Rushmoor Borough Council
Corporate Risk Management Group
Risk Management Policy and Procedures

1. Introduction and Overview
This document details Rushmoor Borough Council's policy and procedures for the management of corporate risk.

What is Risk?
Corporate risk can be defined as the combination of the probability of an event occurring and its potential consequences, normally where they may prevent the Council from meeting its core objectives.

There is however the potential for risk to present the opportunity for benefit as well as threats to success.

Why we need to manage risk?
We manage risk daily without describing this as "risk management". We consider what might go wrong and take steps to reduce the impact if things do go wrong. However, Rushmoor cannot rely entirely on informal processes. As a public body, we must provide assurance that we are managing risk effectively.

Who Manages Risk at Rushmoor?
Everyone at Rushmoor is responsible to some degree in the management of risk, from front line staff to Heads of Service.

Rushmoor Borough Council oversees the management of risk through its Corporate Risk Management Group (RMG), a working group made up of Officers from across the Council, each with a key role in the management of specific risks or specialist technical knowledge across a range of areas.

The RMG will work closely with other teams involved with the identification and mitigation of key risks and use/share information wherever possible.

2. Scope
The purpose of the RMG is to provide the Council with a structured, methodical means of identifying and overseeing significant risks and their management. This is to ensure the continued operation of the Council in meeting its core objectives and mitigating against significant risks, particularly those that may be a single point of failure.

This group will bring together a summary of the work of other teams within the Council in order to provide a holistic overview of those risks and determine whether further mitigation or resources are required. This summary will then be monitored by CLT.

The RMG will liaise with risk 'owners' and managers regarding risk status and mitigating actions in order to give an overview to the organisation.

3. Leadership and Membership
The RMG is led and managed by the Head of Financial Services.

The day-to-day management of the RMG, including the maintenance of a risk register (see section 5), is the responsibility of the Risk Register Manager, currently the Corporate Health & Safety Adviser.

The core members of the group will be:

Risk Management Group Lead – Head of Financial Services
Risk Register Manager – Corporate Health & Safety Advisor
Strategy, Performance and Partnerships Manager
IT Technical Services Manager
Payments and Insurance Manager
Legal Services Property Surveyor
Legal Services Manager
Contracts Manager
Principal Engineer
Human Resources Manager
Auditor

On occasion it is likely that others will be invited to the RMG meetings, particularly if they own a specific risk or are assisting in the management of a current issue.

4. Meetings and Minutes
Meetings will be organised by the Risk Register Manager and take place quarterly – at the key times indicated in the table at the end of this document.

In the case where Officers/representatives are unable to attend, a substitute representative must attend in their place wherever possible.

Minutes from each meeting will be circulated amongst the group, stored on SharePoint for all members to access, made available to Directors and will be retained by the Risk Register Manager.

5. Method

Risk Recording

In order to ensure that key risks are assessed, managed and recorded appropriately, a risk register will be updated and maintained for the Council by the RMG.

In order that matters can be prioritised, this register will be split into three parts. Risks that are 'corporate', 'operational' or 'strategic' in nature can be located in any part of these registers, their location is based solely upon the risk they pose to the organisation, as follows:

I. **Primary Risk Register**
    This contains the key risks to the Council that are generally considered as current issues or of high significance in terms of risk.

    It is likely to contain risks such as those that by virtue of the severity of the potential outcome and/or inadequate controls may be considered a single point of failure for the Council, or those that are newly identified and have little or no mitigation or controls in place.

    Once satisfactory mitigation is in place and ongoing controls are well established it is possible to move risks into the secondary risk register.

    All entries on the primary risk register will be discussed and reviewed by the RMG at each meeting.

II. Secondary Risk Register

This contains risks that are key to the organisation in terms of the potential severity of the outcome, but that in general are managed, have established controls or mitigation in place, or are long term in nature e.g. new and emerging risks highlighted during horizon scanning that are not yet considered a single point of failure.

These risks may not be considered as priority issues in terms of risk, but will require ongoing operational oversight. To keep the register current and of value it is important that lower risks such as those that are now deemed irrelevant, or those that are wholly managed to a satisfactory level in day to day operations do not remain on the register and are archived.

Each entry on the secondary risk register will be discussed and reviewed by the RMG at least once each financial year.

III. Archived Risk Register

All risks removed from parts I or II of the register will be stored in part III. These risk register entries will be retained to demonstrate a complete picture of the risks identified and managed by Rushmoor, including those wholly managed or not considered current. This may be required to demonstrate compliance at a later date and may be required again should the risk entries again be considered current.

This register will not be reviewed routinely by the RMG but the Risk Register Manager will maintain it.

To ensure that the role of the risk management group does not fall disproportionately upon any one member of the RMG, each risk area identified will have a 'risk lead' from the group assigned to it and identified within the register. This will allow any additional work, including that which must take place outside of the group meetings directly with the risk 'owner/manager', to take place.

