

**HAMBLETON DISTRICT COUNCIL**

**Report To:** Audit, Governance and Standards Committee  
30 October 2013

**From:** Director of Corporate Services

**Subject:** **RISK MANAGEMENT GUIDE (REVISED)**

**All Wards**

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**1.0 PURPOSE AND BACKGROUND:**

1.1 As part of the annual review of the risk management process the risk management guidance document has been amended. The revised document is attached at Annex 'A'.

**2.0 DECISION SOUGHT:**

2.1 Members are asked to consider the revised risk management guidance and give approval for implementation of the revised procedures.

**3.0 RISK ASSESSMENT:**

3.1 There are no risks directly associated in approving this report.

**3.0 RECOMMENDATION(S):**

4.1 It is recommended that the Committee approve the revised risk management guidance.

MARTYN RICHARDS

**Background papers:** Hambleton District Council Risk Management Guidance 2013.

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**HAMBLETON**  
**DISTRICT COUNCIL**

**Risk Management Guide**

## RISK MANAGEMENT GUIDE

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## RISK MANAGEMENT GUIDE

### 1 Introduction

- 1.1 This document is provided as a guide to the Hambleton District Council (the 'Council') approach to Risk Management and aims to improve the effectiveness of Risk Management across the Council.
- 1.2 Risk Management is a statutory requirement, but it is also an indispensable element of good management.
- 1.3 This guide is not intended to give definitive information on every aspect of Risk Management, but to help develop an understanding of risk and its likely effects, and to encourage best practice in the process of managing risk. The guide explains the Council's Risk Management framework.

### 2 What is Risk

- 2.1 The Office of Government Commerce defines risk as:  
 "Uncertainty of outcome, whether positive opportunity or negative threat, of actions and events. It is the combination of likelihood and impact, including perceived importance."  
*'The Orange Book : Management of Risk - Principles and Concept'* [www.gov.uk/government/publications](http://www.gov.uk/government/publications)
- 2.2 The Council recognises risk as the chance or possibility of loss, damage, injury or failure to achieve our corporate objectives, caused by uncertain actions or events.
- 2.3 Uncertainty and change is inevitable but, when considered thoroughly, can also give the Council an opportunity to introduce new, more innovative and effective ways of delivering its services with better outcomes and fewer risks.

### 3 Risk Management Overview

- 3.1 Given that it is impossible to eliminate all risks, identifying and recognising a potential threat means being able to do something about it, or at the very least being better prepared to deal with an incident should it occur.
- 3.2 Risk Management is the adoption of a planned and systematic approach to identifying, evaluating and controlling those risks which can threaten Council assets, or its financial and organisational well-being. It is therefore also a means of minimising the costs and disruption to the Council caused by undesired events.
- 3.3 Many areas of Council policy involve dealing with risks to the public. Some risks take on more significance in different contexts, or when viewed from different perspectives. A key feature of Risk Management - and therefore of policy making - is the need to deal with different and sometimes conflicting perspectives.
- 3.4 Effective Risk Management allows the Council to:
  - maximise opportunities whilst minimising the impact from risk
  - increase the Council's ability to achieve its priorities and outcomes for residents
  - constrain risks to acceptable levels
  - take informed decisions
  - ensure the right balance between opportunity and risk
  - improve partnership working arrangements and corporate governance

## RISK MANAGEMENT GUIDE

- 3.5 Risk Management is not about being “risk averse”, it is about being “risk aware”. Risk is ever present and some degree of risk-taking is both inevitable and desirable if the Council is to achieve its objectives. By being risk aware the Council is in a better position to avoid threats and to take advantage of opportunities. Risk Management is therefore about making the most of opportunities and achieving objectives.

### 4. Benefits of Risk Management

- increased likelihood of achieving objectives by identifying and overcoming barriers;
- improved innovation by becoming less risk averse;
- improved business planning through a risk based decision making process;
- improved performance through embedded risk management;
- improved governance with visible demonstration to all stakeholders;
- improved strategic and operational management;
- improved customer service.

