![Renfrewshire Council logo](Renfrewshire Council)

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To:	**Audit, Risk and Scrutiny Board**
On:	**5 November 2018**

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Report by:	**Director of Finance and Resources**

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Heading:	**'Risk Matters' – combined risk management policy & strategy**

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1. **Summary**

1.1 Risk Matters is formally reviewed with approval sought at board level every two years and an interim review conducted by the Corporate Risk Management Group on behalf of the Corporate Management Team.

1.2 At this time there are no material changes proposed to Risk Matters following review by the Corporate Risk Management Group in October 2018; only minor amendments have been made to reflect (1) changes to the intranet, (2) reference to the new ISO 31000:2018 standard and (3) update from the 2012 edition to the 2016 edition of the CIPFA Delivering Good Governance guidance.

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2. **Recommendations**

2.1 It is recommended that the Board approves Risk Matters, version 13.0

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3. **Background**

3.1 The council's risk management arrangements are well established and robust, according to prior external scrutiny of these arrangements.

3.2 Risk Matters, the combined risk management policy and strategy, reflects good practice, is aligned to recognised standards and takes account of learning through benchmarking with other public sector organisations.

3.3   It should be noted that at the time of preparing this paper, the risk
           management arrangements are subject to/ due to be subject to
           internal audit. Any material recommendations arising from the audit
           may require the policy and/ or strategy to subsequently be updated
           and returned to Board for approval.

3.4   The full document, 'Risk Matters' – version 13.0 is attached in
           Appendix 1 for approval.

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Implications of the Report

1.   **Financial**
           There are no specific financial risks associated with the provision of this
           paper. A key benefit of effective risk management is better use and
           prioritisation of the council's resources.

2.   **HR & Organisational Development**
           Key benefits of effective risk management include high levels of
           employee morale and productivity and further enhancement of the
           council's good reputation both as an employer and as a public service
           provider.

3.   **Community/Council Planning**
           The alignment of risks to the council plan ensures that under 'Better
           Renfrewshire' any key risk to Renfrewshire's communities are identified
           and managed.

4.   **Legal**
           A key benefit of effective risk management is a higher level of user
           experience/ satisfaction with a consequent reduction in adverse
           incidents, claims and/ or litigation.

5.   **Property/Assets**
           A key benefit of effective risk management is better use and
           prioritisation of the council's resources/ assets.

6.   **Information Technology**
           A key benefit of effective risk management is better use and protection
           of the council's ICT resources/ assets.

7.   **Equality & Human Rights** – not relevant to report recommendations

8.   **Health & Safety**
           A key benefit of effective risk management is a reduction in adverse
           health and safety incidents.

9.   **Procurement**
        Risk management principles are built into the council's procurement
        processes to ensure supply chain management and contract risks are
        well managed.

10.   **Risk**
        As per the subject matter of this report

11.   **Privacy Impact**
        No privacy risk relating to the proposals being recommended

12.   **Cosla Policy Position** – not relevant to report recommendations

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        List of Background Papers

        (a) Risk Matters version 12.0 (formal review 2016)

        (b) Risk Matters version 12.1 (interim review 2017)

        The foregoing background papers will be retained within Finance and
        Resources for inspection by the public for the prescribed period of four
        years from the date of the meeting. The contact officer within the
        service is Karen Locke, Risk Manager, 0141 618 7019,
        Karen.Locke@renfrewshire.gov.uk

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        Author: Karen Locke
                        Risk Manager
                        0141 618 7019
                        Karen.Locke@renfrewshire.gov.uk

"Risk Matters"

The Risk Management Policy and Strategy

... enabling success, maximising opportunity, delivering innovation and managing our significant challenges

Dissemination Arrangements:

- To Corporate Management Team
- To Corporate Risk Management Group (service department representatives)
- To Associated Bodies
- Via Staff Intranet and Public Site

Document Title:	Risk Matters (Risk Management Policy and Strategy)		
Owner:	Director of Finance and Resources	Lead Reviewer	Chief Auditor
Version No.	13.0	Superseded Version:	12.1
Date Effective:	05/11/2018	Review Date:	Nov 2019

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Document Control			
Version No.	**Effective Date**	**Reason for Update**	**Lead Reviewer**
10.	21/11/2012	Scheduled formal review	Chief Auditor
10.1	30/10/2013	Interim review	Chief Auditor
11.0	12/11/2014	Scheduled formal review	Chief Auditor
11.1	03/11/2015	Interim review	Chief Auditor
12.0	28/11/2016	Scheduled formal review	Chief Auditor
12.1	18/10/2017	Interim review	Chief Auditor
13.0	05/11/2018	Scheduled formal review	Chief Auditor

Policy – the Council's risk management approach

1.1 Renfrewshire Council is committed to a culture where employees are encouraged to develop new initiatives, improve performance and achieve their goals safely, effectively and efficiently by appropriate application of good risk management practice. In doing so the council aims to protect vulnerable people, deliver high quality services for all service users, achieve high standards of performance, make the most of opportunity, and provide a safe environment for those it employs, contracts or partners with in providing a wide range of services.

