
Report to **Clackmannanshire Council**

Date of Meeting: 5th October 2023

Subject: **Corporate Risk Management Strategy**

Report by: **Strategic Director – Partnership & Performance**

1.0 Purpose

- 1.1. This report presents the Council's Corporate Risk Management Strategy 2023.

2.0 Recommendations

It is recommended that Council:

- 2.1. **Notes, challenges and comments on** the contents of the Corporate Risk Management Strategy 2023; and
- 2.2. having done so, **Approves** the Corporate Risk Management Strategy 2023.

3.0 Considerations

3.1. Background

- 3.1.1. Though they may not always be explicitly aware of it, the Council and individual officers manage a wide range of differing risks on a daily basis. Risk-taking is an essential component of innovation and progress, and it could be argued that the primary reason for Councils' existence is to manage risks to the communities we support and protect. There are many inherent challenges in the delivery of operational functions and transformation activities, and the focus must always be on how services mitigate wider risks, realise community benefits and support the achievement of positive outcomes for the people and area of Clackmannanshire.
- 3.1.2. There are extensive complexities and inter-dependencies in the strategic planning landscape, legislative frameworks and the standards, requirements and good practice in each service area. As has been seen clearly in recent years, issues internal to the Council, and the local authority area, can also be significantly influenced by wider events across Scotland, the United Kingdom, Europe and the global community. In order to deliver on the statutory duty to demonstrate Continuous Improvement and Best Value in our operations, the Council must be acutely aware of the potential impact of its decisions in relation to a range of governance considerations and macro-environmental factors.
- 3.1.3. The role of many corporate functions includes self-assessing, advising, challenging and holding services to account regarding how they are managing a range of cross-cutting themes, such as equalities and sustainability. While efficiency and the removal of

bureaucracy and ‘failure demand’ is a central focus, the overriding principles of transparency and accountability do require that core documentation and assurances be provided in order for Elected Members, Chief Officers and audit bodies to satisfy themselves as to the effectiveness of strategic oversight and scrutiny. The volume of requirements placed on managers and officers can, at times, seem daunting and some elements may appear contradictory, requiring prioritisation or guidance on how they should be managed in tandem to achieve multiple goals.

- 3.1.4. It is vital to have a clear understanding, at the highest level, of how our respective risk controls form a single, cohesive, comprehensive and integrated mechanism for driving activities and providing a high level of governance assurance. This strategy, therefore, aims to clarify these controls and explain the overall mechanism, providing support and guidance to staff in the application of principles. While risk management is often seen as a negative, a key purpose of the strategy is to reframe the focus away from the challenges we face and firmly onto how the collective resource and expertise of officers and partners can be exploited in order to overcome barriers, release potential and make meaningful improvements to the lives of Clackmannanshire’s people and communities.

3.2. Corporate Risk Management Strategy 2023

- 3.2.1. While guidance and advice has been provided to staff for many years, the strategy formalises the purpose of risk management, linking to higher-level plans and strategies and documenting the relationships between various corporate approaches. Key elements of the Local Code of Governance and Performance Management Framework are referenced and the owner of the Corporate Risk Management approach is outlined as the Strategic Director of Partnership & Performance. Available good practice has been incorporated, as detailed in the Policy Statement in relation to the UK Government’s Orange Book: Management of Risk – Principles and Concepts. The strategy has also been benchmarked with those of other organisations, including our key partners in delivering Health & Social Care Services.

- 3.2.2. The Policy Statement outlines the Council’s vision for Risk Management:

“To promote a culture where awareness of potential threats is embedded in decision-making at all levels, ensuring appropriate ownership and transparent management of risk to support service delivery and continuous improvement.”

- 3.2.3. The Council’s key aims in relation to Risk Management are to be:

Aware	of potential risks in the internal and external business environment;
Transparent	in our use of reliable information to manage risks and make decisions;
Consistent	in our application of risk management principles;
Collaborative	in identifying risks, and developing and sharing innovative solutions;
Clear	on the type of risks we can and cannot tolerate;
Proportionate	in balancing risks and benefits, and not ‘over-controlling’; and
Objective	in assessing risks and using evidence and management information.

- 3.2.4. The strategy then outlines the aims and benefits of risk management, as well as key processes and considerations, and the support available to officers and managers. Definitions are provided, for risk itself, as well as various related terms, as are roles, responsibilities and governance requirements. Maturity levels are then discussed alongside assurance frameworks, best practice and recommendations regarding areas for improvement. The final section of the main strategy provides a high-level self-assessment of the Council’s key controls in relation to risk management, demonstrating links to maturity model themes and the local aims detailed above.

Risk Strategy Appendices and Future Revisions

3.2.5. For the first time, Appendix A outlines a Risk Appetite Statement for the Council. This aims to solidify many of the high-level concepts and principles stated in the strategy and provide a grounded summary of how these apply in relation to specific risk categories. While relevant areas could be grouped in many different ways, and there is substantial overlap, categories have purposefully been made as broad as possible, to ensure they encapsulate any work that may be undertaken, or issues that may arise in the future.

3.2.6. The initial categories agreed are below (see definitions in Appendix B):

Assets	Cultural	Governance	Security
Community	Environmental	Information	Strategic
Continuity	Financial	Reputational	Wellbeing

3.2.7. The Risk Appetite Statement fulfils three key goals, with the first being to state our key priorities in relation to each category. As well as the behaviours and values we wish to see exemplified, the statement also details key undesirable factors and issues, in order to outline our core tolerance levels, below which risks will not be taken. Using the appetite levels listed, the extent to which risk-taking is acceptable in each area has been agreed with Chief Officer and category leads.

3.2.8. The list was then re-ordered based on the agreed appetite levels, showing the area with the least tolerance of uncertainty at the top, and the greatest appetite for innovation at the bottom. This fulfils the third aim of the statement, which is to support the prioritisation of risk controls for staff and managers. While we would always aim to address as many risks as possible and achieve multiple benefits with any piece of work, there are occasions when not all objectives can be reached simultaneously and difficult decisions must be made regarding which goals should supersede. The statement, therefore, aims to assist staff and managers in prioritisation, with the key top-level fundamental of adhering to the law at all times. Safeguarding Wellbeing and reducing risks of physical or psychological harm is shown as the next priority, down to the Strategic category, where we are the most keen to be innovative, aspirational and ambitious, providing this does not have a detrimental impact on any other category.

3.2.9. Appendix B shows the revised risk guidance, again focussed on how the high-level principles should be applied in an operational context. Previous versions of this guidance have been circulated and used in risk assessments for many years, and the main changes are included in section 4, risk evaluation. The scoring definitions for risk 'likelihood' have been expanded to also summarise risk 'proximity', i.e. how soon the risk is likely to occur, in order to better understand the urgency of addressing the relevant issue. Guidance for scoring risk 'impact' has also been expanded from the previous five categories (continuity, finance, legal, reputation and health & safety) into the newly developed list of twelve to provide a better-rounded assessment of many of the 'softer' issues that were not well-represented in the more clinical previous categories.

3.2.10. A key addition to Appendix B is section 8, the Governance Checklist. The motivation for including this was in response to many of the issues noted in section 3.1.3 above. It is hoped that having a single document listing core tangibles and requirements will clarify the governance expectations for staff and managers, support compliance and consultation with subject-specific experts, and ultimately provide robust assurance.

3.2.11. Appendix C provides a Delivery Plan for raising organisational maturity levels in relation to risk management and improving integration with other corporate approaches. This includes performance indicators for monitoring the success of the strategy, as well as detailing plans for introducing category indicators (to enable horizon-scanning by the Corporate Risk & Integrity Forum). Indicators relating to specific corporate risks are also

discussed, with the aim of enhancing evidence-based risk assessments, using performance indicators to inform likelihood/proximity and impact scores. A risk assessment is then presented, linking to both the list of performance indicators, and the subsequent action plan.

3.2.12. For information, Appendices D and E then provide the Corporate Risk & Integrity Forum Terms of Reference and the Association of Local Authority Risk Managers Maturity Model, respectively. While it is hoped that the overall principles and strategy are broad enough for a five-year life-cycle to be appropriate, Appendices A, B and C will be revised on an annual basis to ensure they have a current focus and are cognisant of emerging issues in the operating environment.

4.0 Sustainability Implications

4.1. There are no direct sustainability implications arising from this report.

5.0 Resource Implications

5.1. *Financial Details – There are no direct financial implications arising from this report.*

5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes

5.3. Finance have been consulted and agreed the financial implications as set out. Yes

5.4. *Staffing – There are no direct staffing implications arising from this report.*

6.0 Exempt Reports

6.1. Is this report exempt? Yes (please detail the reasons for exemption below) No

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all

Our families; children and young people will have the best possible start in life

Women and girls will be confident and aspirational, and achieve their full potential

Our communities will be resilient and empowered so that they can thrive and flourish

(2) **Council Policies** (Please detail)

8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? Yes No

There are no direct equalities implications arising from this report (having screened at first stage, impacts on protected characteristics have been assessed as neutral).

9.0 Legality

- 9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

10.0 Appendices

- 10.1 Please list any appendices attached. If there are no appendices, please state "none".

Appendix 1 – Corporate Risk Management Strategy 2023

Appendix A – Risk Appetite Statement

Appendix B – Corporate Risk Guidance & Governance Checklist

Appendix C – Corporate Risk Management Strategy Delivery Plan

Appendix D – Corporate Risk & Integrity Forum Terms of Reference

Appendix E – ALARM Risk Management Maturity Model

11.0 Background Papers

- 11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered) Yes (please list the documents below) No


HM Treasury Orange Book: Management of Risk – Principles & Concepts

HM Treasury Orange Book: Risk Appetite Guidance Note

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Judi Richardson	Performance & Information Adviser	2105

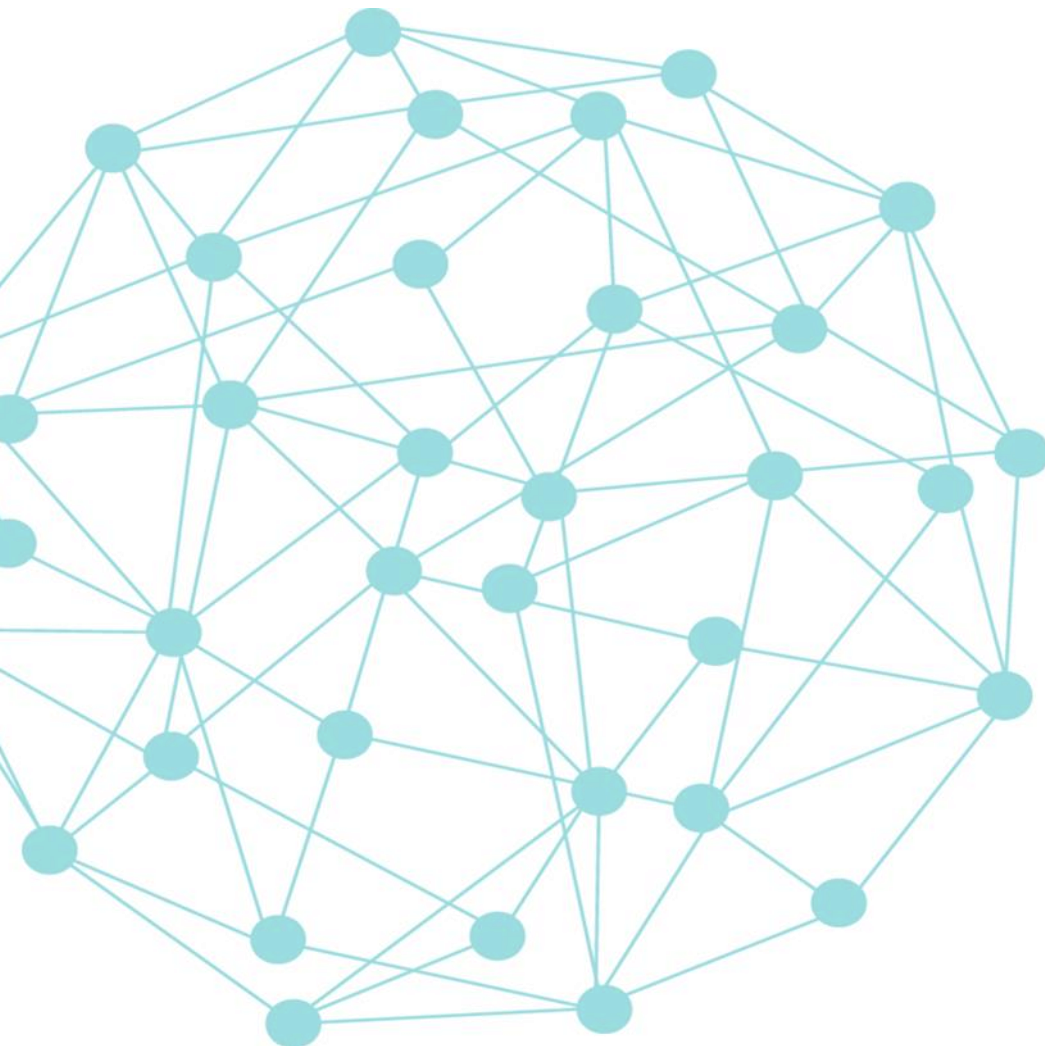
Approved by

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Strategic Director – Partnership & Performance	