### 5 The Risk Register

- 5.1 The Risk Register is a list of all the Risks currently identified by Service Managers and Directors.
- 5.2 The Council’s Risk Register is maintained by the Improvement Team who are responsible for managing its content. An extract is shown at Figure 1.
- 5.3 Each risk featured on the Risk Register has an action plan devised by the Risk Manager, which identifies particular measures required to mitigate, lessen or remove that risk. This action plan is linked to that Service Plan and budgets.
- 5.4 Amendments to the Risk Register by way of adding new risks, amending or closing existing risks or any details associated with them e.g. a new Service Manager, revised Action Plan etc can be undertaken at any time by the Improvement Team.
- 5.5 The critical steps in the process of identifying and managing risk within the Council’s activities in order to populate the Risk Register are detailed in Appendix A.

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Figure 1 : Extract from HDC Risk Register

Risk ID	Risk Name	Org Level	Risk Category	Status	Impact	Score	Risk Level	Service	Service Director	Risk Manager	Action Plan
16	Failure of Postal Ballot paper/stationery supplier leads to late despatch/return of ballot papers resulting in disenfranchised electors.	Op	Customer / Citizen	Active	2x5	10	Med	Electoral Services	Martyn Richards	Diane Henry	Ensure proofs supplied as early as possible & close liaison with printers to identify potential difficulties.
34	Summons sent incorrectly resulting in failed recovery action causing poor customer relationship & loss of income	Op	Reputational	Active	3x2	6	Med	Revenues & Benefits	Justin Ives	Ray Gill	Procs and systems to ensure a/cs are up to date. Reminders are produced by SX3 system & checked. A/cs are on recovery profile to reduce likelihood of incorrect issuing.
57	Gravestone falling on someone in closed churchyard leading to claim against HDC	Op	Health & Safety	Active	1x5	5	Med	Design & Maintenance (incl Street Lighting)	Martyn Richards	Chris Vincent	Appraise the potential for regular inspections and undertaking a programme of topple testing once procedures finalised
115	Market conditions or ineffective spatial planning leads to a reduction in new homes completions and results in the Council not meeting its new homes target and consequently new homes bonus	Strat	Reputational	Active	5x3	15	High	Planning Policy	Mick Jewitt	Graham Banks	Maintain an up to date set of LDF documents. Also work with developers to bring sites forward. Regular performance monitoring.
415	Local businesses fail to respond positively to the Grants for Small Businesses Scheme resulting in the scheme having little or no impact on the growth and sustainability of local businesses.	Op	Customer / Citizen; Economic	Active	3x4	12	High	Business & Community	Sandra Walbran	Nicole Patterson	Manage the development of the scheme to identify risks early and conduct a strong awareness raising campaign amongst local businesses in collaboration with other partners.
473	Failure to deliver BPI meaning that the level of first point resolution does not increase which leads to increased pressure on back office staff resulting in failure to improve the quality of service delivered to customers.	Op	Customer / Citizen;	Active	2x3	6	Low	Customer Services	Sandra Walbran	Sandra Hall	Monitor Customer Service Strategy 2013-16 and implementation of action plan.
487	Failure to develop and maintain a Business Continuity plan leads to lack of resilience resulting in failure of service delivery.	Op	Customer / Citizen; Reputational	Active	1x3	3	Low	Environmental Health	Dave Goodwin	Philip Mephram	Annual review of business continuity plans for the service area to be undertaken by 31 December each year.
502	Failure to implement the Council's Information Strategy leads to violation of Data Protection Act resulting in possible fine by the Information Commissioner and/or failure to make decisions leading to legal challenge	Op	Legal	Active	3x3	9	Med	ICT (incl Reprographics)	Justin Ives	Helen Kemp	Each Service to develop their own mitigating Action Plan as appropriate.

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### 6. The Objective

6.1 The objective of the Risk Management Process is to improve the Council's ability to deliver strategic priorities by managing and mitigating risks, in order to:

- integrate Risk Management into the day to day activities of the Council;
- raise awareness of Risk Management within the Council
- identify and measure risks associated with business decisions;
- eliminate or control risks associated with business decisions;
- review risks in response to changes in the internal and external environment;
- ensure effective Risk Management within partnerships.

