk management principles.
- Lead on the development and implementation of the Risk Management Strategy.
- Provide report(s) to EMT and General Purposes Committee on key risk management activities across the Council.
- Monitor and challenge controls and actions and escalate key risks identified as appropriate.
- Promote the effectiveness of good risk management across the Council.
- Lead role in co-ordinating the Risk Management Group.

Risk Management Group
- Provide a mechanism for risk management issues to be discussed and disseminated to all areas of the Council.
- Develop risk management as part of the culture of the Council.
- Communicate the value of risk management in the decision making process.
- Share best practice.
- Take responsibility for raising the Council's rating on the Risk Maturity Model by working within their departments, services, teams and business areas.

3. Independent Assurance

Internal Audit
-   Responsibility for providing independent assurance on the effectiveness of risk management processes and control in the Council.
-   Understand the Council's Risk Management Strategy and its application.
-   Ensure that internal audit activity is focused on key risks facing the Council.
-   Assess the adequacy and effectiveness of controls in place to manage operational and strategic risks, identify residual risks and make recommendations to improve. management of residual risks.
-   Escalate key risks identified during internal audit work to the Risk Management Service.
-   Provide assurance on risk management activities and control to EMT and General Purposes Committee as appropriate.

Appendix C

Risk Management Group (RMG) – Terms of Reference

1. Objectives

The main objectives of the group are to;

- Provide a mechanism for risk management issues to be discussed and disseminated to all areas of the Council.
- Develop risk management as part of the culture of the Council.
- Communicate the value of risk management in the decision-making process.
- Share best practice.
- Take responsibility for raising the Council's rating on the Risk Maturity Model.

2. Membership

The RMG will consist of officers from across the Council, with representation from each Department. The group members:
- Are predominately at a senior level, with decision making capacity or ability to influence decision-making.
- Have a good working knowledge of their departments, services, teams and business areas.
- Understand that risk management is part of good management and planning, and not a tick box exercise.

3. Accountability

The RMG will be accountable to both the Assurance Board and the Audit & Risk Management Committee.

4. Frequency of meetings

The RMG will meet at least four times a year.

5. Key Group Responsibilities

The key responsibilities of the group will be to;

- Ensure timely updates to the Corporate Risk Register for Assurance Board and General Purposes Committee.
- To raise and discuss emerging risk issues for inclusion into the Corporate Risk Register.
- To feed into the Annual Governance statement regarding Risk Management
- To suggest topics for inclusion into the audit plan.

6. Individual Roles & Responsibilities

Role	Responsibility
Group Executive	• To report progress to Assurance Board and General Purposes Committee • To feedback from Assurance Board and the General Purposes Committee • To approve the agenda for the RMG
Chair	• To ensure meetings are kept to the planned agenda • To ensure follow through on outstanding actions
Deputy	• Inform members of the RMG of forthcoming meeting dates and venues • To take the minutes of each meeting • To distribute the meeting agenda (at least two weeks in advance of the meeting) • To distribute meeting minutes (no later than two weeks following the meeting)
Department leads	• Represent their departments at the RMG • Feedback from the RMG to their DMTs • Advise RMG of any emerging risks areas / changes to key risks • Follow up and complete actions within agreed timescales • Act as a key risk contact for their department
Invited guests	• Provide advice from their area of expertise • To follow up/feedback on any outstanding issues • Follow up and complete actions within agreed timescales

2020/21 Risk Operating Plan

		2020/21 Qtr 1	2020/21 Qtr 2	2020/21 Qtr 3	2020/21 Qtr 4	In 2021/22
Policy	**Update the Risk Management Strategy**	Approved by EMT & GPC				Annual Review
	Develop an operational Risk Manual	Draft Finalised	Approved and communicated to staff			Annual Review
	Risk Management Group (RMG)	Quarterly meeting to include addressing training needs	Quarterly meeting to include review of Corporate Risks	Quarterly meeting to include Audit Plan discussion	Quarterly meeting to include review of Risk Maturity	
	Develop "Risk Portal" on Intranet	Initial site up and running	Further content development			
	Risk training		New E-learning training developed	Training offered via i-Learn	Development of workshops	
Delivery	**Corporate Risk Register (CRR)**	Update	Update	Update	Full review	
	Development of other Risk Registers	Develop a phased plan to ensure that Heads of Services / Directors develop and maintain operational Risk Registers		Implementation (to include meetings with Directors and Heads of Service)		Reporting of compliance to Assurance Board
	Adopt a wider use of Pentana	Integration of new features	Migrate Corporate Risk Register onto Pentana	Migration of operational risk registers onto Pentana		Risk Strategy update to include mandatory use of Pentana
	Collaboration and deep dive reviews		Deep dive review with Counter Fraud		Deep dive review with Insurance	
Assurance	**Risk Management Audit**	Issue of Audit report	Implementation of identified actions			
	Internal Audit Actions	Ongoing monitoring of action implementation				
	Internal Audit plan	Annual program of risk-based audits				