Clackmannanshire Council

Corporate Risk Management Strategy 2023



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1. Document History, Review & Approval

Owner: Strategic Director – Partnership & Performance
Author: Performance & Information Adviser

Consultation: Corporate Risk & Integrity Forum, comprised of representatives from:

- Place Directorate (including Building Security & Sustainability)
- People Directorate (including Chief Education & Social Work Officers)
- Transformation Directorate (Be the Future Programme)
- Clackmannanshire & Stirling Health & Social Care Partnership
- Partnership & Performance Directorate (including Counter-terrorism, ICT, Organised Crime, Equalities, Communications, Emergency Planning, Finance, Procurement, Workforce Planning, Health & Safety, Data Protection, Internal Audit & Governance)

Review: Additional feedback/peer review sought from:

- Association of Local Authority Risk Managers (ALARM) Scotland
- Gallagher Bassett Risk Control Partners
- Health & Social Care Partnership Risk Forum (Risk professionals from HSC, Stirling Council & NHS Forth Valley in addition to senior officers in Consultees)

Approval: Strategic Leadership Group, Audit & Scrutiny Committee

History:	v1	Apr-2003	Version Control (this review):	v4.0	Drafted by Author
	v2	Jun-2007		v4.1	Forum Consultation
	v3	Apr-2015		v4.2	Director Consultation
	v4	Apr-2023		v4.3	Chief Officer Checks
Next Review:	v5	Apr-2028			

(Appendices A, B & C revised annually)

2. Foreword & Purpose of Risk Management Strategy

Clackmannanshire Council remains committed, despite increasing demands and financial constraints, to broad and ambitious strategic objectives. These aim to facilitate the physical, social and economic regeneration of Clackmannanshire, and reduce inequalities in the area. In addition to locally-defined objectives at a corporate and service level, the Council must also fulfil or adhere to a range of statutory duties and national recommendations.

The Council sets out its key objectives, and how these will be delivered in:

- the Clackmannanshire Alliance’s Local Outcomes Improvement Plan;
- the Council’s Corporate Plan: Be the Future (including the transformation programme and statement of corporate priorities); and
- a wide range of Business Plans and thematic strategies.

Guiding principles are defined in the Local Code of Governance, and the Performance Management Framework, which aims “to make best use of all available resources and achieve continuous improvement and progress towards desired outcomes”. While plans and priorities are revised on a cyclical basis, in response to changing community needs, our enduring focus is on the Best Value principles of:

- Balancing the quality of services with cost;
- Ensuring services are sustainable;
- Promoting equality and diversity;
- Being accountable and transparent; and
- Engaging with local communities.

Risk management is a key component of governance and performance, assisting the Council to deliver on these objectives by examining the potential barriers or challenges. This critical tool supports an organisation in planning more realistically, taking into account problems that might occur, preventing them (where appropriate and possible) and reacting more effectively if they do occur. This strategy describes the Council’s core Risk Management principles, processes and responsibilities, outlining current arrangements and development plans.

The Council provides a diverse range of services and, while the nature of risks may vary substantially, this strategy and supporting guidance aim to be applicable at multiple operational and strategic levels. All staff members have a responsibility for managing some form of risk, and the strategy also contextualises how the principles apply in some specific risk-related areas. Risk management should not be viewed as an isolated process, but should be used in conjunction with all other work. While it is essential to consider potential negatives, the aim is to enable the positives, supporting us to:

Be the CUSTOMER	Listen to our customers, communicate honestly and with respect and integrity
Be the TEAM	Respect each other and work collectively for the common good
Be the LEADER	Make things happen, focusing always on our vision and outcomes, and deliver high standards of people leadership and corporate governance
Be the COLLABORATOR	Work collaboratively with our partners and communities to deliver our vision and outcomes
Be the INNOVATOR	Look outwardly, be proactive about improvement and strive always for innovation and inclusive growth
Be the FUTURE	Work always towards ensuring that we deliver our vision and live our values, so that we become a valued, responsive Council with a reputation for innovation and creativity

3. Risk Management Policy Statement

Clackmannanshire Council embraces its duty to manage risks, in recognition of the benefits this brings to planning, governance and assurance.

The Council subscribes to the principles in the UK Government's Orange Book (Management of Risk – Principles & Concepts), that Risk Management will:

- be an essential and fundamental part of **governance and leadership** at all levels;
- be an **integral** part of all organisational activities to support decision-making in achieving objectives;
- be **collaborative and informed** by the best available information and expertise;
- have **processes** that are structured to include:
 - identification, assessment and prioritisation,
 - selection of treatment/management options,
 - insightful monitoring, and
 - timely, accurate and informative reporting of risks to enhance decision-making, management and oversight; and
- be **continually improved** through learning and experience.

The Council's vision for Risk Management is:

“To promote a culture where awareness of potential threats is embedded in decision-making at all levels, ensuring appropriate ownership and transparent management of risk to support service delivery and continuous improvement.”

The Council's key aims in relation to Risk Management are to be:

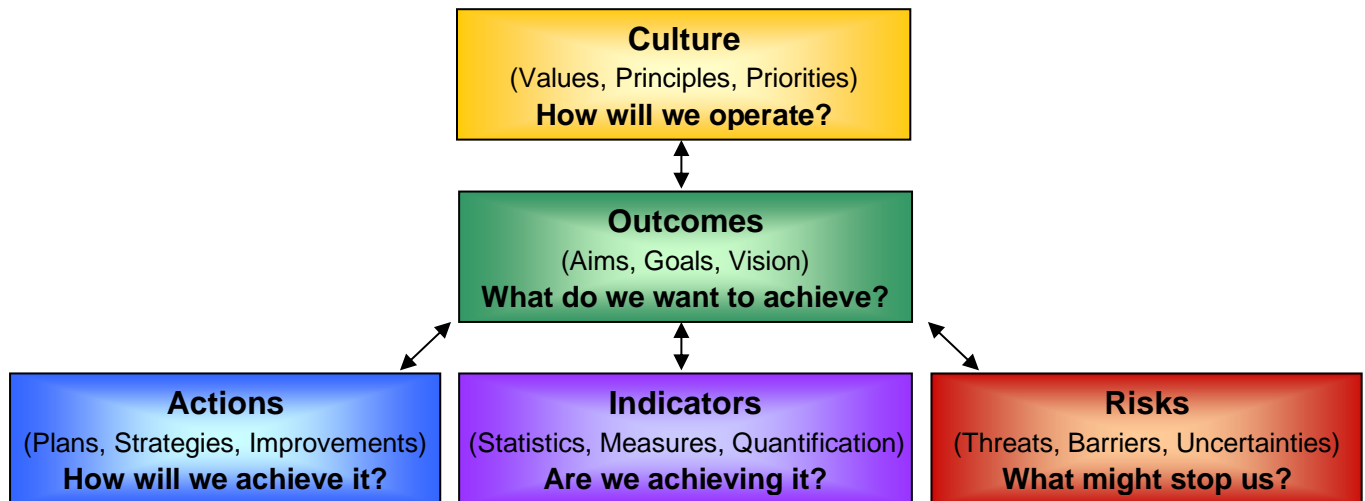
- **Aware** of potential risks that exist in the internal and external business environment;
- **Transparent** in our use of reliable information to manage risks and make decisions;
- **Consistent** in our application of risk management principles;
- **Collaborative** in identifying risks, and developing and sharing innovative solutions;
- **Clear** on the type of risks we can and cannot tolerate;
- **Proportionate** in balancing risks and benefits, and not 'over-controlling'; and
- **Objective** in assessing risks and using evidence and management information.

This policy is intended to guide risk management in relation to all Council activities, including external and partnership work. Where separate risk management arrangements are agreed, they must meet the basic standards and governance requirements set out here. This does not supersede, but should complement, regulatory or best practice guidance in relation to specific areas of service delivery. The Council will empower and support staff to manage risk, and this strategy provides a structured framework for raising and escalating concerns, to ensure they are fully considered and, where appropriate, incorporated into registers and activities.

A risk appetite statement assists organisations in more effectively allocating resources, prioritising risks and mitigations, and demonstrating consistent and robust decision-making. The Council has, therefore, defined the initial levels of risk appetite shown in Appendix A, which will be revised on an annual basis. The statement details the levels of appetite (see Definitions), and refers to the risk categories defined in the Guidance (Appendix B). The Guidance & Governance Checklist will also be revised annually, as will the Delivery Plan (Appendix C). The strategy includes, for information, the Terms of Reference for the Corporate Risk & Integrity Forum (Appendix D), and the Association of Local Authority Risk Managers (ALARM) National Performance Model for Risk Management in the Public Sector (Appendix E).

4. Aims & Benefits of Risk Management

Risk Management is not an isolated area of work, but should be embedded in all processes to make planning, governance and response more effective. It is not just listing negative things that might happen, but considering what we want to achieve and what the uncertainties are, so that we can take them into account when planning. They may be risks or issues (see Definitions), operational or strategic, service-specific or corporate, and many must be managed consistently across the organisation.



Performance Management can become complicated and unfocused if actions, indicators and risks are not clearly linked to the outcomes we aim to achieve. It is also not enough to passively monitor and report on performance – it must be managed. With risk, this means assessing how desired outcomes could be compromised, analysing the effectiveness of any existing controls in preventing or reducing the impact, deciding whether further mitigation is required, and ensuring appropriate action is taken.

There are many issues outwith the Council's control and, even with unlimited resources, not all risks could be mitigated. Change, innovation and creativity always involve risk but there are also risks in not making changes and taking opportunities. Therefore, in addition to whether we **can** mitigate a risk, we must also assess whether it **should** be mitigated, and to what extent, with all decisions guided by our culture, organisational priorities and risk appetite statement.

While it can be useful to categorise risks (see Guidance), in order to inform and clarify assessments, this is rarely as simplistic as it seems. Sometimes the cause of a risk may be in one category, but the consequences in another, or multiple categories. Therefore, judgement may be required in assigning a category and applying the risk appetite statement. This aims to support decisions around ownership and treatment options, where consideration should be given to whether the 'leading' category (related to cause/likelihood) or 'lagging' category (related to impact) is relevant.

