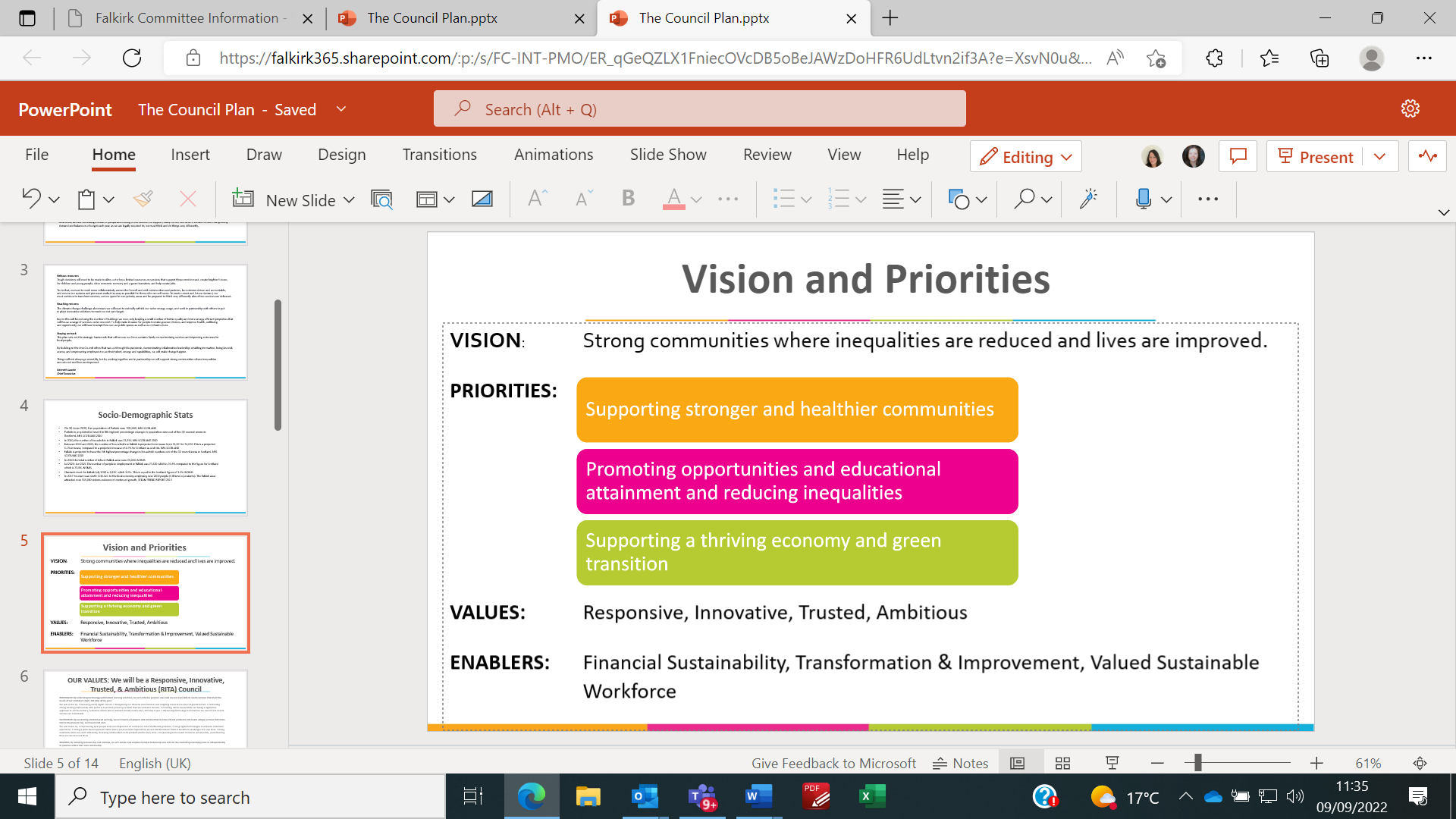
****

**RISK MANAGEMENT ASSURANCE POLICY AND FRAMEWORK**

**This is the version considered by Audit Committee in October 2022.**

**Next Review in 2025.**



**Contents**

1. POLICY STATEMENT 3

2. APPROACH TO RISK MANAGEMENT, ASSURANCE, AND RISK REPORTING 4

2.1 Risk Management Process – Adapted from ISO31000. 4

2.2 Risk Management Reporting Framework 5

2.3 Risk Management Assurance Framework (3 lines of defence) 6

3. ROLES AND RESPONSIBILITIES 7

3.1 Responsibilities – Elected Members and Committees

Council – All Elected Members

Executive

Audit Committee

Portfolio Holders

3.2 Responsibilities – Officers and Employees 8

Chief Executive

Director of Transformation, Corporate, and Community Services

Corporate Management Team

Directors and Service Management Teams (Chief Officers and Heads of)

Corporate Risk Management Group (CRMG)

Service Managers

All Employees

Corporate Risk Co-Ordinator

Internal Audit, Risk, and Corporate Fraud Manager

3.3 Responsibilities – Statutory Officers 10

Chief Governance Officer (CGO) / Monitoring Officer

Chief Financial Officer (CFO)

Chief Social Work Officer (CSWO)