6.2 These objectives will be achieved by:

Action		Lead
1	Maintaining an up to date Risk Register and Guide.	Improvement Team
2	Providing practical guidance to staff and Councillors.	Improvement Team
3	Including risks and corresponding action plans within Service Plans.	Directors / Service Managers
4	Including Risk Management assessments in Committee and Board reports as appropriate.	Directors / Service Managers
5	Including Risk Management within financial procedure rules.	S151 officer
6	Allocating specific responsibilities for risk to officers throughout the organisation.	Directors / Service Managers
7	Review of Risk Management arrangements as part of the review of internal controls.	Management Team
8	Annual report to the Audit Committee/Board reviewing the Risk Management process.	Improvement Team
9	Maintaining contingency plans in areas where there is potential for risk to business capability.	Directors / Service Managers
10	Providing Risk Management awareness training for Councillors and officers.	Improvement Team
11	Including Statement on Risk Management in the Annual Governance Statement which forms part of the Statement of Accounts of the Council.	S151 officer
12	Challenging the progress being made on the action plans relating to risk.	Directors / Service Managers

### 7 The Risk Management Process

7.1 The basic Risk Management Process is the same for all types of risk. It is continuous and involves identifying, analysing, managing and monitoring risks, as illustrated at Figure 2.

7.2 The Key Elements of this process, undertaken by Council officers and elected Members, are described in Figure 3.

## RISK MANAGEMENT GUIDE

Figure 2 : Risk Management Process

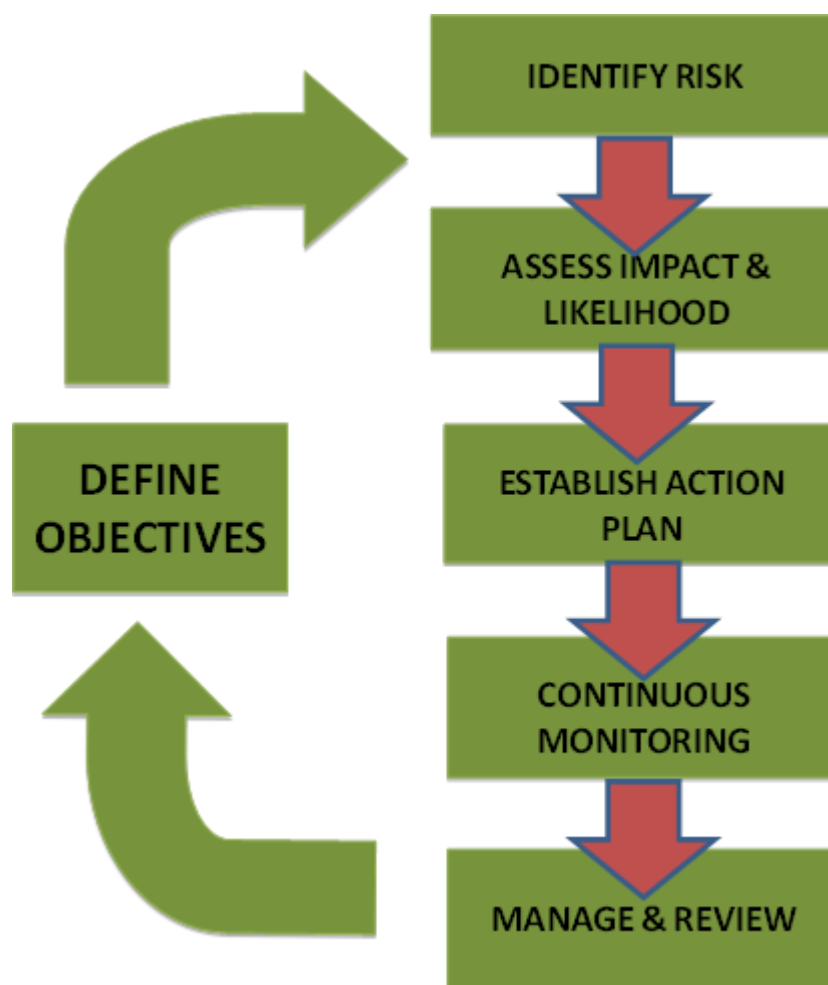


Figure 3 : Key Elements of Risk Management

<b>1. Understanding Strategic &amp; Operational Priorities</b>	The starting point is to ensure a clear understanding of what it is the Council is aiming to achieve through the Council Plan and Service Plans.
<b>2. Identifying Risks</b>	There is a need to identify potential risks that may arise if informed decisions are to be made about policies or service delivery methods. Risks may be general relating to the environment within which we work, or specific relating to a key area of service delivery.
<b>3. Analysing Risks</b>	Available data should be used to provide information to help assess the likelihood of any risk arising or the potential impact on our activities.
<b>4. Profiling &amp; Prioritising Risks</b>	Risks are profiled according to their likelihood and severity. Actions are determined by balancing tolerance and aversion to risk, against resource availability.
<b>5. Determining Action Plan</b>	Action Plans are based on whether the risk should be avoided, eliminated, reduced, transferred, or accepted.
<b>6. Controlling Risk</b>	Once an appropriate Action Plan for each risk is determined, the process of controlling that risk can commence. This will either involve minimising/eliminating the risk and/or alleviating its potential impact.
<b>7. Monitoring &amp; Reporting on Progress</b>	Continuous monitoring is effected through the reporting process to minimize losses and accomplish actions



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### 8 Monitoring & Reporting

- 8.1 The framework for monitoring and reporting is illustrated in Figure 4. It has been designed to ensure continuous review and Risk Management at Service level, with upward reporting to Senior Management. This facilitates active awareness of emerging issues and developing conditions at the earliest opportunity, enabling appropriate forward planning.