The **benefits** of risk management include:

- Setting the desired risk culture;
- Enabling risk-taking in chosen areas;
- Improved operational efficiency;
- Better mitigation & maximised opportunities;
- Increased ability to secure funding;
- Enhanced political and community support;
- Reduced losses from incidents & illnesses;
- Demonstration of good governance;
- Protection from unexpected financial losses;
- Increased effectiveness of change initiatives;
- Protection of assets and reputation; and
- Achievement of organisation's objectives.

However, a successful framework requires:

- Leadership;
- A supportive organisation;
- A simple, understood process;
- Integration with other management tools;
- Focus on facts and evidence;
- The mandate to challenge constructively;
- Methods, tools and techniques;
- Stakeholder buy-in;
- Committed and competent people;
- Both strategic and operational applicability;
- Visibility of risk professionals; and
- Assurance from a senior approach owner.

5. Processes, Considerations & Support

Appendix B shows the risk assessment process and further guidance on each stage. Risk management should focus on **key** objectives and risks, as it should add value and be proportionate, but not resource-intensive. At any stage, the decision may be made to exclude a risk from the register (or log/profile) if it is found to be less significant/likely than first believed (though the rationale should be recorded/reported).

Staff may be familiar with risk assessment within the categories listed, but a holistic approach must encompass all of these, and apply equally to front-line services and internal processes. The Council must prioritise and target resources: difficult decisions must be made, for example, on whether the benefit of improving effectiveness outweighs the cost, or whether short-term efficiency outweighs long-term investment. A comprehensive approach assists in understanding and balancing dependencies, priorities and appetite to ensure that informed decisions are made and can be justified.

If risks are underdeveloped and not considered in sufficient detail, it is unlikely that they will be managed effectively. Risk identification is often the most difficult step as there can be no set process for this, and it is much easier to review existing risks, than to consider what is missing. While it can be useful to refer to other risk logs, these will not always identify newly emerging risks, nor those specific to our local area, organisation or goals, so additional identification techniques are required.

'Risks' found in the Identification stage will often actually be causes so analysis is key to clarifying implications and any potential control requirements. Though the process inevitably involves projection and speculation, looking very far into the future can sometimes introduce too many uncertainties and be detrimental. Scoring should take into account as much data and information as possible and is a high-level summary of severity. As there is a subjective element to scoring, these should be rationalised and compared with each other to ensure they reflect the relative severity of different risks.



Perceptions can vary widely so risk reviews should include as many different people as possible so extreme views are 'averaged out' and the risk assessment becomes more stabilised and objective. However, as it would be unmanageable for all staff to assess risks collectively, a hierarchy of risk logs should be used. Risks should be escalated and demoted, based on severity, the service areas affected, and whether the owner has the resources and authority to manage the risk.

The risk reporting process is also included in Appendix B, as are key details that should be recorded on the Pentana Risk system. Risk logs at each level should be reviewed frequently and updated cyclically, as well as when the nature (or our understanding) of the risk changes and/or mitigations take effect.

Facilitation and advice with the risk assessment process is available from central support in the Partnership & Performance directorate on request. This can save time and effort by incorporating good practice and challenge at the point of defining or fundamentally reviewing a risk log. Regular contact will be maintained with directorate management teams to ensure there is clarity on corporate requirements, status and progress in developing, recording and reporting risk logs, and any issues or exceptions.

Support is also available from other sources, such as:

- Internal and external audit and inspection bodies, and other national groups and fora;
- Other local authorities and public services (either risk management or service specialists);
- The Council's insurance claims handlers (claims analysis, training & strategy/policy review); and
- The Association of Local Authority Risk Managers (ALARM).

6. Definitions

“Risk is the effect of uncertainty on objectives.”

International Standards Organisation (ISO)

Planning can only be realistic if we also consider factors that might stop us achieving our goals. We all manage risk on a daily basis – watching the weather forecast and taking an umbrella, or checking for vehicles before crossing a road. Though we may not realise it, we assess risks and benefits in most decisions we make. Organisationally, risk management is the process of systematically identifying and analysing potential threats, and making decisions on how to act based on balancing priorities and needs.

Appetite	<p>The level of risk the Council is willing to accept. The focus moves from removal of risks (Averse) to balancing control with realising high-value benefits (Cautious) to placing greater priority on creativity, even if activities carry a high residual risk (Eager):</p> <p>Averse Avoidance of uncertainty and prevention of exposure is the key objective; Resistant Preference for safe options with low inherent risk; Cautious Preference for safe options with low residual risk, focus on balance; Open Willing to consider options with acceptable benefits; Eager Keen to be innovative and focus on maximising opportunities and benefits.</p>
Assurance	Assessing design and effectiveness of controls by applying scrutiny processes, either in relation to a specific risk, or the Enterprise Risk Management Framework as a whole.
Enterprise	The organisation across which risk management principles and practices should be consistently applied to ensure appropriate response and governance.
Framework	The policies, methodology, procedures, guidance, systems, governance arrangements, training and communication that comprise the Council’s risk management toolkit.
Horizon Scan	The process of monitoring the internal and external operating environment for newly emerging concepts, factors and events that may present opportunities or threats, may influence risks already identified, and/or may result in the identification of new risks.
Issue	While some differentiate between potential risks and issues that are already occurring, it is rare, particularly at a strategic level, for risks to materialise overnight. It is more often an analogue scale, emerging to a certain degree and changing over time. Thus, this policy does not distinguish, with the extent of occurrence reflected in likelihood scores.
Mitigation	<p>The process of reducing a risk through the application of actions and controls, either focussed on the cause of a risk or the potential consequences:</p> <p>Actions Future activity to mitigate risks which, once implemented, become controls; Controls Mechanisms already in place to mitigate risks, such as existing policies, procedures or governance protocols (though these remain under review).</p>
Opportunity	While risks focus on unfavourable events and impacts, opportunities focus on the potentially positive or beneficial results of uncertainty.
Owner	The person responsible for managing and reviewing an item – note that the risk owner may be a different person than the associated action or control owners.
Scoring	<p>Grading/rating the assessment of the risk’s severity, taking into account different factors:</p> <p>Inherent Gross or original risk, summarising severity before mitigations are applied; Residual Current or present risk, incorporating the influence of existing controls; Target The level to which a risk must reduce before it will be tolerated, reflecting both how controls are reducing it, and how actions will reduce it further.</p>
Three Lines	A robust model of assurance whereby the services managing risks and implementing actions and controls are the first line, supported by the second line of corporate advisers and central support, and checked by the third line of internal & external audit.

See Corporate Risk Management Guidance (Appendix B) for additional definitions, including categories.

7. Roles, Responsibilities & Governance

“It is the duty of a local authority to make arrangements which secure best value ... Best value is continuous improvement in the performance of the authority’s functions.”

Local Government in Scotland Act, 2003

All Employees

Responsibility for raising potential risks and mitigations through 121s, the Performance Review and Development (PRD) process, team meetings and other formal and informal channels, including via central support colleagues. All staff should contribute to risk log development, complete inductions and annual mandatory training, and ensure they adhere to risk management, and other corporate policies and procedures, at all times.

Team Leaders and Project, Programme & Senior Managers

Manage service area risk log development and encourage engagement in risk identification and assessment. Escalate, demote or close risks, ensuring systematic updates are provided. Manage risks, or delegate to appropriate owners, review controls within their remit, and complete required actions. Support decisions around suitable approaches and treatment options, informed by good practice and recommendations from audit and inspection bodies.

Risk, Action, Control & Approach Owners

Ensure the efficient and effective management of risks in accordance with guidance. Complete, or ensure completion of, required actions within agreed time and resource constraints. Review controls, strategies and associated procedures and guidance within cycles defined in Business Plans, and ensure adherence to and integration with risk management and other corporate strategies. The Strategic Director, Partnership & Performance has overall responsibility for defining, deploying, and ongoing review and improvement of the risk management approach.

Corporate Risk & Integrity Forum (see also Appendix C)

Central support and other thematic corporate/service leads review risk arrangements and their application, sharing information on management and mitigation. Provide training, advice and support, ensuring the Council fulfils statutory duties and follows good practice in their areas of specialism. Detailed responsibilities are shown in the Terms of Reference, including supporting deployment of risk processes, and providing regular progress reports to ESLG.

Internal & External Audit & Inspection Bodies

Provide independent challenge and objective evaluation of the adequacy and effectiveness of the framework of governance, risk management and control. Proactive evaluation of controls and proposals, and advice on design of potential control strategies. Internal Audit are also part of the Corporate Risk & Integrity Forum to ensure assessments are fully informed and that transparent lines of communication are held to ensure advice and expertise are fully exploited.

Extended Strategic Leadership Group (ESLG)

Ensure all employees understand their responsibilities and adhere to principles and processes. Ensure risks are documented, owned, analysed, managed and escalated using appropriate tools and mechanisms (including the Pentana Risk system). Provide direction and steer for development of risk (and other) strategies, actions and controls, ensuring alignment with corporate priorities. Apply the Risk Appetite Statement, balancing and prioritising risks and benefits, and drive risk culture and maturity, ensuring it is embedded to support Best Value and continuous improvement.

Audit & Scrutiny Committee (and Council/Other Committees/Boards)

A&S challenges risk arrangements, scrutinising risk reports and other governance and audit outputs and recommendations. All Council and Committee reports should include analysis of related risks, therefore, all Elected Members have responsibility for challenging whether risks are summarised, evaluated and managed appropriately. Members oversee progress on implementing actions and reviewing controls, ensuring decision-making, planning and governance mechanisms are informed by risk analysis.



8. Maturity Levels, Best Practice & Recommendations

In order to develop arrangements, we must first establish where we are with regard to best practice and organisational maturity, what we would like to achieve by the end of this strategy's life-cycle, and how we will achieve this. Appendix E provides an extract from the National Performance Model for Risk Management in the Public Services, developed by the Association of Local Authority Risk Managers.

This contains similar themes and complementary principles to the frameworks used by:

- our internal Annual Governance Statement self-assessment (based on European Foundation for Quality Management/Public Service Improvement Framework (EFQM/PSIF));
- the Accounts Commission Publication of Information (Standards of Performance) Direction;
- the Institute of Internal Auditors (IIA);
- the Chartered Institute of Public Finance & Accountancy (CIPFA);
- the HM Government Orange Book: Management of Risk – Principles & Concepts; and
- the International Organisation for Standardisation (ISO 31000 – Risk Management).