1.2 The council believes that in times of growth or austerity, appropriate application of good risk management will prevent or mitigate the effects of loss or harm and will increase the council's success in the delivery of better financial outcomes, business objectives, better project success rates, achievement of targets and fewer unexpected problems.
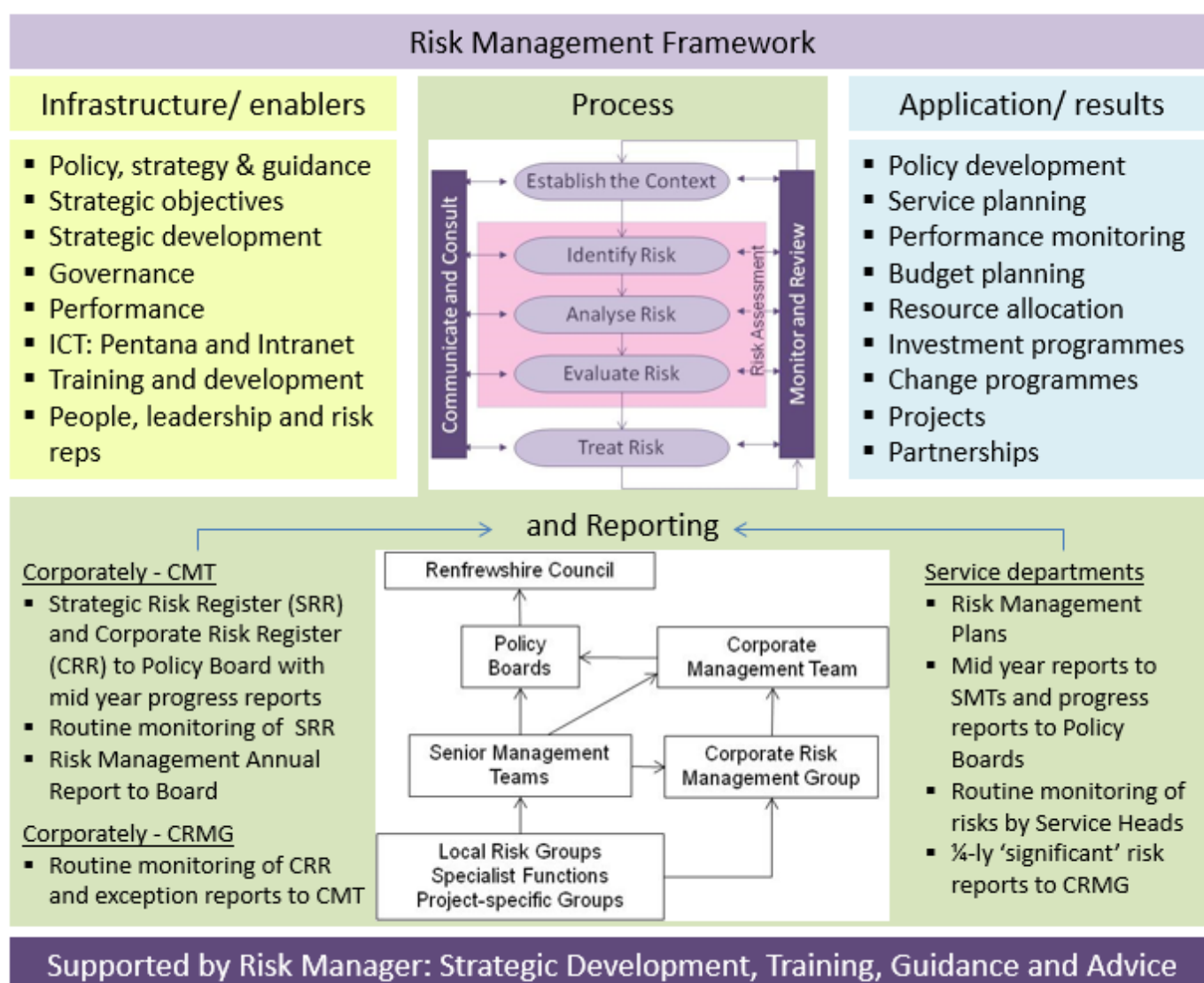
Key benefits of effective risk management:

- appropriate, defensible, timeous and best value decisions are made;

- risk 'aware' not risk 'averse' decisions are based on a balanced appraisal of upside and downside risk and enable acceptance of certain risks in order to achieve a particular goal or reward;

- high achievement of objectives and targets;

- high levels of morale and productivity;

- better use and prioritisation of council resources;

- high levels of user experience/ satisfaction with a consequent reduction in adverse incidents, claims and/ or litigation; and

- further enhancement of the council's good reputation both as an employer and as a public service provider.

1.3 The council expects the application of good risk management practice in the achievement of its key aims and objectives such as those contained within the Renfrewshire Community Plan 2017-2027 and the Council Plan 2017-2022: Thriving People, Connected Communities

1.4 Renfrewshire Council purposefully promotes an environment that is risk 'aware' rather than risk 'averse' and strives to place risk management information at the heart of key policy decisions. This means that the council can take an effective approach to managing risk in a way that both addresses significant challenges and enables innovation.

1.5 The council is committed to testing the council's capacity and tolerance for risk[1] in order to ensure that the council is clear in its understanding of the total level of risk the council is able/ willing to accept. It is generally understood by all service departments that in normal circumstances:

- low risk is acceptable without any further action to prevent or mitigate the risk;

- moderate risk is tolerable - control measures implemented or introduced must be cost effective;

- high risk may be tolerable - providing the council is assured regarding the adequacy and effectiveness of the control measures in place. Any further control measures implemented or introduced must be cost effective in relation to the high risk;

- very high risk is deemed to be unacceptable and measures should be taken to terminate, transfer or treat a very high risk to a more tolerable position.

1.6 The council recognises that in exceptional circumstances a combination of factors converge to produce a very high risk, for which the council may have limited control (such as recession, the fiscal position and impact of demographic change). Recognising this scenario, and taking on board the inherent level of risk experienced in some service areas, the council would expect that while it may

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[1] Sometimes referred to as risk 'appetite'

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have the capacity to deal with some very high risk, it does not wish to tolerate any more than two very high risks at any given time, either corporately, or within the service departments[2].