- 8.2 The Management Team reviews the Risk Management process annually to ensure that the mechanisms by which Risk Management is systematically embedded into the every day business of the Council, remains effective.
- 8.3 The Audit & Governance Committee also reviews the Risk Management Process annually, reinforcing its effectiveness and continued viability in changing conditions and highlighting any perceived weaknesses.
- 8.4 Service Managers automatically review their own risks as part of the general review of Service Plans with the Information Team during the Quarterly Performance Reporting process. This regular evaluation identifies new risks that have been added, amendments required to existing risks, redundant risks to be closed and discussion on progress made with action plans.
- 8.5 The items identified are then upwardly reported as a matter of course via the Quarterly Performance Reporting procedure, highlighting issues for further consideration by the Service Director, Portfolio holder and Board members.
- 8.6 Managers assess the potential risks and their effect, pinpointing areas of weakness and interdependencies, differentiating between tolerable risks and those that require mitigation.

**Figure 4 : Monitoring and Reporting**



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- 8.7 The operational risks from each Service, together with identified strategic risks, combine to form the Council's Risk Profile. The Management Team has the responsibility of moderating and regulating the Risk Profile, which is developed from the 'High' level operational and strategic risks, reported quarterly by exception highlighting any significant changes and new risks.
- 8.8 All 'High Level Strategic' risks are reported to the Review Boards quarterly within performance reports. These are internal management meetings based on the business groups managed by each Director, chaired by the relevant Cabinet Portfolio holder and attended by Members and relevant officers.
- 8.9 Additional reports are provided to the Audit, Governance & Standards Committee on request, and include the annual review of the process undertaken by the Management Team outlined at 8.7.

## **9 New Risks**

- 9.1 The Risk Management process is continuous. When a new risk is identified, details must be advised to the Improvement Team for inclusion in the Risk Register.
- 9.2 Each Service Plan is updated and reviewed quarterly, including any new risks created during the period.
- 9.2 Cabinet Reports also include a Risk Management section to ensure consideration is given to whether any Risk Management issues need to be addressed.

## **10 Knowledge Management and Information Systems**

- 10.1 Effective Risk Management depends not only on commitment, culture and the competence of individuals, but also on the sharing of knowledge and the availability of reliable data and information across the Council.
- 10.2 The Council must ensure that knowledge management and information systems are in place to facilitate effective Risk Management.

**RISK MANAGEMENT GUIDE**  
**APPENDIX A Critical Steps**
**STAGE 1 : IDENTIFICATION, ANALYSIS, PROFILING & PRIORITISATION**
**A1.1 Identifying Risks**

When identifying risks it is helpful to categorise into areas suggested in Figure 5. They will act as a prompt and as a trigger for officers involved in the process. They ensure a holistic approach to risk identification and that the risk process does not just concentrate on operational, financial or legal risks.

