



Corporate Risk Management Strategy

Version: 1.3

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This document was originally drafted by Highland Council working with Zurich Municipal. It was first approved by the Audit and Scrutiny Committee on 28 March 2018.

1. Introduction from Chief Executive

All organisations face internal and external factors that can impact on the achievement of their objectives. To be successful our Council has to understand and respond appropriately to these factors and the uncertainty they can create. This is why we have a risk management process.

This document outlines our approach to understanding and responding to the risks we face. I believe the people best placed to make these decisions are the officers with responsibility for the services we provide. Therefore the risk management strategy that is put in place should reflect the responsibility of managers and staff for identifying and managing the risks to their service objectives.

Taking appropriate risks can have positive results; if the Council does not take calculated risks we will not innovate or try to improve how we do things. It is important for the Council to take the right risks, in the right way, at the right time.

An effective risk management process will help the Council become more resilient, meaning we will be:

- less likely to suffer significant risks, adverse events or losses;
- better able to respond when risks, adverse events or losses happen; and
- more likely to achieve objectives in the face of uncertainty

If the risks and uncertainties we face are understood we can do something about them. We have, and will continue, to change as an organisation. This change will bring new risks and challenges and therefore effective risk management will remain a fundamental part of our business.

Chief Executive

The Highland Council

2. Risk Management Strategy

2.1. Objectives

Our strategy for risk management is to embed a culture where risk management supports the delivery of services. By implementing the risk management process we will achieve a number of objectives, including:

- Help officers and Elected Members focus on the most significant risks
- Help officers and Elected Members to make decisions and take action with a full understanding of the risks and uncertainties that the Council faces
- Increase the likelihood of achieving the Council's objectives
- Increase the Council's resilience
- Facilitate better communication and sharing of knowledge about significant risks across the Council
- Allow risks to be managed at the most appropriate level
- Allow risks to be escalated
- Ensure the risks the Council takes are within its tolerance or appetite for risk
- Inform decisions and actions on internal controls and governance and counter-fraud awareness
- Support continuous improvement and Service Planning
- Enable the identification and understanding of risks throughout the Council

The process by which the risk management strategy will be deployed is outlined in this document. This sets out our approach to managing our risks and uncertainties.

2.2. Risk Management Definition

Our definition of risk management is:

The process of identifying significant risks to the achievement of the Council's strategic and operational objectives, evaluating their potential consequences and determining and implementing the most effective way of controlling them.

Three things should be noted about this definition. Firstly, it is expected that insignificant risks will not be reported. These may be risks that are managed well, thoroughly understood and are very unlikely to occur, or whose consequences would be relatively insignificant. They should be managed through our current business practices.

Secondly, risks may have positive as well as negative consequences; if the Council does not take calculated risks we will not innovate or try to improve how we do things. The Council must take risks in order to deliver its objectives.

Finally, the most effective way to control some risks may be to continue to monitor the risk and do nothing more than is already being done.

2.3. Risk Management Structure

The risk management process will be used at different levels and in different contexts, Figure 1. The risk registers should relate to the business planning process. For example the corporate risk register will consider risks to delivery of corporate priorities, or which have the potential to impact multiple Council Services; Service risk registers will consider risks to

Council Services and so on. Corporate and Service risk registers will give due consideration to relevant partnership arrangements including community planning.

Subsidiary risk registers may also be created and maintained at individual project, contract, or partnership level, or as part of the business continuity planning process.

Risks should be able to flow between levels, to allow risks to be managed at the most appropriate level or to communicate with stakeholders about the risk.