1.7 Renfrewshire Council promotes the pursuit of opportunities that may benefit the council. Opportunity-related risk must be measured alongside anticipated benefits in order to balance opportunity and risk.

1.8 The council regularly receives assurance reports (internal and external) not only on the adequacy but also the effectiveness of its risk management arrangements and consequently values the contribution that risk management makes to the council's corporate governance arrangements.

1.9 The council has established its Risk Management Framework, through which the strategy will be applied to fulfil the Risk Management Policy. Infrastructure/ enablers consist of components required for risk management to be effected; the process is used for consistency in assessing and responding to risk; application/ results describes various activities in which the enablers/ process is applied to produce beneficial results. Clear lines of reporting are established for risk management activity and the council ensures the framework is supported through the remit of the council's risk manager.

Risk Management Framework

Infrastructure/ enablers

- Policy, strategy & guidance
- Strategic objectives
- Strategic development
- Governance
- Performance
- ICT: Pentana and Intranet
- Training and development
- People, leadership and risk reps

Process

Communicate and Consult

Establish the Context

Identify Risk

Analyse Risk

Evaluate Risk

Treat Risk

Risk Assessment

Monitor and Review

Application/ results

- Policy development
- Service planning
- Performance monitoring
- Budget planning
- Resource allocation
- Investment programmes
- Change programmes
- Projects
- Partnerships

and Reporting

Corporately - CMT
- Strategic Risk Register (SRR) and Corporate Risk Register (CRR) to Policy Board with mid year progress reports
- Routine monitoring of SRR
- Risk Management Annual Report to Board

Corporately - CRMG
- Routine monitoring of CRR and exception reports to CMT

Renfrewshire Council

Policy Boards

Corporate Management Team

Senior Management Teams

Corporate Risk Management Group

Local Risk Groups Specialist Functions Project-specific Groups

Service departments
- Risk Management Plans
- Mid year reports to SMTs and progress reports to Policy Boards
- Routine monitoring of risks by Service Heads
- ¼-ly 'significant' risk reports to CRMG

Supported by Risk Manager: Strategic Development, Training, Guidance and Advice

Alan Russell
Director of Finance and Resources

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[2] Based on experience: the council previously had capacity to tolerate two very high risks in exceptional circumstances.

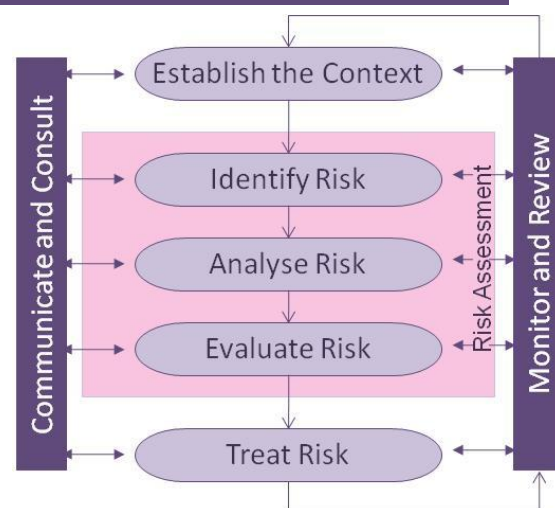| Document Title:	Risk Matters (Risk Management Policy and Strategy)		
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Strategy - Implementing our policy

1.   Introduction

1.1 The strategy takes a positive and holistic approach to risk management. The scope applies to all risks, whether related to opportunities or threats, performance related, project initiated, activity-based or otherwise across all areas of the council, in line with values of economy, efficiency and effectiveness.

1.2 **Strategic risks** are outward in focus and represent the potential for Renfrewshire Council to achieve (opportunity) or fail to meet (threat) its stated objectives outlined in the Community Plan and/ or the Council Plan outcomes 1-4.

1.3 **Corporate risks** are more inward in focus and represent the potential for the 'corporate body' Renfrewshire Council to achieve (opportunity) or fail to meet (threat) its stated policies and corporate objectives relating to the Council Plan, outcome 5. Service risks may be proposed for inclusion on the corporate risk register where a risk impacts on multiple services or requires significant central resources in the development of risk control measures.

1.4 **Service risks** represent the potential for impact on 'individual services' in relation to service delivery, or the experience of those who work within the services, i.e. employees, partners, contractors and volunteers, or the general public, service users, vulnerable people or clients in receipt of the services provided.

1.5 **Project risks** represent events or circumstance which may impact on a specific project - usually as a threat to the schedule and/ or cost of a project or the benefits the project will deliver. Any residual risks remaining at the end of a project are handed over to the relevant service department/s to manage as business as usual.

1.6 All risk will be analysed consistently (3.1.4) with an evaluation of risk as being low, moderate, high or very high. High and very high risk will also be referred to as being 'significant' and will therefore be subject to closer scrutiny by the Corporate Management Team and relevant Policy Boards.

1.7 This document explains how the risk management framework is to be implemented across the council; its ongoing implemetation supports the council's annual governance statement.

2.   Risk management process

2.1 Risk Management is about the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects[3] It is pro-active in understanding risk and uncertainty, it learns and builds upon existing good practice and is a continually evolving process that has an important role to play in ensuring that defensible and beneficial 'risk-aware' not 'risk-averse' decisions are made, that the council provides high quality services and employees are assured that every effort has been made to maximise their opportunities to succeed.