**Figure 5 : Risk Categories**

<b>Risk</b>	<b>Definition</b>	<b>Examples</b>
<b>1. Partnership/ Contractual</b>	Associated with failure of contractors and partnership arrangements to deliver services or products to the agreed cost and specification	Contractor fails to deliver, partnership agencies do not have common goals
<b>2. Customer/ Citizen</b>	Associated with failure to meet the current and changing needs and expectations of customers and citizens	Managing expectations, extent of consultation
<b>3. Economic</b>	Affecting the ability of the Council to meet its financial commitments. These include internal budgetary pressures, the failure to purchase adequate insurance cover, external macro level economic changes or consequences proposed investment decisions	Cost of living, changes in interest rates, inflation, poverty indicators
<b>4. Environmental</b>	Relating to the environmental consequences of progressing, or not progressing, the Council's strategic objectives	Land use, recycling, pollution
<b>5. Financial</b>	Associated with financial planning and control	Budgeting, level of Council tax & reserves
<b>6. Health &amp; Safety</b>	Related to fire, security, accident prevention, involves possibility of injury, illness or death	Injury of staff due to actions of customer
<b>7. Legal</b>	Related to possible breaches of legislation with potential penalty.	Legal challenge against Council
<b>8. Reputational</b>	Outcome would damage the good name of the Council	Officers/Members being involved in inappropriate activities
<b>9. Social</b>	Relating to the effects of changes in demographic, residential or socio-economic trends on the Council's ability to meet its objectives	Staff levels from available workforce, ageing population, health statistics

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### APPENDIX A Critical Steps

#### A1.2 Risk Description

The description of a risk should identify three key elements if that event were to occur :

- **Action**
- **Reaction**
- **Outcome**

Examples of risk descriptions can be found in Figure 1 Extract from Risk Register, and further guidance is given in Appendix C. Typical phrasing could be:

<u>Action</u>		<u>Reaction</u>		<u>Outcome</u>
Loss of	)			
Failure of/to	)	leads to	)	
Lack of	)	means	)	results in
Partnership with	)	produces	)	
Damage to	)	places	)	
Deterioration in	)			
Missed	)			

#### A1.3 Organisational Level

There are two broad types of risks which are assessed and managed by the Council:

- STRATEGIC :** high level risks that may impact on the Council's ability to meet its overall objectives;
- OPERATIONAL :** service based risks that may prevent individual services meeting their aims and objectives and therefore impact upon the fulfilment of the Council's objectives.

The basic Risk Management Process is the same for all types of risk.

#### A1.4 Risk Status

Once a Risk appears on the register it will never be removed, but its status can be altered to reflect its current level.

The Status will be 'Active' or 'Closed / Archived'.

A risk which is no longer active i.e. it has been dealt with or otherwise mitigated will have its Status altered to 'Closed / Archived'

#### A1.5 Risk Impact

This is the IMPACT and severity to a specific business unit and *not* the department or the Council as a whole. This guide helps to score the IMPACT should an event occur :