Appendix E presents a detailed risk management maturity model, while the Institute of Internal Auditors summarises the levels and characteristics as follows:

Risk Maturity	Key Characteristics
1. Risk Naïve	No formal approach developed for risk management
2. Risk Aware	Scattered silo based approach to risk management
3. Risk Defined	Strategy and policies in place and communicated. Risk appetite defined
4. Risk Managed	Enterprise wide approach to risk management developed and communicated
5. Risk Enabled	Risk management and internal control fully embedded into the operations, including management assurance

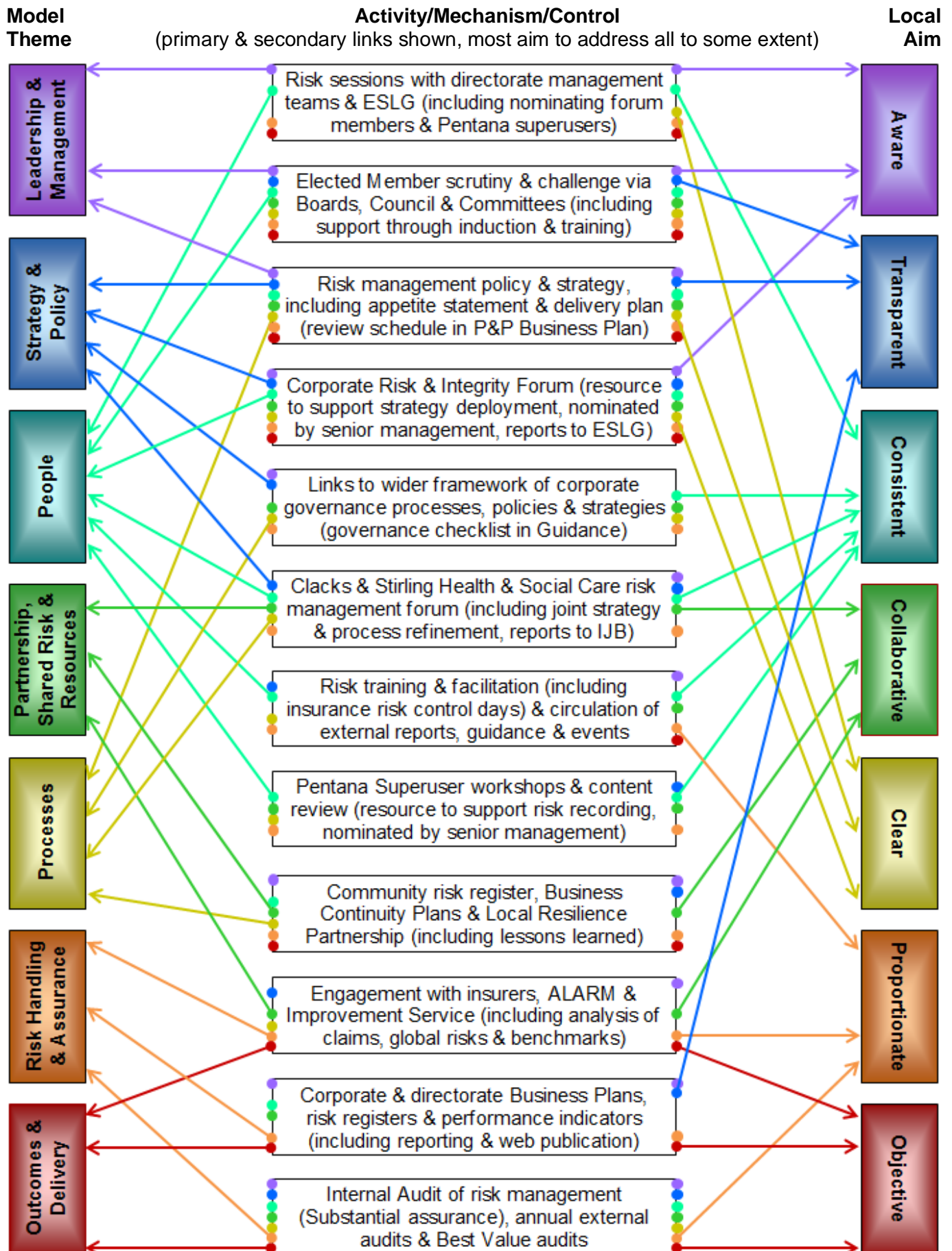
As demonstrated on the following page, it has been assessed that, with the approval and deployment of this strategy, Clackmannanshire Council will be fulfilling most level 2 requirements shown in Appendix E, and some of the level 3 and 4 activities. It is the aim of this strategy to ensure the organisation fully meets all requirements of level 4 maturity within the next 5 financial years. It is felt that this is ambitious enough to improve the support and assurance that risk management can provide to other organisational processes but not so ambitious as to be unrealistic in the current environment.

Appendix C details proposed actions to achieve this level of improvement, structured around the key model themes. Though the effectiveness of risk management arrangements can be difficult to quantify, a list of proposed performance indicators has also been included. By definition, however, these will only ever give an indication of performance levels and none can individually provide assurance without a range of complementary qualitative information. Risks related to the strategy's implementation are also included.

Given the strategy's 5 year life-cycle, and with experience in recent years having clearly demonstrated that flexibility is essential, the delivery plan will not be viewed as a static list. It initially contains the most urgent and important steps to be taken, and items will be added and removed based on the success of initial actions, and relevance to organisational, technological and environmental developments. Therefore, the plan will be reviewed on an annual basis, alongside Appendices A and B, with review, approval and progress updates via the quarterly Corporate Risk & Integrity Forum and, as appropriate, reported to Audit & Scrutiny Committee.

The table on the following page summarises current risk management activities and mechanisms, mapped to the local risk management aims and the ALARM maturity model (shown in the Policy Statement and Appendix E, respectively). Areas for improvement are also highlighted, and links to the strategy Delivery Plan (Appendix D) are also stated. Where director/directorate is stated, this currently refers to the four areas of People, Place, Partnership & Performance, and Health & Social Care (to be re-assessed if significant future restructuring occurs).

9. Key Mechanisms & High-level Self-assessment



See also Appendices C & E for the development & improvement delivery plan, and full maturity model.

Risk appetite is the level of risk the Council is willing to accept in relation to particular areas of operation. A risk appetite statement assists organisations in more effectively allocating resources, prioritising risks and mitigations, and demonstrating consistent and robust decision-making. The risk categories shown below are defined in the Corporate Risk Management Guidance.

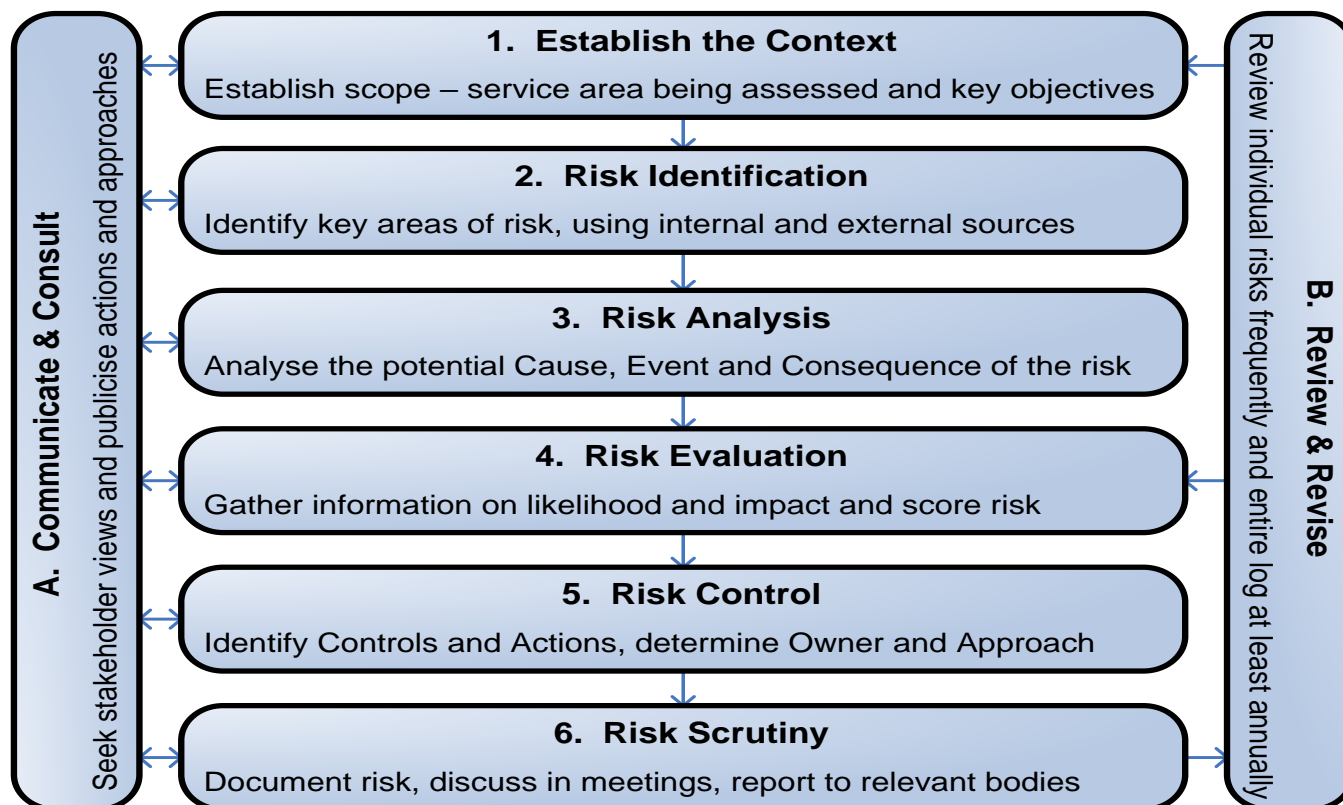
The focus moves from removal of risks (Averse) to balancing control with realising high-value benefits (Cautious) to placing greater priority on creativity, even if activities carry a high residual risk (Eager):

Averse	Avoidance of uncertainty and prevention of exposure is the key objective;
Resistant	Preference for safe options with low inherent risk;
Cautious	Preference for safe options with low residual risk, focus on balance;
Open	Willing to consider options with acceptable benefits;
Eager	Keen to be innovative and focus on maximising opportunities and benefits.

The Council has agreed the following levels of initial appetite (to be revised annually). The list has been prioritised to show the areas where we have the least tolerance of uncertainty at the top, and the greatest appetite for innovation at the bottom.

Governance	Averse to options that do not comply with approved Council governance or statutory or regulatory requirements.
Wellbeing	Open to adopting new options that improve the wellbeing of our communities and staff but Averse to approaches or practices that expose individuals to risk of physical or emotional harm, with particular supports for children, older people and other vulnerable groups.
Continuity	Open to new options that improve preparedness, resilience and cost impacts but Resistant to untested or untried options that carry anything but low inherent risk.
Security	Open to new options that improve safety and efficiency (subject to Governance requirements) but Resistant to untested or untried options that carry anything but low inherent risk.
Community	Open to adopt or pilot novel or innovative approaches that have the potential to deliver our LOIP objectives and improve the life chances of our most disadvantaged people and communities but Cautious to ensure equality and sustainability sit at the heart of everything we do.
Environmental	Eager to adopt strategies and options that will enable our transition to Net Zero and Community Wealth Building objectives but Resistant to options that may not be sustainable or damage the quality of life of our wider communities now or in the future.
Financial	Eager to drive innovation in the use of funding to deliver Net Zero, maximise benefits for citizens and staff and make significant and sustainable cost reductions but Resistant to ensure Best Value and low risk impacts on service delivery and statutory duties.
Cultural	Eager to create a positive and inclusive organisational culture underpinned by a sustainable and resilient workforce but Cautious to ensure we have the right people, with the right skills doing the right work so as to ensure improved organisational outcomes.
Assets	Eager to drive innovation in the use of assets to deliver Net Zero, maximise benefits for citizens and staff and make significant sustainable cost reductions but Cautious to ensure we meet and deliver our statutory and regulatory obligations.
Reputational	Eager to drive innovation and options that improve engagement and services to citizens but Cautious to ensure we always uphold Council and public service values and maintain the trust of our communities and stakeholders.
Information	Eager to be well-informed and share performance, process and good practice information in the interests of accountability, transparency and collaborative improvement, but Cautious around use of robust sources and ensuring handling is efficient, secure and appropriate at all times.
Strategic	Eager to identify and apply innovative practice in our ambitions to achieve transformational change, yet Cautious that these opportunities have identified tolerances in line with the objectives of the opportunity and that there is a sound evidence base with reasoned arguments on how to target emerging or existing risks.

This guidance provides information on key considerations for each step in the Risk Management process:



A. Communicate & Consult

Two-way communication is important to every step in the risk management process to ensure the right information is gathered and people are aware of action to be taken, and why. **Staff members (at all levels), other teams/services/ organisations, members of the public/community groups, elected/board members, senior management and central support teams** can all contribute and/or benefit from others' knowledge. Different groups will have different perspectives and experience of practical, operational and strategic issues.