4. RISK MANAGEMENT TRAINING AND GUIDANCE 11

5. OTHER RISK MANAGEMENT STRATEGIES / POLICIES / GUIDANCE 11

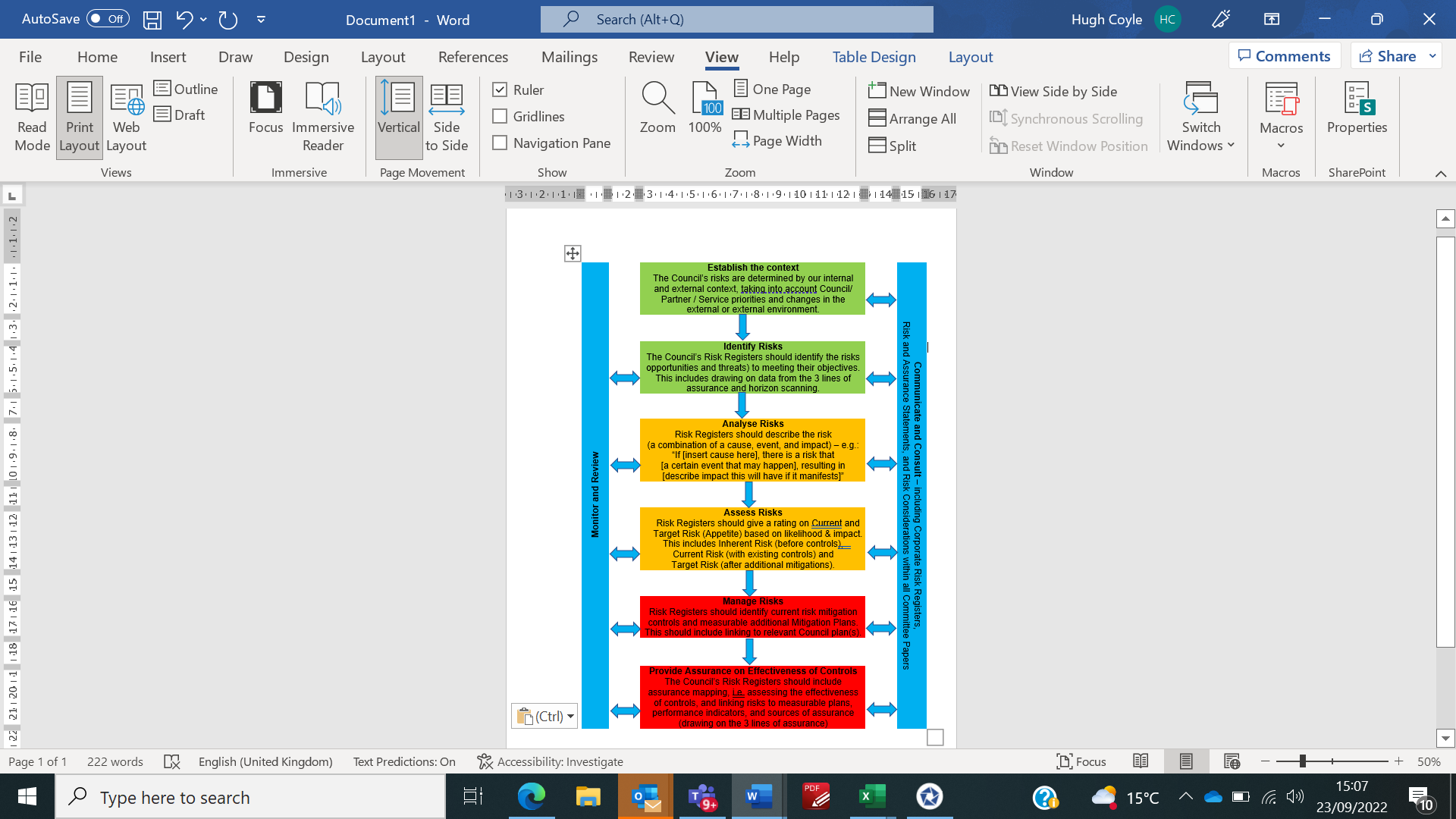
# POLICY STATEMENT

* 1. This policy sets out the approach to managing, reporting, and providing assurance on risks across the Council. Risk means an **uncertainty**, which has a **possibility** of resulting in positive or negative consequences for the Council. It may affect the achievement of policies, plans, or outcomes. This includes managing risks to achieving the Falkirk Plan and Council Plan (both available on [Falkirk Performs](https://www.google.com/url?client=internal-element-cse&cx=010823103390832493209:10igtw89teq&q=https://www.falkirk.gov.uk/services/council-democracy/budgets-spending-performance/falkirk-performs/&sa=U&ved=2ahUKEwiEr4eA3bn5AhXOgM4BHfozCm0QFnoECAEQAQ&usg=AOvVaw1VMzUiO-138qvgMYSAjI0j)).
  2. This policy also sets out the approach to embedding risk across the Council. This includes integrating risk management into planning and performance reviews (including horizon scanning for new risks and opportunities when developing or reviewing plans), and assurance reviews (including self-assessment and audits).
  3. The Council’s approach to managing and reporting risk should be transparent and consistent with our risk appetite and values (RITA – Responsive, Innovate, Trusted, and Ambitious).
  4. The Council encourages decision makers to be ‘risk aware’ rather than ‘risk averse’. This means that risk is not a bad thing and does not need to be avoided – it means that it should be considered and inform decisions made on risks v benefits.
  5. The Council will support employees, communities, and partners who take opportunities - where the risks are considered, reasonable controls are in place to mitigate risks and maximise opportunities; and decisions are proportionately documented, monitored, and reviewed. The Council also aims to adopt a ‘just culture’. This term recognises the importance of being open, transparent, and seeking to learn lessons – and it balances risk and accountable**[[1]](#footnote-1)**.
  6. The Council recognised that the key benefits of risk management are:
* improved communication and understanding of risk – leading to better identification of opportunities and mitigation of risks and issues;
* more resilient Services and communities – supporting the achievement of our Communities priorities (which are set out in the Falkirk Plan) and our Council’s priorities (set out in the Council Plan); and
* better evidence to support risk-based decisions - leading to improved assurance results, including self-assessments, audit, and inspection results.