<b>1</b>	<b>Negligible</b>	<p><b>No-one outside the organisation would be aware of occurrence</b></p> <ul style="list-style-type: none"> <li>▪ Report would be buried in the local paper – small article, no headline or picture;</li> <li>▪ Value would be up to £15000;</li> <li>▪ Physical injury/damage would be very slight;</li> <li>▪ No psychological impact;</li> <li>▪ Loss of or failure to attract a small business; say 3 – 7 FTE jobs;</li> <li>▪ Service not interrupted at all.</li> </ul>
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2	Marginal	<p><b>A few people outside the organisation would be aware</b></p> <ul style="list-style-type: none"> <li>▪ Report in local paper would be a bit more prominent – 2 small columns, a small headline + possible picture.</li> <li>▪ Value would be £15,001 - £100,000;</li> <li>▪ Injury/damage would be slightly greater, but still regarded as minor;</li> <li>▪ Little psychological effect;</li> <li>▪ Loss of or failure to attract a few small businesses; say 8 – 15 FTE jobs</li> <li>▪ Service would only be affected very slightly.</li> </ul>
3	Medium	<p><b>A number of people outside the organisation would be aware</b></p> <ul style="list-style-type: none"> <li>▪ Report may be larger with a headline and photograph + in a more prominent position + possibly appearing in a regional or national paper;</li> <li>▪ Value would be £100,001 - £250,000;</li> <li>▪ Injury/damage would be more serious – possible permanent injury/damage etc.;</li> <li>▪ Psychological impact would be more serious and may require some assistance to overcome;</li> <li>▪ Loss of or failure to attract 4/5 small + 1 medium business; say 16 – 30 FTE jobs</li> <li>▪ Service to public would be affected but would continue in some form.</li> </ul>
4	Critical	<p><b>A larger number of people would be aware of the occurrence</b></p> <ul style="list-style-type: none"> <li>▪ Report would be larger, with headline and photograph(s) – in 1 or more national papers;</li> <li>▪ Value would be £250,001 - £500,000;</li> <li>▪ Injury/damage would be permanent – loss of limb/eye or permanent damage;</li> <li>▪ Psychological impact would require some intervention of professional help;</li> <li>▪ Loss of or failure to attract 7/8 small, 2/3 medium or 1 large business; say 31 – 75 FTE jobs</li> <li>▪ Service would be greatly affected and public etc would suffer as a consequence.</li> </ul>
5	Catastrophic	<p><b>Almost everyone would know about occurrence</b></p> <ul style="list-style-type: none"> <li>▪ Report on front/key page of most national papers – banner headlines &amp; numerous photographs;</li> <li>▪ Value would be £500,001+;</li> <li>▪ Injury/damage would be great – loss of life, severe lasting damage;</li> <li>▪ Psychological impact would have permanent lasting effect; subject would require professional help for some time;</li> <li>▪ Loss of or failure to attract 3/5 med or 1 very large business; say 75 – 400 FTE jobs;</li> <li>▪ Service would not be able to cope at all – catastrophic failure.</li> </ul>

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### APPENDIX A Critical Steps

#### A1.6 Risk Likelihood

This is the LIKELIHOOD and severity to your business unit and *not* the department or the Council as a whole. This guide helps to score the LIKELIHOOD of an event occurring:

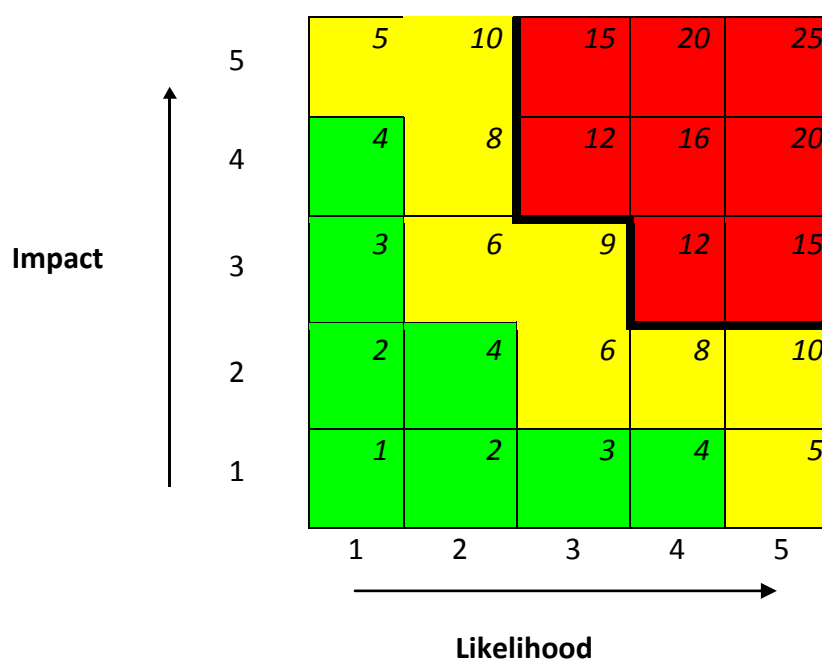
1	Very Low	Unlikely to occur
2	Low	More likely to happen, but still regarded as a <b>fairly uncommon</b> event
3	Significant	As likely to happen as it is not. It is a <b>50:50</b> or “even” chance.
4	High	<b>More likely</b> to happen than not.
5	Very High	<b>Almost certain</b> to happen, the question is simply when.