Different stakeholders can improve efficiency and effectiveness by **providing data, information and knowledge** to clarify areas of uncertainty. Others can provide insight into issues they've **identified** or **dealt with** or **solutions** they've found, and resource requirements can be minimised by **sharing information, experiences and controls**. If procedures are put in place to control risks, it's also highly important to communicate **what they are**, the **reasons** for them being put in place and, therefore, why it's important that they're **adhered to**.

B. Review & Revise

Risk management shouldn't be seen as a one-off, or even an annual task. The nature of risks, progress and the effectiveness of controls can change in a short period of time. It's therefore recommended that **key risks are discussed on a frequent basis** (ideally monthly), with developments recorded, and the relevant people informed. If risks are reviewed **proactively**, more frequently than they're reported, updates are available when required, rather than being rushed as part of the reporting process. As well as focussing on the risks already identified, it's also important to review the entire log, at least annually, and **re-assess whether these are still the key risks**.

1. Establish the Context

There can be a temptation to just list everything that could go wrong, but this can be unproductive. The vital first step is to **clarify the scope** of the exercise - always **focus on objectives**. An organisational model can be a useful tool (templates available from Partnership & Performance). Having a **concise summary** of the team/service will focus discussions and, as no completely systematic process can be used, should ensure all relevant aspects are considered. Risk management can only ever be a **'point in time' assessment** and, though it must involve projection, looking very far into the future can introduce too many uncertainties and be detrimental. It should be kept as **simple as possible** by looking solely at **goals within a set time period** (such as a single year).

2. Risk Identification

Steps 2-4 form the risk assessment, with identification often the most difficult step, partly as there can be **no set process** for this. Often registers (profiles) are developed purely from previous logs – this can be informative, but is unlikely to identify **newly emerging risks**. Logs from other **internal & external sources** can also be useful stimuli but a risk should only be identified as relevant if likely to have a specific impact on local goals.

Many different **methodical** or **ad hoc** processes can be used, e.g. **horizon scanning, brainstorming, facilitation, or self-assessment**. A **PESTELO** analysis assesses Political, Economic, Social, Technological, Environmental, Legal and Organisational implications of an objective. External sources such as other **Councils, partners** and **audit bodies** can also assist in risk identification, or the **categories** (see next page) can be used as prompts.

3. Risk Analysis

Risks are often **underdeveloped** – documented without **details and dependencies** being considered fully. Many 'risks' found in the Identification stage will actually be causes, such as 'demographic changes' or 'lack of resource' but we must focus on how this affect us achieving goals. The key areas to be developed at this stage are:

- Cause** **The source or trigger.** Risks generally originate from wider issues in the internal or external environment, often outwith our control. Examples are: climate change, aging population, or legislative or organisational changes. Note that the cause is **not the key focus of the risk**.
- Event** **How the cause specifically affects us.** It may be a single point in time, such as staff not delivering services (cause: industrial action), or it may develop more gradually, such as inability to meet increasing demands (cause: reduced budgets). Several events may arise from the same cause (e.g. withdrawal from European Union causing supply chain and recruitment difficulties).
- Consequence** **The result of the event occurring.** This should be more specific than 'inability to deliver on objectives' – it needs to consider which objectives – will they not be delivered at all, or less effectively, etc.? As much detail as possible should be given on the stakeholders and services that could be affected, and the potential extent of implications relating to the different categories.

It can be useful to **categorise** risks (next page) to inform and clarify assessments, and support **ownership** and **treatment** decisions. Sometimes the cause may be in one category, but consequences in another, or multiple. Judgement/support may be required in categorising and applying the risk appetite statement, and should consider whether the 'leading' category (linked to cause/likelihood) or 'lagging' category (linked to impact) is most relevant.

4. Risk Evaluation

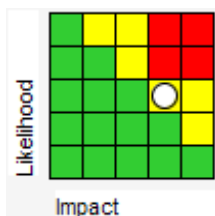
As many elements as possible should be **clarified** and **quantified** to better understand the **nature** and **extent** of the risk. While, again, there are no entirely scientific methods for evaluation and scoring, it should be **evidence-based**, and take into account as much management, organisational and environmental information as possible.

Evaluation should include consideration of:

- The past** Has it happened before? Was it managed effectively? What lessons were learnt?
- The present** Are similar circumstances developing? How are others managing it?
- The future** Do forecasts suggest it will occur/re-occur in the near future?
- Organisational factors** Will changes to leadership, policies, resources or other current projects affect the risk?
- External changes** Are there national initiatives/targets/aims? Are there legal factors to consider?
- Performance indicators** Is the risk occurring? Are we managing it effectively? What are the projections?

Scoring (rating) quantifies the **likelihood & impact** of a risk occurring, summarising overall **severity**. Likelihood incorporates **proximity** (how soon it may occur) – consider which factor is more significant when scoring. There is a degree of subjectivity so relative scores should be **compared** and **rationalised** to ensure they 'feel right'.

Likelihood (& Proximity) Scoring (use most severe)	1. Unlikely/Distant	Little evidence that risk is likely to occur, or likely in over 5 years
	2. Possible/Long-term	Fairly low chance of risk occurring, or likely in next 3-5 years
	3. Likely/Medium-term	Reasonable chance of risk occurring, or likely in next 2-3 years
	4. Expected/Short-term	Strong chance risk will occur, already partly occurring, or likely in next year
	5. Certain/Imminent	Fairly evident that risk will occur in next quarter, or has already occurred



The **overall risk score** is likelihood multiplied by impact. Here, likelihood = 3 and impact = 4, so the rating is 3 x 4 = 12 and the status is amber. The highest possible rating is 5 x 5 = 25.

We must focus on **significant risks**, so there's often more ambers and reds. If green, consider whether it's substantial enough to include (unless we need to **demonstrate** how it's being managed). **Inherent** score shows severity with no controls. **Residual** score includes existing controls/mitigations. **Target** score includes controls and the influence of future actions.

Category Definitions & Impact Scoring

(If there are several potential impacts, use the most severe score)

	1 – Slight	2 – Minor	3 – Moderate	4 – Significant	5 – Extensive
Assets	Persisting in use of inadequate, deficient or poorly designed technology, property, facilities, etc. that are unfit for business needs, or otherwise ineffective/inefficient/non-compliant with standards				
	Temporary/partial inadequacy of single asset with alternative/backup	Temporary/partial inadequacy of multiple assets with alternative	Longer-term inadequacy or sub-optimal alternatives	Permanent loss of single asset with sub-optimal or no alternative/backup	Permanent loss of multiple key assets with no alternatives
Community	Risks regarding resilience, deprivation, inequality or other demographic/socio-economic factors for residents or the area (considered organisational risks as objectives focus on societal outcomes)				
	Limitation to resilience/equality of individual	Limitation to resilience/equality of group/sector	Limitation to vulnerable/multiple groups/sectors	Limitation to wider community/critical sector/infrastructure	Limitation to resilience/equality of entire authority
Continuity	Relating to the disruption of operational service delivery, often linked to Emergency Planning or Civil Contingencies, where lack of tools, staff, facilities, etc. disturbs provision of normal functions				
	Minor disruption to one service	Minor disruption to multiple services	Multiple serious disruptions/some loss of service	Major disruption and/or loss of multiple services	Extended loss of service
Cultural	Suboptimal, inappropriate or ineffective workforce or organisational behaviours, leadership or engagement, insufficient capacity or capability, or non-compliance with policies and procedures				
	Diminished team level engagement/ slightly increased absence/turnover	Team delivery disruption related to compliance/ capacity/capability	Service/directorate disruption related to compliance/ capacity/capability	Major disruption/ unmet minimum staffing in key/ statutory areas	Damage to work-force cohesion/ staffing levels for extended period
Environmental	Failing to use sustainable materials, technologies or practices, increasing waste or travel/energy requirements, or pollutants that would have an adverse impact on air quality, biodiversity, etc.				
	Slightly reduced ability to meet net zero/climate aims	Limited transition or unrealistic/non-inclusive plans	Continuation of unsustainable practices	Increased waste, emissions, etc. (primarily external)	Major/internal increase in waste, emissions, etc.
Financial	Linked to the management of financial assets/liabilities, or commercial partnerships/supply chains in accordance with constraints and contractual requirements, poor returns/value, inefficiency, etc.				
	Up to £10k	£10k to £50k	£50k to £200k	£200k to £2m	Over £2m
Governance	Unclear plans, authorities or accountabilities, ineffective or disproportionate oversight or decision-making, failure to meet legal or regulatory duties, or audit concerns over performance standards				
	Queries/concerns from audit body	Negative audit/ inspection report	Follow-up/repeated negative findings	Legal action	Legal action from multiple sources
Information	Lack of awareness/learning/knowledge, or misinformed decisions due to failure to produce robust or suitable informatics or fully exploit data resources, or failure to share/publish appropriately				
	Slight limitations/ concerns around data integrity	Limited use or publication of data/evidence	Lack of awareness of resources/skills in systems/tools	Major barriers to obtaining/using robust informatics	Inability to inform safety-critical decisions robustly
Reputational	Ethical violations, systematic or repeated failure/breach, political conflict, poor quality, customer service or management of relationships/partnerships, or damage to trust and public confidence				
	Managed incident, in public domain	Local media interest/complaint	Regional interest/ notable social media negativity/ multiple complaints	National interest/ significant social media negativity/ loss of confidence	Major national media interest
Security	Failure to safeguard against fraud or cyber threat, or prevent unauthorised/inappropriate access to assets, including property, systems and sensitive customer/staff/organisational information				
	Reasonable policy awareness, some non-compliance	Limited training completion/policy adherence	Evidence of more frequent/serious infringements	Significant cyber/ data/physical security breach	Prolonged cyber/ data/physical security breaches
Strategic	Pursuing a strategy, project or change that is poorly defined, based on flawed/inaccurate data, or misaligned to delivery of commitments or objectives, possible due to changing macro-environment				
	Issue in single activity/project with flexibility in plans or in early stages	Multiple issues in single activity with flexibility or minor implications	Multiple issues in multiple activities, some flexibility or moderate impact	Multiple/significant issues with little/no change control/ contingency plans	Major issues with little/no flexibility/ extensive rework/ invested resource
Wellbeing	Non-compliance or policies affecting health, safety or wellbeing of individuals/groups, focussing on more direct physical or psychological harm (wider inequality in Cultural (workforce) or Community)				
	Single minor injury, illness or harm	Multiple minor or single serious injury/illness/harm	Multiple serious injuries, illnesses or harms	Death or significant psychological harm	Multiple deaths or major mental health impacts

5. Risk Control

Once the risk has been evaluated, existing **Internal Controls** should be assessed. These may be strategies, policies, procedures, processes, arrangements, scrutiny bodies, etc. that mitigate the risk to some extent by reducing either the likelihood of it occurring or the impact if it does occur. We're often only able to influence one or other of these factors but in some cases controls influence both likelihood and impact. As well as existing controls, there may be planned **actions** (new/planned/in progress) that will reduce the risk once implemented. For example:

- Harm to individuals' health & wellbeing – the impact of this could be significant and irreversible in many different respects so our efforts usually focus more on **preventative** actions and controls;
- Loss of public utilities (power, water, etc.) – here, the cause is outwith our control so the actual risk is failure to prepare or promote resilience, and we can only look at planning to limit the **consequences** when it occurs;
- Health pandemic, Climate change or Strike action – in these situations we can look **both** at preventative actions to reduce the likelihood but also use Business Continuity Plans to reduce the impact.

Once controls and actions are identified, the risk should be assigned an **owner** who can make decisions on **treatment options**, and the **approach** to use. It's important to be risk **aware**, or we could miss opportunities or threats – our Risk Appetite Statement provides guidance on areas of high/low risk tolerance. Though the identified owner is not final (risks can be escalated and demoted), it's important that they have an appropriate **remit, resources and authority** to manage the risk and ensure that treatment actions are completed, where appropriate.