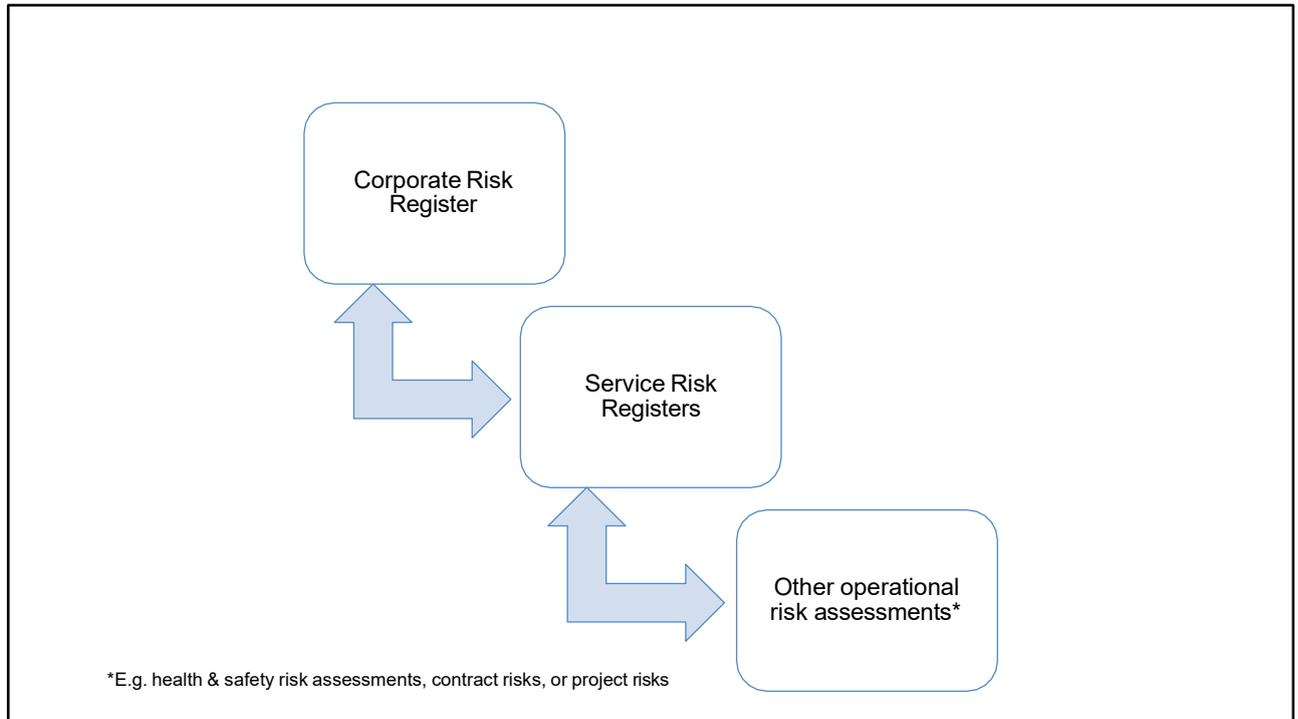


Figure 1 – Risk Management Structure

2.4. Risk Management Process

The risk management process has seven elements, Figure 2. Underpinning each stage of the process is communication and consultation with interested parties. The aim of this is to ensure internal and external stakeholders (if appropriate) are considered and involved in the Council’s work to understand and define its risks.