#### A1.7 Risk Profile

The Risk Manager determines the ranking of each risk according to the likelihood of the risk occurring, and its impact if it did occur. A matrix is used to plot the scores and once completed this risk profile clearly illustrates that risk’s priority.

The Risk Profile used by Council is shown in Figure 5.

**Figure 6 : Risk Profile Matrix**



Score	Impact	Score	Likelihood
1	Negligible	1	Very Low
2	Marginal	2	Low
3	Medium	3	Significant
4	Critical	4	High
5	Catastrophic	5	Very High

## **RISK MANAGEMENT GUIDE**

### **APPENDIX A Critical Steps**

#### **A1.8 Risk Appetite**

The appetite for risk is the level up to which risk is regarded as acceptable. All risks above the appetite cannot be tolerated and must be managed down, transferred or avoided.

Although the risk profile produces a priority for addressing each risk, determining the appetite for risk can further enhance this. The Council's appetite for risk is determined by Management.

#### **A1.9 Risk Prioritisation**

Risks are classified as 'High', 'Medium' or 'Low' priority.

When prioritising risks those located in the top right hand side of the matrix are High level and therefore first priority, or the most important risks to be managed. The risk scores can then guide the next level of priorities.

Risks falling within the 'High' category require mitigating action which can be achieved through the Action Plan determined by the Risk Manager and monitored through the regular quarterly reporting processes.

### **STAGE 2 : ACTION PLANNING**

#### **A2.1 Action Plans**

The potential for controlling identified risks will be addressed through the Management Team or Service Manager's Action Plans. Most risks are capable of being managed either through :

- mitigation planning (managing the likelihood),
- contingency planning (managing the impact),
- or a mixture of both.

Relatively few risks have to be avoided or transferred, although there will be a greater tendency to transfer (insure) risks that have a high impact, but a low likelihood.

Action Plans will also identify the resources required to deliver the improvements, key dates and deadlines and critical success factors/key performance indicators.

These Action Plans should not be seen as a separate initiative but should be incorporated into the business planning process and are included in the Service Plans for this purpose.

### **STAGE 3 : MANAGEMENT OF RISKS**

#### **A3.1 Management of Risks**

Active Risk Management and monitoring allows the risks to be linked to projects, service plan actions and performance indicators. To support this, a .pdf version of the Risk Register is available for internal access (contact the Improvement Team). Bespoke reports are generated by the Improvement Team for Senior Management, Members and auditors or as required.

#### **A3.2 Responsibilities**

It is vital everybody understands the role they play; every employee and Member of the Council is responsible for ensuring effective Risk Management.

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### **APPENDIX A Critical Steps**

#### **A3.3 Elected Members**

Members have the role of overseeing the effective management of risk by officers. In effect this means that they will review and agree the framework and process put forward by officers, as well as the priorities for action. They will also review the effectiveness of Risk Management.

Elected Members may be involved in identifying, analysing and profiling risk and in determining the risk appetite and priorities for action. They may also be involved in providing reports to stakeholders on the effectiveness of the Risk Management framework, and process.

#### **A3.4 Management Team**

The Management Team has a crucial role to play in Risk Management and takes the lead in identifying and managing the risks and opportunities facing the authority. They also identify, analyse and profile corporate and cross-cutting risks associated with new policies and service delivery methods and with existing operations as well as determining the Council's risk appetite and priorities for action.

#### **A3.5 Improvement Team**

Management of the Council's Risk Process is undertaken within the Improvement Team. They are responsible for the management and implementation of the integrated framework on behalf of the Council and the Management Team. The Improvement Team fulfil a controlling and facilitation role – to ensure the processes are implemented and to offer guidance and advice.

#### **A3.6 Service Managers**

Service Managers will extend the process cascaded from levels above to within their own service areas. Some risk actions and tasks will be cascaded to them from processes above, but there will be other risks that are specifically important to the service concerned and that will be identified through the completion of the Risk Register. All risks associated with a Service will appear on the Service Plan and will therefore be included in the quarterly performance review process.