2.2 Renfrewshire Council embeds risk management throughout the council by consistent application of the risk management process shown in Figure 2.1[4] across all service departments and core business activities (i.e. budget setting/ projects).

Figure 2.1:
Risk Management Process

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[3] Australia/ New Zealand Risk Management Standard, AS/NZS 4360: 2004
[4] AS/NZS 4360: 2004 and similar within ISO 31000: 2018

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3. Application of risk management across all service departments

3.1 Standard procedures (3.1.1 – 3.1.13) will be applied across all service departments and council activity in order to achieve consistent and effective implementation of good risk management. Guidance notes accompanying the strategy provide further direction.

3.1.1 Full implementation of the risk management process, embedding risk management within existing council processes. This means that an assessment of risk as well as costs and benefits becomes routine wherever possible, for example in policy development, change management, project management (Project Management Framework) and in partnership management (Partnership Risk Management Guidance).

3.1.2 Identification of risk using standard methodologies, 'bottom-up' and 'top-down' approaches and involving managers throughout the service with detailed knowledge of the service and the context in which it operates.

3.1.3 Categorisation of risk aligned to the council plan outcomes:

⊘ Reshaping our place, our economy and our future	⊘ Building strong, safe and resilient communities	⊘ Tackling inequality, ensuring opportunities for all
⊘ Creating a sustainable Renfrewshire for all to enjoy		⊘ Working together to improve outcomes

3.1.4 Use of the council's risk matrix to consistently analyse risk in terms of likelihood of occurrence and potential impact, taking into account the effectiveness of current risk control measures to produce a risk evaluation of either 'low', 'moderate', 'high' or 'very high' risk.

3.1.5 Responding to risk in a way that is proportionate to the level of risk. This means that risk may be **t**erminated; **t**ransferred elsewhere (such as through insurance); **t**olerated as it is; or, **t**reated with cost effective measures to reduce it to a level where the exposure is acceptable or tolerable for the council in keeping with its capacity for risk. In the case of opportunities, the council may '**t**ake' an informed risk in terms of **t**olerating it if the opportunity is judged to be (1) worthwhile pursuing and (2) the council is confident in its ability to achieve the benefits, manage and justify the risk.

3.1.6 Maintaining risk registers as a means of collating risk information in a consistent format allowing comparison of risk evaluations, informed decision-making in relation to prioritisation of resources and ease of access to information for risk reporting.

3.1.7 Routine reporting of risk information to Board and Groups as appropriate dependent on the type and significance of risk.

3.1.8 Escalating and de-escalating risk/ moving risks between risk registers and service risk management plans when appropriate, through service risk management representatives on the Corporate Risk Management Group.

3.1.9 Periodic re-assessment of individual risks that is proportionate to the level of risk (i.e. low risks fully reassessed every year, moderate risks every 6 months and significant [high and very high] risks on a quarterly basis), including assessment of the effectiveness of measures in place to control risks.

3.1.10 Annual review of strategic, corporate and service risk registers/ risk management plans to ascertain progress and to check for contextual changes affecting the risks.

3.1.11 Six monthly review of service risk management plans undertaken by Senior Management Teams, with mid-year progress reviews reported to the Audit, Risk and Scrutiny Board.

3.1.12 Routine consideration of risks by Heads of Service at 1-1s with the relevant Service Directors.

3.1.13 Commitment to any action required to support high performance in relation to Key Risk Management Performance Indicators.

3.1.14 Commitment to ongoing and proactive identification of new and/ or potential risks alongside a learning culture that seeks to build on good practice and avoid repetition of adverse events.

Realising our vision and priorities

4. Risk management vision and strategic objectives

> Appropriate and effective Risk Management practice will be embraced throughout the council as an enabler of success, whether for maximising opportunity, delivering innovation and best value, increasing performance or managing our significant challenges.

4.1 We will work towards our vision through a suite of strategic risk management objectives and by seeking every opportunity to apply effective risk management practice where it will yield most benefit (such as major investment/ change programmes/ entering into new areas of business, service or partnerships), and when it will yield most benefit, (such as along the development path of major initiatives and not solely the final decision point).

4.2 The Alarm[5] Risk Management Performance Assessment Model describes an organisation's risk management maturity as:

- Level 1
  Awareness
- Level 2
  Happening
- Level 3
  Working
- Level 4
  Embedded and integrated
- Level 5
  Driving

4.3 In working towards our risk management vision we aim to demonstrate maturity where risk management is consistently 'embedded and integrated' while also being able to demonstrate examples of where risk management information is driving the key policy decisions of our organisation.

4.4 Our strategic risk management objectives centre around five strands that are described by Alarm as 'enablers' and two that are focused on achieving 'results':

4.5 The measures of success for these objectives will be:

- better financial outcomes
- successful delivery of business objectives and targets
- better project success rates
- successful outcomes from external scrutiny
- fewer unexpected problems
- fewer incidents/ accidents/ complaints
- fewer insurance claims/ less litigation

4.6 Achieving our risk management objectives will be realised through our Strategic Risk Management Development Plan.

Strategic Risk Management Objectives	
Enablers	(1) <u>Leadership and management</u>: Ensuring that our Members, Directors and Senior Managers fully support and promote risk management
	(2) <u>Policy and strategy</u>: Ensuring that our policy and strategy remain fit for purpose and maintain a consistent approach to the management of risk and increasing its effectiveness
	(3) <u>People</u>: Ensure that our people are equipped and supported to manage risk well
	(4) <u>Partnerships and resources</u>: Ensuring that we have effective arrangements for managing risks in partnerships and resourcing risk management activity
	(5) <u>Processes</u>: Ensuring that our risk management processes are effective in supporting the business activities of the council
Results	(6) <u>Risk handling and assurance</u>: Ensuring that risks are handled well and that the council has assurance that risk management is delivering successful outcomes and supporting innovation
	(7) <u>Outcomes and delivery</u>: Ensuring that risk management does contribute to achieving positive outcomes for the council

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[5] The Public Risk Management Association

5. Strategic risk management development plan

5.1 This policy and strategy is supported by the council's Strategic Risk Management Development Plan (SRMDP) which shows the direction for immediate, medium and longer term priorities for risk management, aligned to the council's strategic risk management objectives.