To ensure independence under review, the risk lead may have some knowledge of the area being scrutinised, but will not be the risk owner or line managed by the risk owner.

An appropriate method of version control will be kept to ensure that the most up to date register is in use and that older versions of the register remain accessible.

Risk Identification

Risks will be identified by a number of methods, including:

- PESTLE analysis

A PESTLE is a strategic analysis tool used to identify and analyse the current status and position of an organisation and the environment in which it operates. The PESTLE analysis is used to provide a context for the organisation's role in relation to the external environment and the impact of external issues. It covers Political, Economic, Social, Technological, Legal and Environmental factors.

This analysis is currently carried out by the Strategy, Performance and Partnerships team as part of the business planning process for the Council.

- Business Planning

Heads of Service will identify any threats to their service during the business planning process, including ongoing issues and new and emerging threats.

- Audit

Risk identification and analysis work takes place routinely within the Councils' Audit team. As an RMG member, any new/emerging or increased risks can be brought to the attention of the group immediately.

- Horizon Scanning – new and emerging risks

In order to ensure that the Council remains fit to operate the Corporate Health & Safety Adviser will ensure that industry publications are reviewed to identify any new and emerging risks that may affect the Council. Such publications will include:

I. Allianz Risk Barometer: Top Business Risks (annual)
II. Hampshire County Council: Community Risk Register
III. Cabinet Office: National Risk Register of Civil Emergencies
IV. World Economic Forum: The Global Risks Report (annual)

Any risks that are significant to the Council will be discussed by the RMG and added to the register if appropriate.

Risk Assessment

Each risk will be assessed and given a risk category based upon the probability of the risk actually arising and the impact on the Council if a risk does actually arise. This will allow for the prioritisation of resources.

A traffic light indicator is used to show the risk category. A risk matrix is contained within the register to provide guidance on assessing probability and impact.

Three assessments of risk category are needed:

- Risk category before mitigation – an assessment of the risk happening and its impact if no action is taken.

- Risk category after existing mitigation – an assessment of the risk happening and its impact, taking into account existing actions aimed at reducing the risk.

- Target risk category – where we aim to be at the end of the process.

If, after existing mitigation, we think the risk status is acceptable then the risk should be tolerated; there is nothing more to do. However, if the status remains unacceptable we must identify further mitigating actions.

Risk Mitigation Methods

There are various options for dealing with risk, often referred to as the four Ts:

- **Tolerate** – if we cannot reduce a risk (or if doing so is out of proportion to the risk) we can tolerate the risk; ie do nothing further to reduce the risk.

- **Treat** – if we can reduce the risk by identifying mitigating actions and implementing them, we should do so. For many of the risks on the corporate risk register this is what we are likely to do.

- **Transfer** –risks can be transferred to other organisations, for example by use of insurance, shared services with other Authorities or by contracting out an area of work.

- **Terminate** – this applies to risks we cannot mitigate other than by not doing work in that specific area. If a particular project is very high risk and these risks cannot be mitigated we may decide to terminate the project.

It is important to note that the Council's appetite to risk may vary over time and by work area, in some circumstances risk may be sought out for gain e.g. enterprise risk, property portfolio expansion etc.

6. Governance and Targets

The Head of Financial Services will report the risk register to CLT every six months to ensure Heads of Service and Directors remain aware of the key risks to the Council and the measures being put in place.

This register does not form part of the line management process for mitigation works, but as a method of collating the key risks/information in one place.

The Head of Financial Services will report the risk register annually to elected members via the Corporate Services Scrutiny Panel and the Licenses and General Purposes Committee.

The risk management process is cyclical, running on an annual cycle to complement the existing processes in place, particular those that also identify risk and effect resources – e.g. the business planning process. It is key that these processes work together to produce the greatest benefit for the Council.

The table below illustrates the approximate annual cycle of work and the key times for each part of the risk management process:

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
RMG Process	**RMG Meeting** RMG begins risk ID and horizon scanning process	RMG Report to L&GP		**RMG Meeting** RMG feeds risk register into business planning process			**RMG Meeting**			**RMG Meeting** RMG reviews and updates risk register based on risks in BPs and PESTLE RMG Report to L&GP		
Business Planning (BP) Process	New BPs and budgets in place for financial year	.				BP process for following year begins: PESTLE analysis takes place				PESTLE analysis and key risks identified in BP process provided to RMG	Budget approval provided for following year BPs	
L&GP Cycle	L&GP Committee meeting	L&GP Committee meeting	L&GP Committee meeting			L&GP Committee meeting		L&GP Committee meeting		L&GP Committee meeting	.	
Audit Cycle		Audit Opinion presented to CLT & L&GP. Risks to the organisation considered Provided to RMG	Audit work for the next quarter set New and emerging risks considered			Audit work for the next quarter set New and emerging risks considered			Audit work for the next quarter set New and emerging risks considered		Annual audit plan set	Audit work for the next quarter set New and emerging risks considered