# APPROACH TO RISK MANAGEMENT, ASSURANCE, AND RISK REPORTING

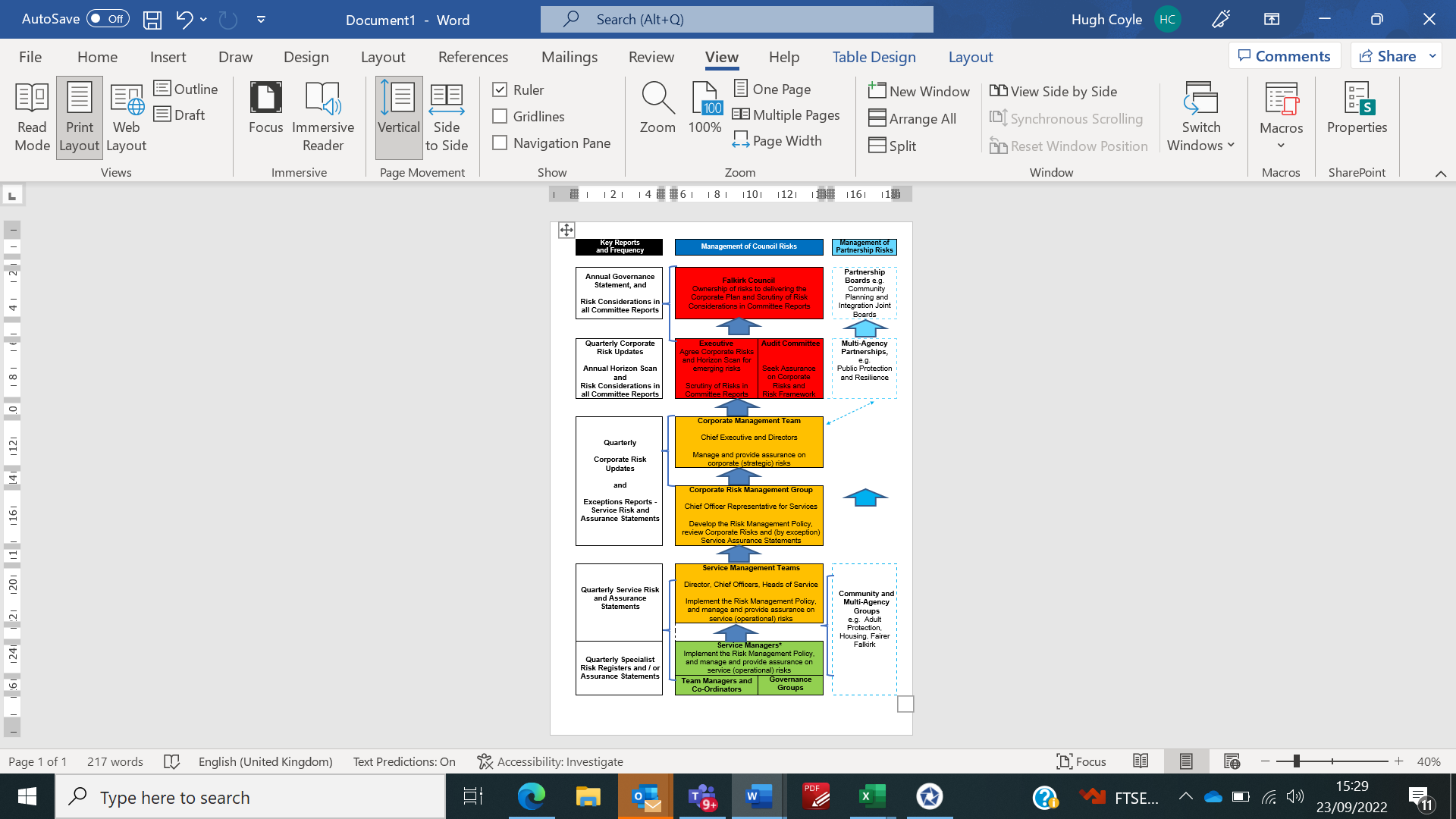
### Risk Management Process – Adapted from ISO31000.

The diagram below summarises the whole process and cycle of risk management (adapted from ISO 31000). The shows that risk management is a dynamic process, with frequent reviews of existing risks and horizon scanning for emerging and rising risks to ensure the risks captured in risk reports represent the current risk profile.



### Risk Management Reporting Framework

The diagram below summarises how risks are reported at different levels of the Council, and how Council risks feed into those of key partners. This shows that the Council manage risks in a complex environment, where responsibility for managing risk is shared with community and multi-agency partners rather than just the Council.