5.2 The plan shows the individual actions agreed for implementation over the lifetime of the present Strategy with clear milestones/ timescales for achievement and named responsible officers.

5.3 The SRMDP is realistic, stretching but achievable; it allows the council's Corporate Risk Management Group to focus on strategic priorities and actions that require to be taken forward while at the same time allows individual members (representing their service departments) to consider operational implications and requirements for supporting the objectives.

5.4 The SRMDP is monitored on a quarterly basis by the Corporate Risk Management Group and provides the most up to date position, progress and level of activity towards achieving the council's strategic risk management objectives and is available to any member, employee, group or board for information.

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# Risk leadership and accountability

6.   Governance, roles and responsibilities – formal groups

6.1 Renfrewshire Council's [Scheme of Delegated Functions](#) specify matters which are the delegated responsibility of its Policy Boards and the Chief Executive; this includes risk management. Figure 6.1 below shows the reporting arrangements for the various groups involved in risk management.

6.2 <u>Council and Policy Boards</u>
In line with good governance, Council is accountable for ensuring that the organisation has a suitable risk management framework in place to ensure that significant risks are adequately identified and controlled.

The Audit, Risk and Scrutiny Board has delegated authority to approve the risk management policy and strategy, consider the effectiveness of the risk management arrangements through the annual risk management report, and approve the strategic and corporate risk registers, and the relevant service risk management plans.
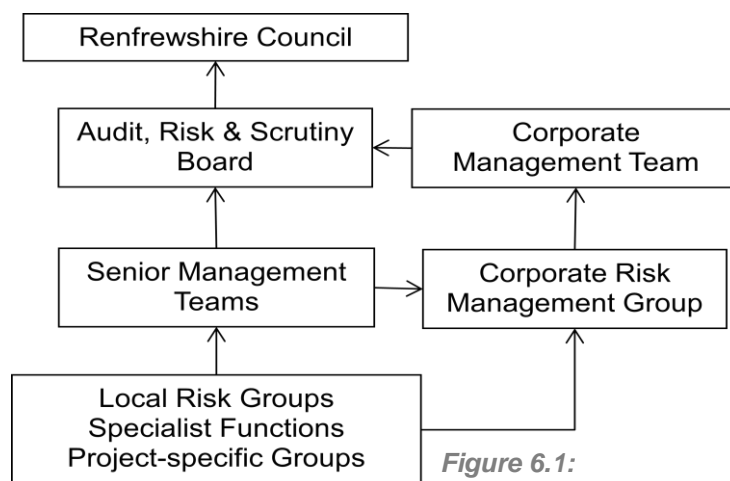
Figure 6.1:
Reporting Arrangements

In approving the strategic or corporate risk register or service risk management plans, the Audit, Risk and Scrutiny Board is responsible for ensuring that risks within their remit are appropriately managed and that any futher planned action is proportionate to the level of risk.

All policy boards consider recommendations in relation to any specific risks brought to the board as a matter of business as usual (through the risk implications section of Board Papers).
Policy boards have a further responsibility to facilitate the sharing of learning across the council, from good practice or any events or near misses that identify trends of potential risk.

6.3 <u>Corporate Management Team</u>

In respect of the Risk Management Framework, the Corporate Management Team:
- provide a high profile mandate and commitment to enhancing risk management performance and embedding a risk aware culture, proactively promoting, supporting and encouraging good risk management practice across all services and activities;
- ensure appropriate risk information is utilised to guide major decisions in areas such as policy development, service planning, performance monitoring, budget planning, investment programmes, change programmes, projects and partnerships;
- ensure that a member of the management team is responsible on behalf of the Chief Executive for overseeing the risk management framework and that the remit of the risk management function/ risk manager been determined;
- ensure appropriate reporting arrangements for risk management are implemented across all levels of the council, including that risk management matters are actively reported through the management arrangements, to the Corporate Risk Management Group;
- ensure there are mechanisms in place to check that risk management is being implemented in a manner consistent with the council's risk management policy and strategy; and
- ensure the risk management framework is reviewed at a minimum of every two years to ensure it remains fit for purpose and reflects best practice.

In respect of managing risk, the Corporate Management Team:
- annually review the proposed strategic and corporate risk registers and agree these risks prior to submission to Board for approval;
- monitor the strategic risks at the quarterly CMT planning sessions alongside progress on delivery of the council plan, ensuring on an ongoing basis that significant risks that could impact on key objectives or service delivery responsibilities are identified, analysed, evaluated and responded to appropriately across the council;
- ensure appropriate senior managers are clearly assigned responsibilities for assessing, reporting and managing identified key risks;
- monitor the effective management of the strategic and corporate risks by reviewing action taken as outlined in the mid year progress reports for submission to Board;
- maintain a clear understanding of the council's risk profile and its relation to the council's capacity and tolerance for risk;
- actively 'horizon scan' to enable timely identification of potential risks (opportunities or threats) emerging from the council's external environment; and
- encourage innovation through appropriate and informed risk management.