There are 4 different **Approaches** that can be used to manage risks:

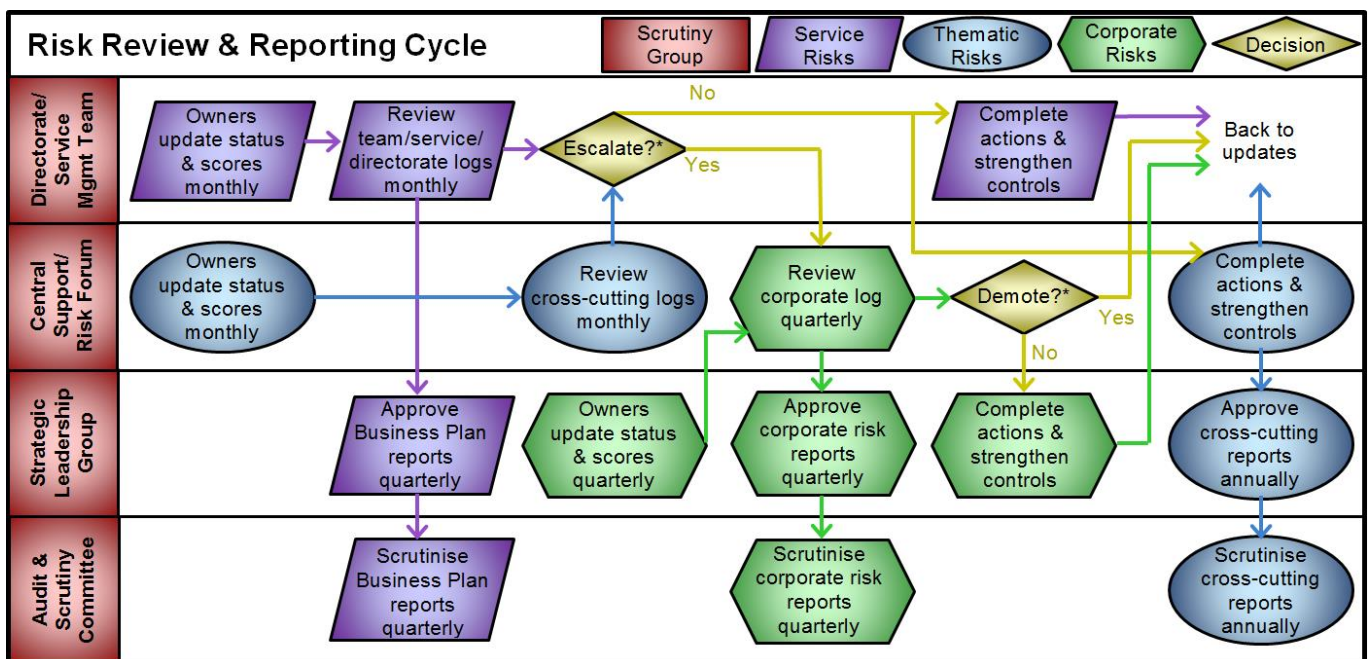
- Treat** - take action to reduce the likelihood or impact (most common approach – may treat then tolerate);
- Transfer** - pass the risk to another party, such as through insurance (however, some duties non-transferable);
- Terminate** - cease the activity that is causing the risk, or do not complete proposed activities;
- Tolerate** - continue monitoring once reasonable actions within our control are complete.

Examples where risk appetite and prioritisation must be used:

- Financial management** Focus on short term efficiency savings or 'spend to save' investment for the future?
- Legislative changes** Resource for training/process/system changes versus cost of statutory breach?
- Statutory vs preventative** Minimum statutory requirements/checks or augmented for early identification?
- Procurement** Balance/prioritise best functionality, maintenance, support, customisation, price, etc.?
- Balancing rights** Protecting the rights of individuals, or community benefits, or both?
- Satisfaction vs efficiency** Offer range of options to customers or channel shift to the cheapest option for us?

6. Risk Scrutiny

The review and reporting cycle is shown below. Risk logs should be reviewed frequently and the hierarchy used to escalate and demote. This may depend on the owner's ability to manage the risk, or if the nature or understanding of the risk changes. The Risk Management Strategy provides information on responsibilities and governance.



*Does the risk have a corporate impact? Does it affect multiple services? Does it require consistent management across the Council? Is it significant (red) for an individual service? Does the owner lack the authority or resources to manage the risk? If yes, consider escalating to a higher-level log (from team to service, or service to corporate).

7. Risk Recording – Pentana Risk Updates

COU CRR 050 Supply Chain & Labour Market Disruption 1

Current **Compare** 4 Description

Impact 5 Extensive
Likelihood 4 Likely
Score 20 –

Assessment **5x4 High Risk**
Date Assessed 10 Mar 2022

Next Assessment due 15 Jun 2022

Update 3

Key information 2 Risk Tree History **Internal Controls** 5 Related To More...

Date Assessed	Score	Assessment	Assessed by
10 Mar 2022	20 –	5x4 High Risk	Richardson, Judi
20 Oct 2021	20 –	5x4 High Risk	Richardson, Judi

10 March 2022 ▾

5x4 High Risk

Impact 5 Extensive
Likelihood 4 Likely
Score 20 –

Assessed By Richardson, Judi

Notes ▾ Showing all Notes...

Richardson, Judi, 10 Mar 2022 ▾
While contracts and other mechanisms and monitoring may reduce the impact to a certain extent, we must broadly tolerate this significant external risk. Where possible, mitigations are ... [Show more](#)

1. Click to edit Title (short as possible – what could go wrong as well as the area) and Description (more detailed, include Cause & Event***). Don't edit the code or de-activate/delete – other checks/approval may be needed.
2. Click to edit Potential Impact (Profile) – refer to the impact categories (Financial, Security, Wellbeing, etc.)***. Check Approach – if 'Treat' must have related Actions, if 'Tolerate' must have Controls (see step 5). Check Owners in Key Information. Don't edit owners – may need approval, will affect email notifications & reporting.
3. It can be useful to copy the previous note (bottom right of screen shot), before clicking Update/New Assessment, then edit Scores (guidance appears on right) and type/paste/edit Note. If recommending de-activating or moving to another risk log, state this in the note, and why***
4. Click to edit Inherent Score (excluding Actions/Controls) and Target Score ('tolerance' – what it would need to reduce to before we would de-activate). Keep it sensible – if we're 'treating', must be lower than current score!
5. Click to view Actions (still to be done) or Controls (already in place) – stay focussed, maximum 3 of each. Click header then Add to select from list (Business Plan, LOIP, other plans/strategies/processes, etc.), or Remove. Don't click Create or New – should be set up consistently by Superusers. This is the final step – thank you!

***See other sections of Corporate Risk Management Guidance

Check with site administrators or service Superusers about red notes above (changing codes/owners/targets, closing a risk, or if you can't find required actions or controls) – these elements need additional checks or to be done in a managed way (e.g. reporting that a risk is going to be closed before doing so).

8. Governance Checklist

This section details the minimum requirements, documents and duties expected of staff and managers within Clackmannanshire Council. This demonstrates how the risk management policy and principles apply in specific operational contexts by providing information on relevant controls in specific risk-related areas. This summary will be revised annually, alongside the Risk Appetite Statement and Delivery Plan.

Annual Planning & Assessments	Group	Frequency	Category
Review & update Business Continuity Plans/Impact Assessments	Managers	Annual	Continuity
Complete Induction and Performance Review & Development process	All staff	Once/Annual	Cultural
Review & update directorate Workforce Plans	Directors	Annual	
Submit statutory returns and utilise benchmarking data/other evidence	Analysts	Varies	Information
Produce/report on Business Plans including indicators, actions & risks	Directors	Annual	Strategic
Review & update Health & Safety Risk Assessment/Risk Profile	Managers	Annual	Wellbeing

Learning & Development

Complete Serious Organised Crime mandatory training	All staff	Annual	Community
Complete Counter-terrorism (CONTEST) mandatory training	All staff	Annual	Continuity
Complete Integrated Emergency Management training	Mgrs/TLs	Annual	
Participate in Leadership Development Programme (content may vary)	Managers	Ongoing	Cultural
Complete training on Dept. for Work & Pensions Data Access/Sharing	Revenues	Annual	Financial
Ensure staff read & understand updates/changes to Code of Conduct	All staff	Ongoing	Governance
Complete Governance mandatory training (new addition to programme)	All staff	Annual	
Gain Enterprise Risk Management accreditation	Senior Mgrs	Once	
Ensure relevant staff complete Social Networking online training	Relevant	Ad hoc	Reputational
Complete Cyber Security mandatory training	All staff	Annual	Security
Complete Information Security mandatory training			
Complete Data Protection (GDPR) mandatory training			
Complete Child Protection mandatory training	Relevant posts	Annual	Wellbeing
Complete Adult Support & Protection mandatory training			
Complete Display Screen Equipment mandatory training	All staff	Annual	
Complete Equality & Diversity mandatory training			
Complete Health & Safety mandatory training	All staff	Annual	
Complete IOSH Managing/Directing Safely training	Managers	3-Yearly	

Changes/Projects/Council & Committee Reports/Policies

Complete Equalities Impact Assessments for changes/reports/policies	Authors	Ad hoc	Community
Assess Fairer Scotland (poverty) impacts for changes/reports/policies	Authors	Ad hoc	Cultural
Assess staffing resource implications of changes/reports/policies	Authors	Ad hoc	
Complete Sustainability Checklist for changes/reports/policies	Authors	Ad hoc	Environmental
Complete Strategic Environmental Assessment for relevant policies	Authors	Ad hoc	Financial
Assess financial resource implications of changes/reports/policies	Authors	Ad hoc	
State background reports used & data/evidence supporting decisions	Authors	Ad hoc	Information
State change/report/policy alignment to Corporate Priorities	Authors	Ad hoc	Strategic
Required project documents to be agreed when senior posts filled (e.g. Options Appraisal, Business Case & Timeline/Cost/Other Resource)	Project Managers	Ongoing	

Reactive as Requirements/Requests Arise

Input into refresh of asset strategies (Roads, Housing, Public Buildings)	Key services	Ad hoc	Assets
Engage with CONTEST self-assessment process	Managers	Annual	Continuity
Engage with the principles of the Fair Work framework	Managers	Ongoing	Cultural
Follow TechOne processes & budgetary control framework	Relevant	Ongoing	Financial
Follow Procurement processes & delegated authorities in line with CSO	Relevant	Ongoing	
Respond to Internal Audit queries and recommendations	Relevant	Ad hoc	Governance
Respond to External Audit queries and recommendations	Relevant	Annual	
Self-assess Local Code of Governance/complete deployment survey	Managers	Annual	
Report according to Public Performance Reporting duties	Managers	Annual	Information
Engage with Comms on management of negative/positive news	Managers	Ad hoc	Reputational
Ensure Information Sharing Agreements in place for shared data	Officers	Ad hoc	Security
Consult experts (Legal, Finance, etc.) on decisions in a timely manner	All staff	Ongoing	Strategic

Appendix C – Corporate Risk Management Strategy Delivery Plan

Following strategy approval this plan will be imported into the Pentana Corporate Performance Management System for ongoing management, monitoring and reporting.

Strategy Performance Indicators demonstrate the deployment & success of the Corporate Risk Management Strategy. Amber to be added as actions progress.