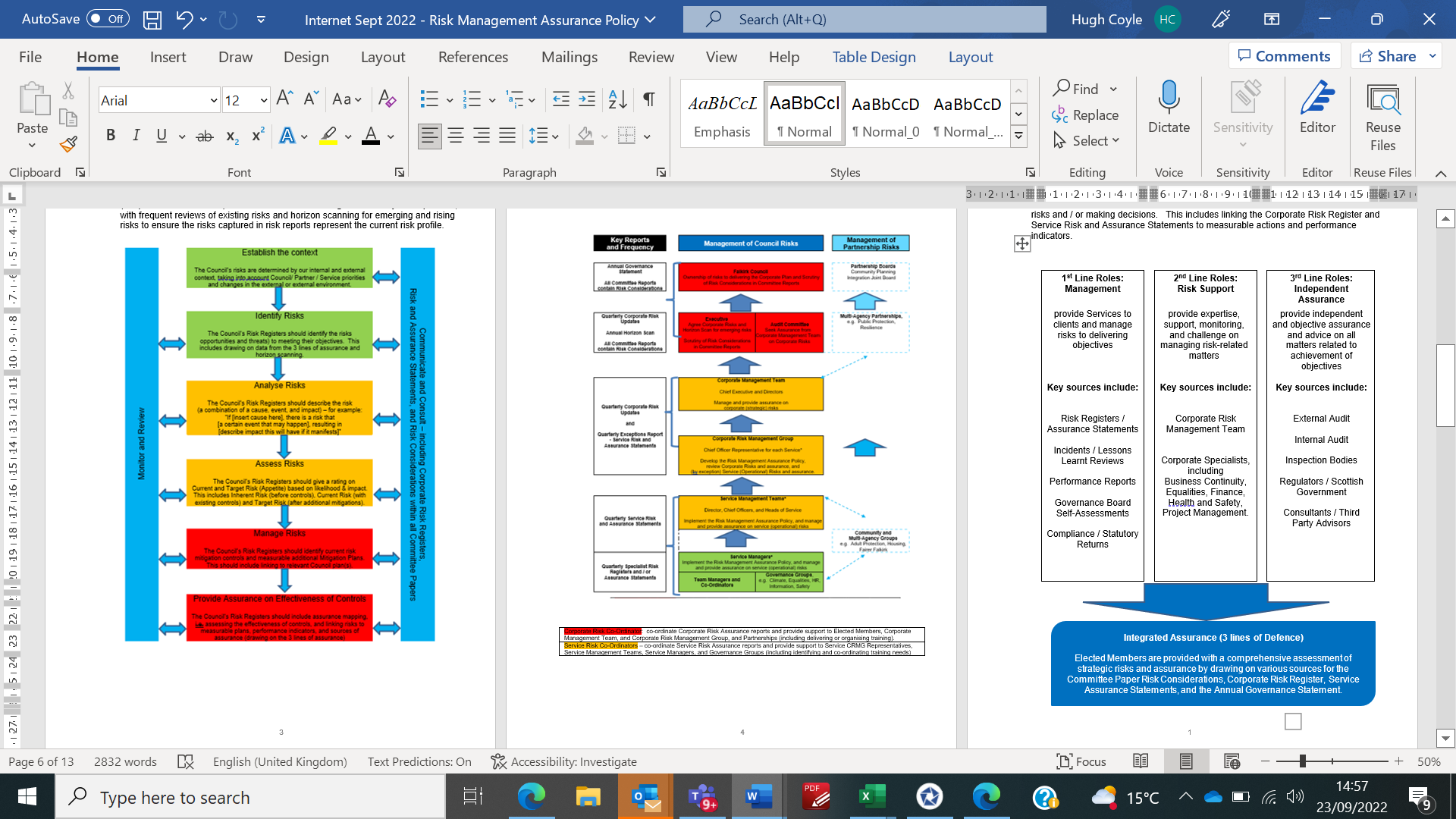


|  |
| --- |
| Corporate Risk Co-Ordinator: co-ordinate Corporate Risk Assurance reports and provide support to Elected Members, Corporate Management Team, and Corporate Risk Management Group, and Partnerships (including delivering or organising training). |
| Service Risk Co-Ordinators – co-ordinate Service Risk Assurance reports and provide support to Service CRMG Representatives, Service Management Teams, Service Managers, and Governance Groups (including identifying and co-ordinating training needs) |

# 

### Risk Management Assurance Framework (3 lines of defence)

CMT and Service Management Teams (including Directors, Chief Officers, and Heads of Service) need to ensure that all corporate and service risk and assurance reports capture all risks, action plans, and assurance sources relating to all 3 lines of defence below – so that Elected Members are provided with a comprehensive assessment when reviewing risks and / or making decisions. This includes linking the Corporate Risk Register and Service Risk and Assurance Statements to measurable actions and performance indicators.