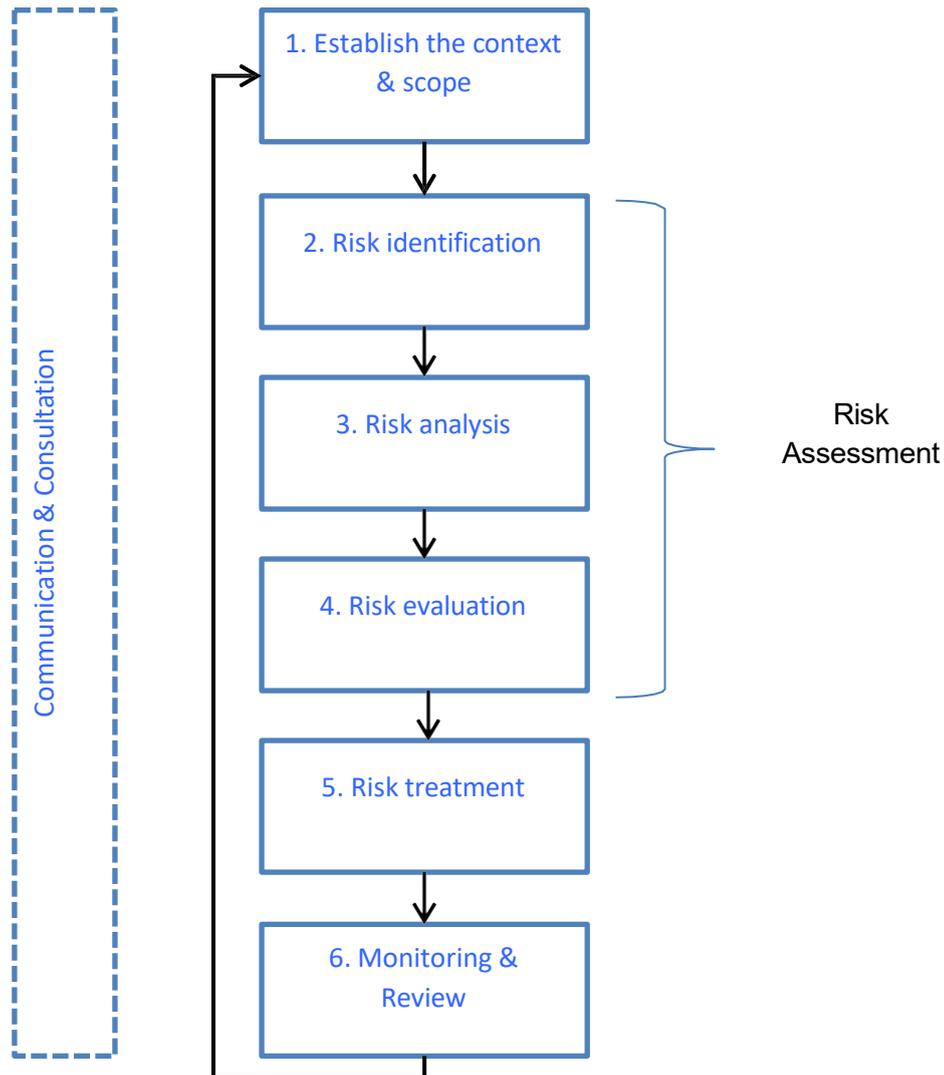


Figure 2 – Risk Management Process

Further detail of the process and its use is contained within the Risk Management Process Guidance Document.

2.5. Corporate Risk Management Group

To ensure the holistic approach to risk management, a group of officers will act as corporate support and fulfil an oversight function. This group will champion the deployment of the risk strategy and culture, build organisational capacity to effectively manage risk, disseminate best practice in all related areas, support training and ensure the co-ordination and efficient consideration of the three risk management activities (corporate risk, service risk, and operational risks).

2.6. Roles and Responsibilities

Risk management is the responsibility of all Elected Members and officers. However there are some specific roles and responsibilities which require to be outlined, Appendix i.

2.7. Training

An electronic training course is available on MyOnlineLearning entitled “Risk Management” as part of the “Performance and Risk Management Section” training section. This training supports officers to manage risk in accordance with the approach outlined in this Strategy and the Process Guidance.

2.8. Health and Safety Risk Management

This risk management strategy sits alongside the Council’s responsibility for health and safety risk assessments as required by The Health and Safety at Work, Etc. Act 1974 and all subsequent regulations and as set out in the Corporate Health Safety and Wellbeing Policy 2021. This includes a requirement to have competent persons undertaking risk assessments and involving Trade Union Health and Safety representatives in the process.

2.9. Review of Strategy

The strategy will be reviewed annually. The result of this review will be presented to the Council’s Audit and Scrutiny committee.