6.4 Corporate Risk Management Group (CRMG)

In respect of the Risk Management Framework, the Corporate Risk Management Group:
- oversee the ongoing revision, implementation and monitoring of progress of the Strategic Risk Management Development Plan (SRMDP) which supports implementation of the council's risk management policy and strategy;
- oversee the ongoing revision, implementation and monitoring of key risk management performance indicators;
- prepare the risk management annual report which will demonstrate key achievements in relation to the Strategy and SRMDP and will provide assurance to Board on the efficacy of the council's risk management framework;
- ensure that members who represent their service departments (local risk representatives) take forward agreed risk management initiatives within their respective services, thereby achieving a consistent approach to risk management across all service departments. Local risk representatives will feedback risk management information to their local risk fora (6.5);
- ensure that the council's Risk Management Alliance (6.6) continues to take forward specific initiatives complimentary to the remit of the Corporate Risk Management Group and provides regular reports to the Group on its activity;
- assist in implementation issues across the council, sharing experience and informing changes to strategy and direction.

In respect of managing risk, the Corporate Risk Management Group:
- oversee the process of annual revision of the strategic and corporate risk registers in consultation with service directors and heads of service. The CRMG will present the strategic and corporate risk registers to CMT for agreement and submission to the relevant Policy Board for approval;
- monitor (on a quarterly basis) the progress of action plans designed to manage corporate risks;
- ensure that processes are in place for escalating risks at various levels as appropriate;
- provide routine and exception reports to the CMT.

6.5 Local Risk Groups (services/ specialised sections/ project-specific groups)
For local risk groups within services, these will either be specific to risk management or pre-existing groups/ meetings which regularly include risk management as an agenda item.

Local risk groups:
- organise training and raise awareness in their area of responsibility to ensure practical measures are put in place to respond to risk;
- contribute to the service risk management plan and regularly review its content to ensure it continually reflects the key risks of the service and highlights the service's top risks;
- report progress to their Senior Management Team on a regular basis; and,
- on behalf of the service director, contribute to the council's assurance framework through the annual submission of their service risk management plan to the Director of Finance and Resources for review, prior to submission to the appropriate Board. These plans will follow the corporate template available in the guidance supporting this strategy.

6.6 Risk Management Alliance (specialist functions)
The Risk Management Alliance will comprise of a small number of employees (from audit, risk management and insurance, health and safety, civil contingencies, information governance and facilities management), who work in risk-related roles and will add further value in their roles by working closely together as subject experts under the authorisation of the Corporate Risk Management Group.

The Alliance:
- provides a central resource of expertise to the wider council; and,
- is responsible for developing and jointly working on corporate risk management initiatives, either directly or through other council services.

The council will further access, where relevant, external sources of expertise such as the Police, Insurers and/ or Insurance brokers/ advisors.

7. Governance, roles and responsibilities – individuals

7.1 The following sets out the roles and responsibilities for specific individuals or groups of individuals.

7.2 Elected members
A significant aspect of an elected member's role is in making decisions for the council and the people of Renfrewshire. The CIPFA "Delivering good governance in Local Government Guidance Notes for Scottish Authorities" (2016 Edition) and in particular Principle F, asserts that risk management is an integral part of all activities and must be considered in all aspects of decision making. In considering any recommendations from council officers in relation to new policies/ proposals, members will ensure they are aware of the risks and benefits involved prior to making their decisions. The 'risk implications' section on board papers will enable appropriate risk information to be provided.

7.3 Chief Executive
The Chief Executive has overall accountability for the council's risk management framework, ensuring that there are suitable and effective arrangements in place to manage the council's risks. The Chief Executive is supported in this role by the Director of Finance and Resources.

7.4 Director of Finance and Resources
The Director of Finance and Resources is directly accountable to the Chief Executive and is the corporate management team member responsible, on behalf of the Chief Executive, for overseeing the risk management framework and remit of the council's risk management function.

The Director of Finance and Resources is responsible for overall leadership and co-ordination of the risk management agenda, for undertaking the role of 'Senior Information Risk Owner' and for bringing to the corporate management team any risk issues requiring to be addressed. The Director

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of Finance and Resources is supported in this role by a dedicated risk management resource in the Chief Auditor and the Risk Manager.

7.5 Chief Auditor

The Chief Auditor is responsible for the corporate provision of risk management guidance, training and risk software for recording of risks/ risk management plans. Specifically, in relation to internal audit, the Chief Auditor:

- ensures that the development of the strategic audit plan considers the council's corporate risks and the service departments' significant risks, as well as key areas of organisational change for which risk is inherent; and,

- ensures that the results of internal audit work will inform the strategic corporate risk registers and risk management plans.

7.6 Risk Manager

On behalf of the Chief Auditor, the Risk Manager:

- provides advice and support to service risk management representatives and service managers and other groups in the management of strategic, corporate, service and/ or projects risks;

- provides a range of training and education opportunities in risk management for members and employees, in line with elected member training and development programmes, management development programmes, key organisational projects and bespoke training needs;

- oversees the use and development and maintenance of the risk module within Covalent, ensuring timeous risk management board reports and management reports are available for stakeholders;

- supports the process of strategic and corporate risk register and annual risk management plan development and submission to Board;

- chairs and organises the meetings of the Corporate Risk Management Group and the Risk Management Alliance;

- manages the council's insurance arrangements.

7.7 Directors

It is the responsibility of each service director and their senior management teams to implement local arrangements which accord with this policy and strategy, and the related procedures.

All directors are accountable to the Chief Executive, the Corporate Management Team and Policy Boards for the management of risk within their areas of responsibility.