# ROLES AND RESPONSIBILITIES

# Responsibilities – Elected Members and Committees

|  |
| --- |
| Council – All Elected Members |

CIPFA / SOLACE Guidance Delivering Good Governance in Local Government2016 states that risk management is an integral part of all activities and must be considered in all aspects of decision making. Risks should be included in all committee papers, where appropriate. Members should, therefore:

* gain a broad understanding of risk management and its benefits;
* requireOfficers to develop and implement an effective framework for risk management, and report significant risks on a regular basis;
* challengeOfficers to ensure risks are considered and recorded in reports; and
* formally consider risks at the start, and throughout the life, of projects.

|  |
| --- |
| Executive |

The Executive (or Education, Children, and Young People Executive, where appropriate) is responsible for:

* periodically reviewing and approving this Policy;
* review and agree the Council’s High Corporate (Strategic) Risks, i.e. those that may impact on delivery of the Council Plan and Business Plan;
* horizon scanning (with CMT) for new and emerging risks (at least annually; and
* review and seek assurance on the framework of risk management, governance and control – including Target Risk (Appetite) and Risk Management Actions/ Plans.

|  |
| --- |
| Audit Committee |

The Audit Committee’s Terms of Reference require it to:

* review and seek assurance on the framework of risk management, governance and control – including Target Risk (Appetite) and Risk Management Actions/ Plans;
* review, and seek assurance on, the system of internal financial control;
* review Assurance Statements to ensure they properly reflect the risk environment;
* produce an annual report to Council on the findings of the assurance reviews above;
* take account of the implications of publications detailing best practice for audit, risk management, governance, and control; and
* take account of recommendations within the relevant reports / minutes of the External Auditor, the Scottish Parliament, and other external scrutiny agencies.

|  |
| --- |
| Portfolio Holders |

Portfolio Holders are Councillors who have been allocated specific areas of responsibility. The remit of each Portfolio Holder is set out within the Council’s Standing Orders, which are published on [www.falkirk.gov.uk](http://www.falkirk.gov.uk). Portfolio Holders are assigned to each corporate risks and they are expected to exercise political leadership functions in relation to the monitoring, scrutiny, and assurance on the risks within their remit.

# Responsibilities – Officers and Employees

|  |
| --- |
| Chief Executive |

The Chief Executive has overall accountability for the Risk Management Assurance Policy and Framework, and for ensuring that effective arrangements are in place to manage risk.

|  |
| --- |
| Director of Transformation, Corporate, and Community Services |

The Director of Transformation, Corporate, and Community Services is responsible for overseeing the implementation and effectiveness of this Policy; and for raising risk related matters with Corporate Management Team, Audit Committee, and Executive. This includes providing Risk Management Assurance Updates to CMT, Audit Committee, and Executive (at least Quarterly). The Director has delegated oversight and reporting on the effectiveness of risk management to the Chief Finance Officer.

|  |
| --- |
| Corporate Management Team |

Corporate Management Team (CMT) are responsible for embedding this Policy – including:

* ensuring that relevant Risk Considerations are captured in all Committee Reports;
* contributing to annual reviews horizon scanning reviews (to deliver of the Corporate Plan);
* scrutinising updates from Corporate Risk Management – including ensuring that risks are identified, assessed, and reported via the quarterly reports below:
  + the Corporate Risk Register (including High and Medium Risks);
  + Risk Management Action Plans;
  + Service Risk and Assurance Statements – Exception Reports; and
  + Governance Group Annual Self-Assessments.

|  |
| --- |
| Directors and Service Management Teams (Chief Officers and Heads of Service) |

Directors and SMTs are responsible for embedding this Policy – including ensuring that:

* relevant Risk Considerations are captured in all Committee Reports;
* the Corporate Risk Register and Service Assurance Statements are regularly updated and feeding significant updates into their CRMG Representative to ensure they are captured in quarterly corporate risk reports to CMT, Audit Committee, and Executive;
* Governance Groups operate in line with their agreed Terms of Reference and provide CRMG with an annual self-assessment of their remit and effectiveness; and
* employees’ risk training needs are assessed (at least annually) and met.

|  |
| --- |
| Corporate Risk Management Group (CRMG) |

CRMG is chaired by the Chief Finance Officer and has a Chief Officer representative for each Service. CRMG are responsible for embedding this Policy within Services; and reviewing and providing assurance on it’s effectiveness. CRMG should ensure that:

* Service Risk Management arrangements are ‘owned’ by Services;
* the Corporate Risk Register and Service Assurance Statements are regularly updated by Service Management Teams and accurately reflect the current position, prior to reporting to CMT, Audit Committee and Executive;
* the Risk Management Action Plan is monitored and delivered;
* risk is integrated with decision making, transformational change, and performance;
* there is a clear escalation of risks through Managers, SMTs, CMT, and Members;
* the Council’s risk and assurance arrangements are proportionate and effective.

|  |
| --- |
| Service Managers |

Service Managers should continuously identify, assess, and monitor risks; provide assurance; and feed into the SMT reviews above. In particular, Service Managers should maintain their sections of the Corporate Risk Register and Service Risk and Assurance Statements. They should also ensure that employees risk management training needs are assessed and met.

|  |
| --- |
| All Employees |

Risk management should be integrated into daily activities of all staff and Elected Members. Individuals have a responsibility to make every effort to:

* understand the risks that relate to their role(s);
* be involved in risk assessments related to their role(s);
* be aware of situations which place them and others at risk of harm;
* take steps to mitigate risks, including following all Council policies, guidance, and professional standards; and
* report any concerns (including issues, risks, near misses, and incidents) to their manager promptly, so that these can be addressed and, if necessary, lessons learnt.

|  |
| --- |
| Corporate Risk Co-Ordinator |

The Corporate Risk Co-Ordinator should:

* provide support and challenge to Services on the implementation of this Policy;
* provide support to Partners (as required) on the implementation of their Risk Management Policies (including the Falkirk Health and Social Care Partnership);
* co-ordinate CRMG activities – including agendas and monitoring progress on actions;
* prepare Risk Management Assurance Updates for CRMG, CMT, Audit Committee, and Executive (at least quarterly – including the reports outlined previously);
* co-ordinate Corporate Risk Training for Officers and Elected Members;
* continuously review and adopt relevant good risk management practice and guidance;
* co-ordinate Risk Management Assurance Self-Assessments (at least 2 yearly);
* co-ordinate Risk Management Assurance Internal Audits (at least 3 yearly); and
* continuously review relevant good risk management practice andguidance; and incorporate this into reviews of this Policy and Risk Guidance (at least annually).

|  |
| --- |
| Internal Audit, Risk, and Corporate Fraud Manager |

The Internal Audit, Risk, and Corporate Fraud Manager is responsible for developing and completing an Annual Risk Based Internal Audit Plan. The aim is to provide assurance on the Council’s arrangements for risk management, governance, and control.

# Responsibilities – Statutory Officers

In summary, Statutory Officers have specific duties as set out in legislation and discharge these roles as part of their wider responsibilities within the Council. They have an important, independent, role in promoting and enforcing good governance and for making sure the Council complies with legislation. Statutory Officers’ responsibilities include highlighting where a Council Policy may break the law or breach Financial Regulations. These Officers must have direct and regular access to the Chief Executive, Elected Members, and other Senior Officers.