Appendix i – Roles and Responsibilities

Role	Responsibilities
All Elected Members	<ul style="list-style-type: none"> • To ensure risks have been appropriately considered as part of all Committee and Council reports • To scrutinise and question officers on the risk information provided by them • Encourage a culture that supports appropriate risk taking and the open discussion of risk • Approve the public disclosure of the assurance statement in the Annual Statement of Accounts and the Annual Performance Report in line with the Corporate Governance requirements
Audit & Scrutiny Committee	<ul style="list-style-type: none"> • Scrutinise the Corporate Risk Register at each meeting of the committee • Review the effectiveness of the Risk Management and Internal Control Framework • Approve revisions to the Risk Management Strategy
Executive Leadership Team	<ul style="list-style-type: none"> • Promote and support risk management throughout the Council • Seek to ensure Corporate and Service risks are identified and managed within the associated risk appetites • Review corporate risks at least every six months • Ensure the corporate risks reflect any new or emerging external and internal risks • Monitor progress in managing corporate risks, to ensure agreed actions are taken timeously at least quarterly • Ensure Elected Members are aware of the risks when taking decisions, through providing quality information • Provide reports on the Corporate Risk Register to a Council Administration Weekly Strategic Meeting (WSM) on a quarterly basis. • Consider risks escalated from a service, project or contract for inclusion within the Corporate Risk Register • Ensure risks are considered as part of any significant projects, contracts or partnerships • Encourage a culture of openness to allow risks to be identified and fully considered • Encourage a culture of learning from risk events when they happen
Corporate Risk Management Group	<ul style="list-style-type: none"> • Share business intelligence on risk and disseminate this across the Council; • Identify risks which are common across services and escalate these for consideration on the corporate or service risk registers; • Ensure risks that are reported on through other processes (e.g. the Information Governance Board or Central Safety Committee), are appropriately captured within risk registers • Work collaboratively to resolve any issues related to the Corporate Risk Register referred to the group by the Executive Leadership Team; • Share and disseminate best practice and risk management guidance to Services; • Provide a contact point in each Service to support effective risk management; and

	<ul style="list-style-type: none"> • Review the Corporate Risk Management Strategy.
Executive Chief Officers/ Senior Managers	<ul style="list-style-type: none"> • Maintain a Service Risk Register in line with the Risk Management Strategy, reviewed in-line with Service Planning guidance. • Ensure there are clear connections made in reports to Council or Strategic Committees where policy changes or actions will mitigate a Corporate or Service • Ensure service risks are adequately communicated to other services if appropriate • Ensure significant contracts, partnerships and projects the service relies upon or is delivering have appropriate risk management arrangements in place • Encourage a culture of risk awareness through involving others in the risk management process as appropriate, and challenging risk information • Escalate, if appropriate, risks to the CRMG for consideration and possible inclusion on the Corporate Risk Register • Encourage a culture of openness to allow risks to be identified and fully considered • Encourage a culture of learning from risk events when they happen
Programme, Project, Contract, and Partnership Managers	<ul style="list-style-type: none"> • Maintain an up to date risk register for each significant project, contract or partnership • Escalate, if appropriate, risks to Service representatives/ CRMG for consideration and inclusion on service risk registers/ corporate risk register.
Risk Owners	<ul style="list-style-type: none"> • Take the lead in monitoring own risks to ensure they are being managed in line with appetite set for that risk • Co-ordinate any further action needed to treat the risk • Review progress of the risk treatment actions • Take the lead on communicating with interested internal stakeholders about the risk • Ensure connections to Corporate or Service risks are adequately made in the implications section of committee reports.
Internal Audit	<ul style="list-style-type: none"> • Ensure the Council's audit plan is linked to the significant risks facing the council • Scrutinise the controls and mitigation in place to address significant risks • Report on the overall risk management arrangements within their annual report
All employees	<ul style="list-style-type: none"> • Maintain an awareness and knowledge of the risk management responsibilities appropriate to their role • Notify line manager, or another appropriate manager, of any significant Service, Project, Contract or Partnership risks they identify or become aware of in their role