Aim/Theme	Indicators (all codes begin P&P CRM)	Details (reported to Forum quarterly/Audit & Scrutiny Committee annually)
Leadership/ Awareness	LM1 Senior managers with Enterprise Risk Management accreditation	19/20 = 54%, 20/21 = 48%, 21/22 = 46%, 22/23 = 32% (reduction due to turnover)
	LM2 Elected Members who have attended risk/scrutiny training	Out of 18, currently 33% (Audit & Scrutiny Committee), to be rolled out wider
	LM3 Senior managers with up to date portfolio risk log on Pentana	Out of 32, 'up to date' = reviewed within last year (when action LM2 complete)
Strategy/ Transparency	SP1 AGS senior managers' rating of whether approach implemented	See note under Processes/Clarity below
	SP2 Key corporate strategies that include reporting of risk register	Relevant strategies to be identified (when action SP4 complete)
	SP3 Key projects/programmes that include reporting of risk register	Relevant projects/programmes to be identified (when action SP5 complete)
People/ Consistency	PE1 Service areas adequately represented on Corporate Risk Forum	Out of 25 (relevant areas to be confirmed by SLG)
	PE2 Service areas adequately represented by Pentana Superusers	Out of 25
Collaboration/ Partnerships	To be developed with Health & Social Care Risk Forum, Local Resilience Partnership and other partnerships/project boards	Partnership work is currently more action-based and indicators will only be put in place if felt to be meaningful & useful
Processes/ Clarity	PR1 AGS senior managers' rating of whether approach is meaningful	Risk currently grouped with 2 other approaches in AGS (Strategy & Performance Management) – to be added/amended when AGS action complete (HA1)
	PR2 AGS senior managers' rating of whether approach is accessible	
Assurance/ Proportionality	HA1 Internal Audit opinion on risk management, governance & control	No/Limited/Substantial assurance level
	HA2 Insurance contract 'risk control days' allocated	12 days per year to address key priorities – training or strategy/policy reviews
Outcomes/ Objectivity	OD1 Key corporate performance indicators improving	Local Government Benchmarking Framework (104 measures) & additional indicators from the Local Outcomes Improvement Plan, when revised
	OD2 Key corporate performance indicators meeting targets	
	OD3 Average ranking for benchmarked corporate indicators	

Category Indicators demonstrate the management of wider risk categories below the level of the Corporate Log, used in 'horizon scanning' for emerging risks.







To be reported annually/quarterly to Corporate Risk & Integrity Forum (and the Extended Strategic Leadership Group and Elected Members in risk/LGBF/strategy reports). To reduce duplicate reporting, these will be provided as high-level summaries and exceptions. For example, based on the suite of Health & Safety/Climate Change Strategy indicators, the proportion improving and additional detail on those with a red status in relation to target-achievement. A balance will be sought in terms of internal preventative measures (such as training completion) and on external outcome-focussed measures on the wider effectiveness of risk management approaches. This will provide a lower-level segmentation of the Outcomes measures above, with indicators grouped by the strategy categories.




Risk Indicators demonstrate the likelihood/proximity of corporate risks & the impact of mitigations (to be piloted with the corporate risk register).

In order to minimise some elements of subjectivity, and to support evidence-based decision-making, indicators will be identified to inform corporate risk assessments. Similarly to the above, this will take the form of a higher-level summary but will focus on specific risks, rather than wider monitoring and awareness of the internal and external business environment. For example, the risk regarding Financial Resilience will be informed by performance across the 5 Financial Sustainability indicators in the Local Government Benchmarking Framework. In some cases, 'hard' quantifiables may not be available, in which case a quasi-indicator may be utilised, such as the UK terror threat level informing the Extremism risk score. Similarly, yes/no indicators may be of most benefit in some areas, such as the risk regarding Systems Failure being informed by whether Public Services Network compliance/Cyber Essential accreditation has been achieved.

Risk Assessment

(all risk codes begin P&P CRM, amber to be added in future years/as actions progress)

		006 Disproportionate Risk Handling		Risk Handling & Assurance; Proportionality			Current Score	20	Target Score	8	
Risk	Failure of governance/scrutiny leads to over-/under-control of risks, with lack of balance in appetite, tolerance & control.										
Potential Impact	Missed opportunities, allowing unfavourable events to occur, or prevention activities causing greater impact than would be incurred should risks materialise, resulting in inappropriate utilisation of workforce, financial resources or other assets.										
Note	Local Code assessed via AGS & audit/inspection ('substantial assurance' from Internal Audit). Committee structures, remits & approval ensure oversight. Specialists support staff, sharing information via forum to ensure balance, and identifying 'risk control day' priorities. National project to consolidate data returns will enhance evidence-base.										
Related Actions	Training needs analysis for staffing groups	003	Related Indicators	Internal Audit opinion on risk controls	HA1	Existing Controls	Internal Audit (P&P IAF IAP)				
	Scrutiny training for Elected Members	004		Insurance 'risk control days' allocated	HA2		External Audit (COU EXA AIP)				
	Cyclical/reactive/future AGS/audit actions						Committee rep & pro (P&P L&G CRP)				
		001 Leaders Fail to Promote Risk Awareness		Leadership & Management; Awareness			Current Score	16	Target Score	8	
Risk	Leaders do not see value in risk management and fail to prioritise, exemplify and drive focus on deployment with staff.										
Potential Impact	Poor awareness of key risks and mitigations at multiple levels due to lack of appropriate evaluation/escalation/cascade, with widespread implications for ill-informed decision-making and risk exacerbation through non-compliance.										
Note	Focus has been at SLG level, with registers in place for most areas, and some lower-level teams. Focus now on senior managers, with most achieving risk accreditation in Jan-2020 (additional 7 since). All SLG members have nominated risk forum delegates, with awareness-raising as key objective. All staff complete annual mandatory training on core topics.										
Related Actions	Recommence forum meetings post-Covid	002	Related Indicators	Senior Manager risk accreditation	LM1	Existing Controls	Risk log hierarchy (P&P CRM HRL)				
	Revise forum Terms of Reference	LM1		Elected Member training	LM2		Risk Forum (P&P CRM RIF)				
	Locate & upload existing risk logs centrally	LM2		Services with risk logs	LM3		Mandatory training (P&P HRP AMT)				
		003 Inconsistent Staff Application of Risk Principles		People; Consistency			Current Score	15	Target Score	9	
Risk	Staff do not know or apply the principles in the risk strategy due to lack of communication, training, guidance or support.										
Potential Impact	Fragmented approach, failure to prioritise in a robust and consistent manner, lack of internal integration and confusion among those consuming risk information, leading to other noted risks.										
Note	Training needs analysed during strategy review & key groups/actions identified (Members, managers, forum, superusers & all staff). Facilitation/responsive support continues and briefings/training/induction/eLearning to be rolled out, including via Gallagher Bassett 'risk control days'. Connect intranet page will improve dissemination of risk-related information.										
Related Actions	Risk in corporate induction process	006	Related Indicators	Risk forum service coverage	PE1	Existing Controls	Pentana Superusers (P&P SAP PSA)				
	Connect page for sharing guidance, etc.	PE1		Pentana Superuser service coverage	PE2		Training/guidance (P&P CRM TFG)				
	Review Clacks Academy risk module	005		Elected Member training	LM2		HSC Forum (HSC CRM RMF)				

		004 Inadequate Collaboration with Partners/Experts	Partnership, Shared Risk & Resource; Collaboration			Current Score	12	Target Score	9
Risk	Failure to integrate with partners or capitalise on external knowledge due to an insular view or lack of co-operation.								
Potential Impact	Unclear/inefficient/ineffective processes for those working in partnerships, excessive resource when solutions may already exist, or lack of awareness/incorporation of externally-identified risks or recommendations into plans.								
Note	Work with Alliance on Community Risks & Procurement to manage supplier risks. 2 partnerships & IA Manager (Falkirk) attend internal forum. HSCP in Superuser group & additional risk forum. Global risks reviewed annually & engagement with Gallagher Bassett, Improvement Service, national fora, Scottish Gov., Audit Scotland & Accounts Commission.								
Related Actions	HSC forum access to Pentana logs	PS1	Related Indicators	To be developed with partnerships, if felt that measures will be beneficial	Existing Controls	HSC Forum (HSC CRM RMF)			
	Review HSC risk strategy & processes	PS2				GB/ALARM (P&P CRM EXE)			
	Benchmark risk processes with partners	PS3				External Audit (COU EXA AIP)			
		005 Unclear Processes or Prioritisation Mechanisms	Processes; Clarity			Current Score	12	Target Score	9
Risk	Staff & Members are unclear on risk management/prioritisation due to failure to define or disseminate suitable processes.								
Potential Impact	Uncoordinated/disconnected activities, failing to address strategic priorities, exacerbating issues regarding equalities, deprivation, safeguarding or sustainability, or mismanaging building/data security, health & safety or continuity incidents.								
Note	Strategy aims to clarify, including guidance & appetite, communicated via training. Forum consulted on strategy & each area documents & communicates themes/category processes. Annual mandatory training & support provides additional clarity & governance checklist summarises key requirements, e.g. review Business Continuity Plans annually.								
Related Actions	Governance Checklist/Appetite Statement	PR1	Related Indicators	AGS risk approach 'meaningful' rating	PR1	Existing Controls	Mgt Team sessions (P&P CRM MTW)		
	Cyclical/reactive/future actions regarding processes & clarity			AGS risk approach 'accessible' rating	PR2		Governance Strategy(COU GOV SPP)		
							Bus. Cont. Plans (P&P EMP BCP)		
		002 Failure to Develop or Publish Risk Strategy or Registers	Strategy & Policy; Transparency			Current Score	10	Target Score	5
Risk	Approach & management of specific risks is not summarised publicly due to reluctance to discuss negative factors.								
Potential Impact	Failure to provide scrutiny bodies and the public with appropriate information, decisions made without reference to all relevant facts or potential barriers, failure to challenge/mitigate and/or erosion of trust, affecting reputation.								
Note	Some registers exist but are not reported. Most work is highly risk-focussed so simply formalising/articulating in different format will improve compliance with risk strategy aims. We often refer to risks in reports/strategies/policies but improvement required in analysis, recording & reporting. Committee report guidance should make requirements explicit.								
Related Actions	Review Risk Management strategy	001	Related Indicators	AGS risk 'implementation' rating	SP1	Existing Controls	Corp. & Bus. Plans (P&P SAP CBP)		
	Increase committee risk reports to quarterly	007		Corporate strategies risk log reporting	SP2		Public Perf. Reports (P&P SAP PPR)		
	Revise committee guidance to include risk	008		Project/programme risk log reporting	SP3		Elected M. scrutiny (COU COM ELS)		

		007 Subjective Evaluations Fail to Address Outcomes	Outcomes & Delivery; Objectivity			Current Score	8	Target Score	4
Risk	Risk owners' personal perspective unduly influence risk assessments, resulting in inappropriate scoring and treatment.								
Potential Impact	Failure to escalate/demote or inability to demonstrate rationale for decisions or integration of initiatives with key deliverables, with possible misuse of resource and strategic misalignment to the detriment of community outcomes.								
Note	Though difficult to separate personal views from professional, single owner is good practice & varying caution/eagerness beneficial. Guidance encourages involving many in assessments to 'average out' extreme views. Challenge from forum, SLG, Committee & audits. Pentana & links to performance data will robustly evidence reasoning impact on outcomes.								
Related Actions	Pilot corporate risk performance indicators	OD1	Related Indicators	Key corporate indicators improving	OD1	Existing Controls	Pentana (P&P SAP PPM)		
	Identify category horizon scan measures	OD2		Key corporate indicators meeting targets	OD2		Gov & audit process (P&P L&D GAP)		
	Future actions on outcomes/objectivity			Average rank for benchmarked indicators	OD3		Risk Strategy (P&P CRM RMS)		

Year 1 Actions (2023/24)

(blue shading = actions from most recent internal audit of risk management, green = complete, yellow = in progress)

