



# An Introduction to Strategic Risk Management

Performance & Overview Scrutiny  
Committee

2022

# What is Risk Management?

*“Risk Management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them or responding to them.”*

# Purpose of Strategic Risk Management

Within the Council the purpose of risk management includes:

- ▶ preserve and protect the Council's assets, reputation and staff
- ▶ aid good management of risk and support whole authority governance
- ▶ aid delivery of strategic aims, objectives and outcomes
- ▶ improve business performance and better anticipate calculated risks in delivering improvements

# What are Strategic Risks?

Strategic Risks are:

Risks which affect the Council as a whole. Typically these will be key risks which could significantly jeopardise the Council's ability to achieve its outcomes, objectives, statutory plans and/or provide operational services as planned (which may be to meet statutory duties)

# The Strategic Risk Assessment

The Whole Authority Strategic Risk Register captures:

- ▶ nature of the risk, the consequences and impact with appropriate evidence
- ▶ the overall risk levels for the current year and the following two years
- ▶ planned / existing actions in place to mitigate the risks along with an update on progress
- ▶ relevant timescales for actions and the officers responsible (the risk owner)

# How are Strategic Risks identified

- The starting point for recording risks is Service Business Plans
- The risk register also uses sources such as regulators' reports, scrutiny findings, performance data and recent risk information
- The risk assessment typically covers high and medium level risks
- Lower level operational and strategic risks are not registered unless they are projected to escalate within the three years covered. These are managed and monitored through teams' service plans

# Managing Risks

- ▶ The Strategic risk assessment is just one part of the Councils risk management arrangements
- ▶ These risks are managed through a variety of processes, as seen below:



# Responsibility for Managing Strategic risks

- ▶ Officers, Cabinet members and Councillors have defined responsibility for management of risk in the council
- ▶ Governance and Audit Committee has a responsibility to assure that a risk management framework is in place
- ▶ Performance and Overview Scrutiny Committee hold a responsibility to oversee the management of strategic risks.



# The role of the Performance & Overview Scrutiny Committee

- ▶ The role of the committee is to scrutinise, on an on-going basis, both the risk assessment and the risk owners to ensure that strategic risks have been appropriately identified and that the risk is being managed proportionately
- ▶ Members of the committee should also use the risk assessment to inform the future work programme of the committee

# Updating Strategic risks and further information

- ▶ The Risk Register is a living document and must be regularly reviewed and updated
- ▶ It can be examined by select committee at any point in time at the determination of the chair and committee members
- ▶ The live risk register is available on the Hub alongside the full Strategic Risk Management Policy for members to view at any time