In addition to these roles, several other Chief Officers have responsibility for implementation, compliance, and monitoring of statutory duties – including planning, roads and bridges, fleet, and information governance duties.  Their roles are set out within relevant job descriptions and Council strategies, policies, or Executive reports.

|  |
| --- |
| Chief Governance Officer (CGO) / Monitoring Officer |

The Local Government and Housing Act 1989 (Section 5) established this role. The Monitoring Officer is required to prepare a report for the consideration of the full Council if they believe that any proposal, decision, or omission by the Council, or by any Committee or sub-Committee, contravenes any legislation or code of practice.

|  |
| --- |
| Chief Financial Officer (CFO) |

The Local Government (Scotland) Act 1973 established this role, and Section 95 statesthat ‘Every local authority shall make arrangements for the proper administration of their financial affairs, and shall secure that the proper officer of the authority has responsibility for the administration of those affairs.’ In addition, CIPFA sets out the following risk principles:

* Principle 1:The CFO should contribute to the effective corporate management of the authority, including strategy implementation, cross-organisational issues, integrated business and resource planning, risk management, and performance management; and
* Principle 2: The CFO must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities, and risks are fully considered, and alignment with the authority’s overall financial strategy.

|  |
| --- |
| Chief Social Work Officer (CSWO) |

The Social Work (Scotland) Act 1968 established the role of the Chief Social Work Officer (CSWO). It is focused on the provision of effective professional advice and guidance to Local Authorities, Integration Joint Boards, Elected Members and Officers in the provision of social work services whether directly provided or commissioned. There is a statutory requirement for all Local Authorities to appoint a professionally qualified CSWO who is registered with the Scottish Social Service Council (SSSC).  The role assists the Council and the Integration Joint Board to understand the responsibilities and the complexities involved in the delivery of Social Work services.  The CSWO has key responsibility for performance management and the identification and management of corporate risk, as it relates to the delivery of social work services.  The CSWO is required to ensure that all social services workers meet the requirements of the SSSC Codes of Practice.

# RISK MANAGEMENT TRAINING AND GUIDANCE

* 1. All Employees (at Team Leader or Co-ordinator and above) and Elected Members should complete the following risk management training (on induction and at least 3 yearly):
* Risk Management Principles – E-Learning Course – takes around 30 minutes; and
* Risk Management Training relevant to their specialism (as part of wider training).
  1. This policy is supported by a range of guidance (which will be accessible on the risk management section of the employee pages of the Council’s internet). All guidance will be approved by Corporate Risk Management Group.
  2. Chief Officers are responsible for ensuring the above training is completed, and that a Service Risk Management Training Needs Assessment is completed (at least annually) and monitored as part of Service Risk and Assurance Statements. This includes embedding risk management into professional and vocational training. For example, risk should be part of Inductions, Leadership Development Programmes, Teachers’ Development Programmes. Also, Social Work colleagues should complete the [**Scotland’s Social Services Council course called** “**a Risk Worth Taking**](https://learn.sssc.uk.com/risk/)?”. This aims to provide the confidence and skills to balance risk and enablement decisions.
  3. The Corporate Risk Co-Ordinator (and / or other Risk Specialists) can support Services with Training Needs Assessments and development or delivery of relevant risk training. This will be in a format that is the most suitable to the audience.

# OTHER RISK MANAGEMENT STRATEGIES / POLICIES / GUIDANCE

* 1. Separate and specific risk management strategies, policies, guidance, and risk registers may also be in place for key risk subjects and partnerships. This includes, for example:
* Asset Management and Capital Planning
* Budgeting
* Health and Safety
* Large-Scale Investment projects
* Public Protection
* Transformational Change
* Business Continuity and Resilience (links to Resilience Partnerships)
* Health & Social Care Partnership (links to NHS and other Partnerships)
  1. The Chief Officer who leads on each of the above risk subjects should ensure that they are regularly reviewed and approved by CMT and relevant Committees. And they should also ensure that the strategy / policy/ guidance is consistent with the Risk Management Assurance Policy and Framework and associated Risk Guidance (except where specific exceptions have been agreed by the Council’s Executive and Partnership Boards).

1. The NHS describe a ‘Just Culture’ as “The fair treatment of staff supports a culture of fairness, openness and learning organisation by making staff feel confident to speak up when things go wrong, rather than fearing blame. [Further info here](https://improvement.nhs.uk/resources/just-culture-guide/). [↑](#footnote-ref-1)