Code	Action	Aim/Theme	Lead (Consult/Support)
IAF CRM 002	Quarterly meetings of the Corporate Risk & Integrity Forum (recommence meetings post-Covid)	Leadership	Chief Executive (P&I Adviser)
P&P CRM LM1	Revise Corporate Risk & Integrity Forum Terms of Reference and establish new reporting process	Leadership	Performance & Information Adviser
P&P CRM LM2	Locate existing risk logs recorded outwith Pentana, arrange upload & review mechanisms/training	Awareness	SLF (P&I Adviser/Superusers)
IAF CRM 001	Review & updating of the risk management strategy (complete with this document's approval)	Strategy	P&P Director (P&I Adviser/Forum)
P&P CRM SP1	Consult & brief Corporate Risk Forum on risk strategy, gain approval & begin deployment	Strategy	P&I Adviser (Risk Forum)
IAF CRM 007	Risk management and committee reporting (move corporate risk from 6-monthly to quarterly)	Transparency	Risk Owners (Risk Forum)
IAF CRM 008	Risk and considerations section of committee reports (revise guidance to include risk assessments)	Transparency	Monitoring Officer (Risk Forum)
IAF CRM 003	Risk training needs analysis for staffing groups (completed as part of strategy review)	People	P&I Adviser (OD Adviser)
IAF CRM 004	Training for elected members on risk (provided for Audit & Scrutiny, to be rolled out to others)	People	P&I Adviser (Elected Members)
IAF CRM 006	Risk in corporate induction process	People	HR & WD Sen. Manager (P&I Adv)
P&P CRM PE1	Create Connect intranet page for sharing risk guidance, training, events, etc. (then update cyclically)	Consistency	Performance & Information Adviser
IAF CRM 005	Review of the risk analysis training module on Clacks Academy	Consistency	Performance & Information Adviser
P&P CRM PS1	Give HSC Forum access to relevant Pentana logs (superusers have access to PIs, actions & risks)	Partnerships	Performance & Information Adviser
P&P CRM PS2	Review Health & Social Care Partnership joint risk strategy & streamline processes	Partnerships	HSC Forum (P&I Adviser)
P&P CRM PS3	Benchmark risk processes (conducted with ALARM, and HSC check repeated to ensure still aligned)	Collaboration	P&I Adviser (HSC Forum)
P&P CRM PR1	Define Governance Checklist key controls & Appetite Statement to support prioritisation (annually)	Clarity	P&I Adviser (Risk Forum)
P&P CRM OD1	Pilot reporting of performance indicators for corporate risks to demonstrate likelihood/proximity/impact	Objectivity	Forum (P&I Adviser)
P&P CRM OD2	Identify category measures for broader forum monitoring/horizon scans (LGBF, SIMD, census, etc.)	Objectivity	P&I Adviser (Risk Forum)

Reactive and Future Actions

Ongoing/cyclical/reactive actions include:

- Responding to service risk/performance/Pentana requests/queries and providing support for service Superusers (Processes);
- Participating in the biennial review of the Community Risk Register & lessons learned debriefs, led by the Scottish Fire & Rescue Service (Processes);
- Work with the Data & Digital Transformation Team to improve access, use and impact of tools & mechanisms for informing risk assessments (Processes);
- Work with the Capital Transformation Manager (once appointed) to develop project dashboards and minimum project governance requirements (Clarity);
- Providing evidence for the Annual Governance Statement, Internal & External Audit (Assurance); and
- Participating in the Local Government Data Platform project to consolidate/streamline statutory data returns (Proportionality).

Actions for future years (2024/25 onwards) will focus on:

- Initiating a programme of risk log development through identifying & prioritising gaps in risk assessments across services/teams (Leadership), strategies/projects (Strategy), partnership activities (Partnerships), and cross-cutting corporate themes/categories (Processes);
- Reviewing Pentana Internal Controls list (strategies/governance arrangements/mitigations), locating documents and ensuring accessible to staff (Strategy);
- Assessing potential for 'deep dive' committee reporting to explore selected risk(s) in greater detail (Transparency);
- Giving Elected Members and External Auditors access to Pentana, once confident that records are comprehensive/accurate/being updated (Transparency);
- Further development of the Council/committee report approval process, ensuring timely consultation with key risk experts on decisions (Transparency)
- Assessing options for senior manager refresher training after accreditation gained (such as via Leadership Development Programme (People);
- Summarising common risks & mitigations in a risk library/menu to simplify the assessment process and capitalise on past successes (Proportionality);
- Improving integration of risk with the Annual Governance Statement process (Assurance) and the development and delivery of major strategies (Outcomes);
- Complement risk assessments with benefits evaluation (inverted matrix) to provide a rounded summary and shift focus to delivery of objectives (Outcomes); and
- Incorporate identification of informative performance indicators into risk evaluation (if year 1 pilot with corporate risks proves useful/practical (Objectivity).

- Purpose:** Reducing the Council's overall risk profile by sharing information and proactively managing existing and emerging concerns in an efficient, effective, timely and integrated manner.
- Remit:** Providing a governance mechanism for monitoring the fulfilment of statutory duties and policy commitments, discussing strategic and operational progress, and prioritising actions to minimise potential barriers, ensuring the best possible outcomes are achieved.
- Governance:** The Forum provides assurance to the Strategic Leadership Group on the robustness of policies and processes in key risk-related areas, escalating concerns and compliance issues. Attendance is targeted at a relatively senior level and to those who chair/co-ordinate/attend other thematic governance groups to ensure visibility and facilitate information exchange.
- Aim:** To ensure risk owners and senior management are held collectively accountable for the completion of remedial mitigations that support continuous improvement and Best Value.

The specific tasks completed by Forum members are:

- Participating in high-level risk reviews, contributing knowledge and identifying new risks via horizon scanning;
- Feeding back on corporate risk strategy, policy & processes, and opportunities for streamlining/consolidation;
- Providing updates on their own corporate risks, and peer-reviewing others' for consistency and integration;
- Providing more detailed internal updates on their respective risks/service areas, including: Significant recent incidents; Recent achievements/progress; New developments/legislation; Key risks & required actions.
- Signposting guidance, support and development opportunities, including agreeing the annual allocation of (insurance contract) risk control days for strategy review and/or training provision;
- Monitoring the completion of mandatory training and policy adherence across services;
- Communicating and raising awareness of concerns and compliance issues, including prioritising their escalation to the Strategic Leadership Group for maximum impact and benefit.

Chair: The Forum is chaired by the Strategic Director – Partnership & Performance, as owner of the Corporate Risk Management approach. The Director presents an update and issues for escalation to the Strategic Leadership Group after each Forum meeting, and provides reciprocal feedback to the Forum regarding issues of strategic direction and governance.

Membership: Forum attendance is adjusted to reflect the organisation's risk profile, in order to flexibly address the most significant concerns at any given time, with current representatives from:

- Partnership & Performance Directorate – Finance & Revenues (including Procurement); HR & Workforce Development (including Health & Safety); Legal & Governance (including Monitoring Officer, Information Management & Internal Audit); and Partnership & Transformation (including Civil Contingencies (link to Local Resilience Partnership), Counter-terrorism, Digital & Data, Equalities & Serious Organised Crime);
- People Directorate – Chief Education & Social Work Officers;
- Place Directorate – Strategic Director; Energy, Sustainability & Climate; and Housing;
- Clacks & Stirling Health & Social Care Partnership (Locality Manager & Head of Service);
- Clackmannanshire Alliance Community Planning Partnership (board includes 2 Directors & 1 Senior Manager listed above).

Timing: The Forum is held quarterly, in advance of formally reviewing the corporate risk register, to ensure discussions inform updates. The Forum meets at the end of May, Aug, Nov & Feb. Updates (item 2 below) are requested a month before the meeting and distributed a week before. Corporate risk review deadlines are the 15th of the following month.

Agenda:

1. Welcome and Introductions	Strategic Director – P&P (Chair)
2. Review of Detailed Risk/Service Updates	Forum members submit/present quarterly
3. Verbal updates on Corporate Risk Log	Owners provide updates/others challenge
4. Prioritisation of Issues for Escalation	All with issues to escalate to SLG
5. Any Other Business	

To ensure focus and limit workload/meeting/document length, item 2 updates should not exceed 1 page. To similarly promote focus and action, no detailed minute is recorded but an action log will be created to drive progress, following strategy approval.

Association of Local Authority Risk Managers National Performance Model for Risk Management in Public Services

	Level 1: Engaging	Level 2: Happening	Level 3: Working	Level 4: Embedded & Working	Level 5: Driving
Leadership & Management	Senior management are aware of the need to manage uncertainty and risk and have made resources available to improve	Board/Councillors and senior managers take the lead to ensure that approaches for addressing risk are being developed and implemented	Senior managers take the lead to apply risk management thoroughly across the organisation	Risk Management is championed by the CEO	Senior management uses consideration of risk to drive excellence through the business with strong support and reward for well-managed risk-taking
			They own and manage a register of key strategic risks and set risk appetite	Management leads risk management by example Board & senior managers challenge risks and understand risk appetite	
Strategy & Policy	The need for a risk strategy and risk-related policies has been identified and accepted	Risk management strategy and policies drawn up, communicated and being acted upon	Risk management principles are reflected in the organisation's strategy and policies	Risk handling is an inherent feature of policy and strategy making processes	Risk management capability in policy and strategy making helps to drive organisational excellence
	The risk management system may be undocumented with few formal processes present	Roles and responsibilities established, key stakeholders engaged	Risk framework is reviewed, developed, refined and communicated	Risk management system benchmarked and best practices identified and shared across the organisation	
People	Key people are aware of the need to understand risk principles and increase capacity and competency in risk management techniques through appropriate training	Suitable guidance is available and a training programme has been implemented to develop risk capability	A core group of people have skills and knowledge to manage risk effectively and implement the risk management framework	People are encouraged and supported to take managed risks through innovation	Organisation has a good record of innovation and well-managed risk-taking
			Staff are aware of key risks and responsibilities	Regular training and clear communication of risk is in place	Absence of blame culture All staff empowered to be responsible for risk management
Partnership, Shared Risk & Resources	Key people are aware of areas of potential risk in partnerships and the need to allocate resources to manage risk	Approaches for addressing risk with partners are being developed and implemented	Risk with partners and suppliers is well managed across organisational boundaries	Sound governance arrangements are established	Clear evidence of improved partnership delivery through risk management and that key risks to the community are being effectively managed
		Appropriate tools are developed and resources for risk identified	Appropriate resources in place to manage risk	Partners support one another's risk management capability and capacity	
Processes	Some stand-alone risk processes have been identified and are being developed The need for service continuity arrangements has been identified	Risk management processes are being implemented and reported upon in key areas Service continuity arrangements are being developed in key areas	Early warning indicators and lessons learned are reported	A framework of risk management processes in place and used to support service delivery	Management of risk and uncertainty is well-integrated with all key business processes and shown to be a key driver in businesses success
			Critical services supported through continuity plans		
Risk Handling & Assurance	No clear evidence that risk management is being effective	Some evidence that risk management is being effective	Clear evidence that risk management is being effective in all key areas	Evidence of innovative risk-taking	Considered risk-taking part of the organisational culture
		Performance monitoring and assurance reporting being developed	Capability assessed within a formal assurance framework and against best practice standards	Evidence that risk management is effective and useful for the organisation and producing clear benefits	Clear evidence that risks are effectively managed throughout the organisation
Outcomes & Delivery	No clear evidence of improved outcomes	Limited evidence that risk management is being effective in, at least, the most relevant areas	Clear evidence that risk management is supporting delivery of key outcomes in all relevant areas	Very clear evidence of very significantly improved delivery of all relevant outcomes and showing positive and sustained improvement	Risk management arrangements clearly acting as a driver for change and linked to plans and planning cycles