While service directors have overall accountability for the management of a risk within their service departments, they might not 'own' the risk control measures being implemented to manage the risks (e.g. implementation of policies developed by other services). In this case, the role of the director is to oversee that the controls are fit for purpose and operating effectively within their area of responsibility and liaise with directors who 'own' the controls should they have any concerns.

Directors and their Senior Management Teams will be supported in their risk management responsibilities by their nominated service risk management represenative who will also represent the service on the Corporate Risk Management Group.

7.8 Director of Children's Services

The requirement for every local authority to appoint a professionally qualified Chief Social Work Officer (CSWO) is contained within Section 3 of the Social Work (Scotland) Act 1968. The CSWO is a 'proper officer' in relation to the social work function: an officer given particular responsibility on behalf of a local authority, where the law requires the function to be discharged by a specified post holder. The Director of Children's Services is the council's specified CSWO.

The Chief Social Work Officer ensures the provision of effective and professional advice relating to the provision of social work services and assists understanding of the complexities of social work service delivery, particularly in relation to issues such as corporate parenting, child protection, adult protection and the management of high risk offenders. The CSWO has a role to play in overall performance improvement and significantly in the identification and management of risk insofar as it relates to social work services, including adult social work services delegated to the Renfrewshire Health and Social Work Partnership.

7.9 <u>Heads of Service</u>

It is the responsibility of all heads of service to ensure their employees are familiar with the latest risk management strategy, guidance and relevant controls. Heads of service are accountable to their service director for the management of risk within their areas of responsibility

Specifically, heads of service:

- engage regularly with their service directors to consider all risks that they own, (whether strategic, corporate, service or project related;
- ensure employees are informed of the risk context in which they undertake specific duties;
- ensure employees are encouraged to promptly report any matters of concern;
- ensure that employees' risk management skills and training needs are assessed and addressed.

7.10 <u>Service Risk Management Representatives</u>

All service risk management representatives have a responsibility (1) corporately, to support corporate risk management development activities, representing their service on the Corporate Risk Management Group and (2) locally, to support their directors, senior management teams and local risk fora/ groups in implementing arrangements in accord with this policy and strategy.

Specifically, service risk management representatives:

- attend all Corporate Risk Management Group meetings (or arrange a deputy if unable to attend), and raise any significant service risks that require to be considered for escalation to corporate level;
- actively promote corporate risk management initiatives (such as the council's risk awards) and training opportunities throughout their service;
- support the development of their service risk management plans, for review and submission to Board within agreed timescales and in the format agreed corporately; and
- support heads of service in respect of their risk management responsibilities;
- support managers in the identification of risks, actions and mitigating controls.

7.11 <u>All employees</u>

Risk management should be integrated into the daily activities of every employee. By ensuring that decisions on risk management are taken locally rather than centrally, the council will encourage local ownership of the process. All employees are therefore encouraged to be involved in identifying current and potential risks where they work.

Employees should make every effort to be aware of situations which place themselves or others at risk, report identified hazards and implement measures to reduce risk as developed by their service. This approach will require employees to:

- understand the risks that relate to their roles and their activities;
- understand how the management of risk relates to their own and their client's/ the public's safety;
- understand their accountability for particular risks and how they can manage them;
- understand how they can contribute to continuous improvement of risk management;
- understand that risk management is a key part of Renfrewshire Council's culture; and,
- report systematically and promptly to senior management any perceived new risks or failures of existing control measures.

Resourcing risk management

8.   Resourcing the council's risk management framework

8.1 Much of the work on developing and leading the ongoing implementation ot the risk management framework will be resourced through the council's Risk Manager, the Corporate Risk Management Group and the Risk Management Alliance.

8.2 Wherever possible the council will ensure that training and education costs will be kept to a minimum, with the majority of courses/ training being delivered in-house or through the training resource available through the council's claims handlers.

8.3 Individual directors will be responsible for ensuring an appropriate resource within their service is available to support managers' and employees' risk management training needs.

9.   Resourcing those responsible for managing specific risks

9.1 An awareness of the risks pertaining to each service department will contribute to the budget allocation process, therefore the cost of managing risks will be met within each service department's budget allocation and any unplanned or unbudgeted resources arising in relation to the risks will be subject to review by the service director in consultation with the Director of Finance and Resources.

9.2 All risk owners will ensure that only appropriate responses (by way of transfer or treatment of risk) are in place or put in place to address risks and are proportionate to the significance of the risk. Put simply, the resources allocated to addressing risk should not exceed the cost of the exposure itself (in the case of adverse risks) or the benefits that are being being sought (in the case of opportunities).

9.3 The council's Insurance and Risk Management Co-ordinator can, on request, provide guidance on the viability/ cost effectiveness of resources involved in transferring risk to the council's Insurers where this is a suitable option.

9.4 The council's Treasury consultants and investment advisors will provide guidance on risk and appropriate action in relation to the council's investment portfolio.

Training, learning and development

10. Risk management training opportunities

10.1 To effectively implement Risk Matters, it is essential to harness a workforce with the competence and capacity to manage risk and handle risk judgements with confidence, to focus on learning from events and past experience in relation to what has worked well or could have been managed better, and to focus on identifying malfunctioning 'systems' rather than people.

10.2 Training is important and will be essential in embedding risk management throughout the council and developing the council's risk management maturity. The Chief Auditor, supported by the Risk Manager, will regularly review the risk management training needs of the council and provide training opportunities for members, directors, managers, employees and our associated bodies.