#### **A3.7 Service Providers**

Individuals involved in service delivery, whether employed by the Council or by its partners and contractors, have a crucial role too as they deal with risk on a daily basis. They not only need to carry out those tasks delegated to them in controlling risks but also need to have a more general awareness of risk issues and should be encouraged to feed views into the formal processes above them.

#### **A3.8 Partners**

The Council works with a wide range of partners in delivering its services. It is important that those partners are brought into the Risk Management framework. At times it will be appropriate for joint profiles to be undertaken. However, it is essential that accountabilities are adequately determined and that The Council does not overlook any risks that may fall on it arising from its part in a joint venture. Even where there is transfer of operational risks, there will undoubtedly be some residual risks falling on the authority. It is not possible to outsource the Risk Management process.



## RISK MANAGEMENT GUIDE

### APPENDIX B Risk Register Definitions

The following notes give guidance on the standard information required for each Risk to be included on the Risk Register.

<b>Risk ID</b>	This is the principal, dedicated, identifier for the risk. The format is simple numeric. This ID is allocated by the Improvement Team when the risk is added to the register and remains with that Risk
<b>Risk Type</b>	The 'Risk Type' associated with any risk may have more than one category and is, therefore, largely a case of personal interpretation. The category which you feel has the closest link with the risk, should be used as outlined above at A1.1
<b>Risk Name</b>	This should describe the risk that your Service is facing. Helpful guidance can be found above at A1.2
<b>Organisational Level</b>	This will be either Strategic or Operational, as described above at A1.3
<b>Risk Status</b>	This will be 'Active' or 'Closed / Archived', as described above at A1.4
<b>Impact</b>	This will range from Very Low to Very High with a corresponding score of 1 to 5 as described above at A1.5
<b>Likelihood</b>	This will range from Very Low to Very High with a corresponding score of 1 to 5 as described above at A1.6
<b>Service</b>	The Service to which this risk applies. Most risks apply specifically to one operational business area. However, some risks apply to more than one Service in which case careful consideration must be given to its description and action plan to ensure all facets are addressed. In the case of some risks e.g. Workplace Health & Safety, Data Protection, it may be preferable to create a generic operational risk which each Service will carry. The Improvement Team will assist in determining how best to address such risks.
<b>Director</b>	The Director of the Service which is carrying this Risk. As explained above, in the case of generic risks this may mean that more than one Service and its Director carries the same risk.
<b>Risk Manager</b>	The Council officer who is responsible for monitoring and reporting on each risk.
<b>Action Plan</b>	How will this risk be dealt with? Any action which could mitigate or negate the risk, or otherwise reduce the score, should be provided. Each risk must carry an action plan, as described at A2.1

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**APPENDIX C : Descriptions**

The following are some suggestions of wording to use when describing a Risk. This follows the ‘So What?’ principal, in other words consider what may follow if this risk event were to occur. A three element description will suit most risks : the immediate effect, leads to a reaction, then an outcome or ultimate threat.

<b>Current risk description</b>	<b>3 element risk description</b>
Loss or damage to ICT passwords.	Server passwords lost/damaged leads to ICT being unable to access servers resulting in system failure.
Insufficient management time to adequately operate a leisure facility.	Leisure facility is not adequately staffed leading to a lower usage which results in the loss of revenue income.
Unexpected increase in staff on maternity leave.	Unsustainable staffing leads to reduced overall output resulting in a reduction in the quality of service provided.
Incorrect treatment of VAT.	Incorrect treatment of VAT leading to incorrect claim resulting in financial penalties.
Unable to send out bills.	Unable to send out Council Tax bills leading to delays in payment being received which results in reduced cash flow.
Fear of crime does not reduce.	Community Safety Strategy does not reduce crime statistics resulting in failure to improve public perception of crime reduction leading to lower public satisfaction with the Council.
Failure to meet customer requirements at 1 <sup>st</sup> point of contact.	Customer queries not addressed at first point of contact resulting in customer dissatisfaction which leads to low public satisfaction levels for the Council.
Predicted rise in recycling rate does not occur.	Resident participation in the recycling scheme is lower than anticipated resulting in failure to meet local and national targets leading to increased revenue costs for the Council.