10.3 Depending on the context of the training, it can be delivered in a range of formats, such as e-learning, presentations, workshops, seminars or one-to-one briefing sessions where appropriate.

11. Risk management learning outcomes

11.1 Depending on the context of the training, it can provide participants with knowledge of:
- the council's risk management framework and its component parts;
- the legislative and compliance context of risk management;
- the risk management/ service planning/ performance management relationship;
- how risk management supports corporate governance;
- how risk management supports decision-making and the influence of risk perception in decision-making;
- how risk management supports projects and innovation and assists in achieiving positive outcomes for the council; and
- how risk tools and techniques can be applied in a variety of business environments.

12. Risk management development

12.1 The council has in place management development programmes and an elected members training programme. Risk management learning and development opportunities are embedded within both these programmes and will continue to be supported by the council's Risk Manager.

12.2 In seeking to provide the council with the best possible advice, training and development opportunities in risk management, the council's Risk Manager will undertake ongoing continuous professional development through their involvement within Alarm and their executive role on the Alarm Scotland organising committee.

Monitoring activity and performance

13. Monitoring risk management activity

13.1 Renfrewshire Council operates in a dynamic and challenging environment and a monitoring and review structure needs to be in place to ensure that any changes to the council or its environment that may affect the risk management framework, or other factors affecting the suitability or cost of risk response options, are identified and addressed. Monitoring arrangements require that there will be:

- ongoing monitoring of the strategic risks alongside routine council plan reports to and by the Corporate Management Team;
- quarterly monitoring of the corporate risk register by the Corporate Risk Management Group
- quarterly monitoring of progress on the Strategic Risk Management Development Plan by the Corporate Risk Management Group;
- six-monthly reporting to the Corporate Management Team and Audit, Risk and Scrutiny Board of progress in managing the strategic and corporate risks;
- annual and mid year risk reviews by service management teams of progress against the risk management plans and other risk-related matters;
- annual and mid year reporting by services to the Audit, Risk and Scrutiny Board of progress against the service risk management plans;
- quality assurance checks on the risk management process conducted through meetings of the Corporate Risk Management Group;
- ad hoc tailored reports/ presentations to the Audit, Risk and Scrutiny Board on specific risk related issues/ topics arising from discussion or specific enquiry;
- continual review by service risk management representatives of progress in managing individual risks listed in the service risk management plans;
- annual review of risk registers by Internal Audit to inform the strategic audit plan;
- annual review of risk registers by Corporate Finance to inform budget allocations; and,
- regular reporting of claims data to service departments by the Insurance and Risk Management Co-ordinator.

14. Monitoring risk management performance

14.1 Measuring, managing and monitoring risk management performance is key to the effective delivery of the strategic risk management objectives. Performance will be measured using a suite of key risk management performance indicators[6].

14.2 The development and ongoing monitoring of the risk management performance indicators is overseen by the Corporate Risk Management Group and information concerning the indicators will be reported by the Group, on an exceptional basis, to the Corporate Management Team, and on an annual basis as part of the risk management annual report provided to the Audit, Scrutiny and Petitions Board.

14.3 Key risk management performance indicators will provide an indication of the effectiveness of the council's approach to risk management in specific areas, covering both the enablers and results aspects of the strategic risk management objectives.

14.4 Within the risk management framework there needs to be sufficient planning, implementation, monitoring and reviewing of performance. A review of the monitoring activity at 13.1 and the risk management performance indicators will determine if:

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[6] The indicators may be subject to change if national indicators are developed

- the risk management framework and process is fit for purpose with risks aligned to the council's corporate objectives;
- the risk management framework and processes resulted in what was intended;
- employees received adequate information to enable them to discharge their risk management roles and responsibilities;
- employees across the council have sufficient risk management skills, knowledge and competence in line with the activites they are required to perform on a daily basis; and
- improved knowledge would have helped to make better judgements or reach better decisions and identify lessons for future assessments and the management of risks.

14.5 As the risk management framework, including policy and strategy, strategic risk management development plan and performance indicators are formally reviewed every two years, this will constitute and 'Plan/ Do/ Study/ Act review cycle that will shape future risk management priorities and activities of the council, inform subsequent revisions of the risk management framework and its various components and drive continuous improvement in risk management in the council.

Communicating risk management

15.	Communicating, consulting on and reviewing the risk management framework

15.1 Effective communication of risk management information across all service departments and with employees is essential to developing a consistent and effective approach to risk management.

15.2 Copies of 'Risk Matters' are disseminated to all service directors for cascade throughout their services, and copies, along with other risk management documentation and guidance are available on the Staff Intranet 'Risk Matters' page.

15.3 Details of the council's insurance arrangements are published on the Staff Intranet: insurance a quick guide The details include definitions of a range of insurance terms along with key insurance documents such as the council's Employers Liability Certificate and the standard letter from the council's insurance brokers and advisors that summarises all the main insurances that are in place.

15.4 Risk management awareness is communicated with all new employees through the induction process; through iLearn (corporate e-learning platform) and through local induction.

Risk Matters, version 12.1 was reviewed and updated to version 13.0 by the Corporate Risk Management Group in October 2018 for submission to the Audit, Risk and Scrutiny Board (05/11/2018). Implementation of Risk Matters is underpinned by separate guidance and the strategic risk management development plan.

Risk Matters is formally reviewed by the Audit, Risk and Scrutiny Board at periodic intervals of not more than 2 years and annually (interim review) by the Corporate Risk Management Group to ensure that it reflects current standards and best practice in risk management and fully reflects the rapidly changing environment in local government.

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Owner:	Director of Finance and Resources	Lead Reviewer	Chief Auditor
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