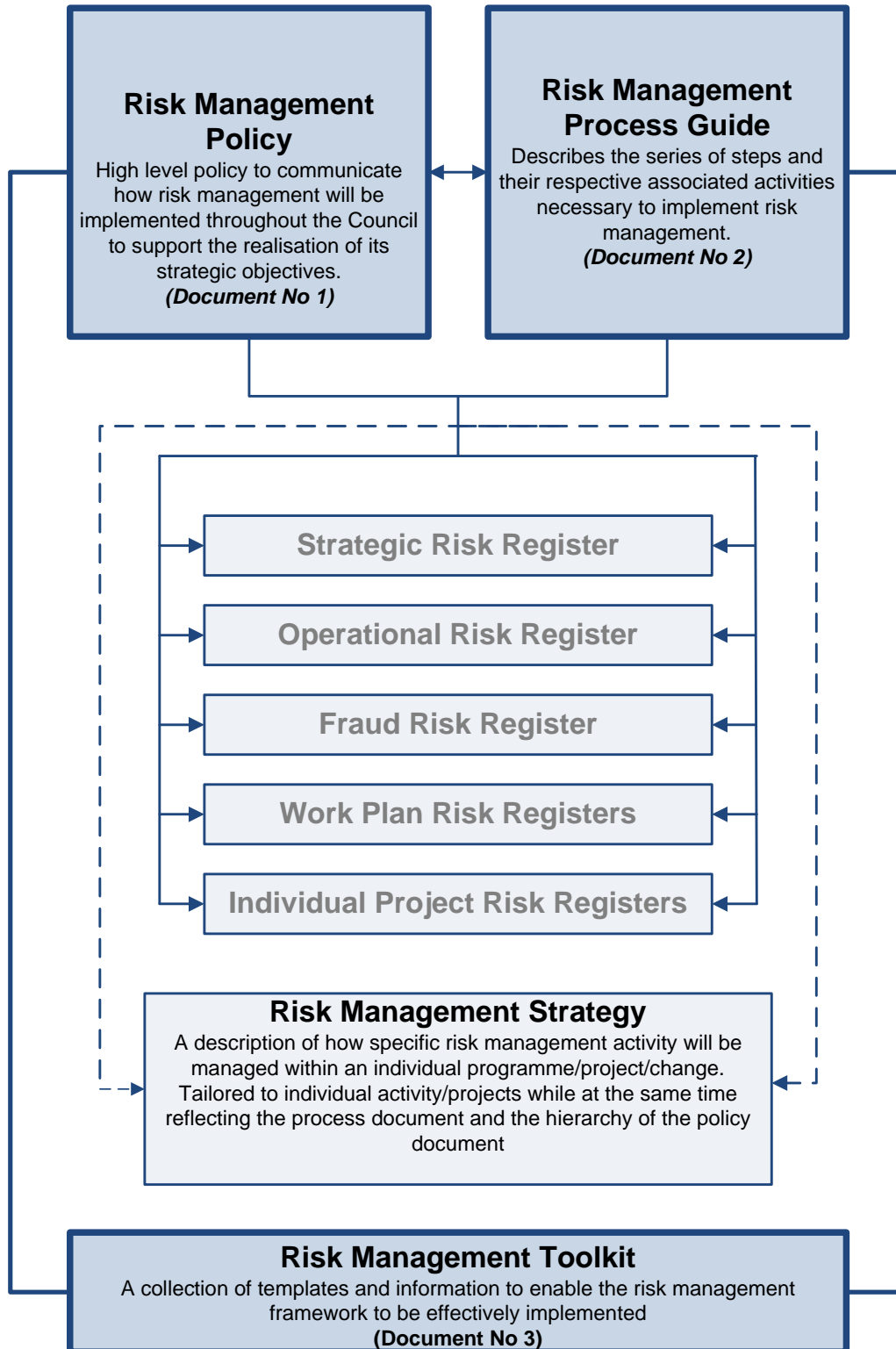




RISK MANAGEMENT FRAMEWORK



Risk Management Policy

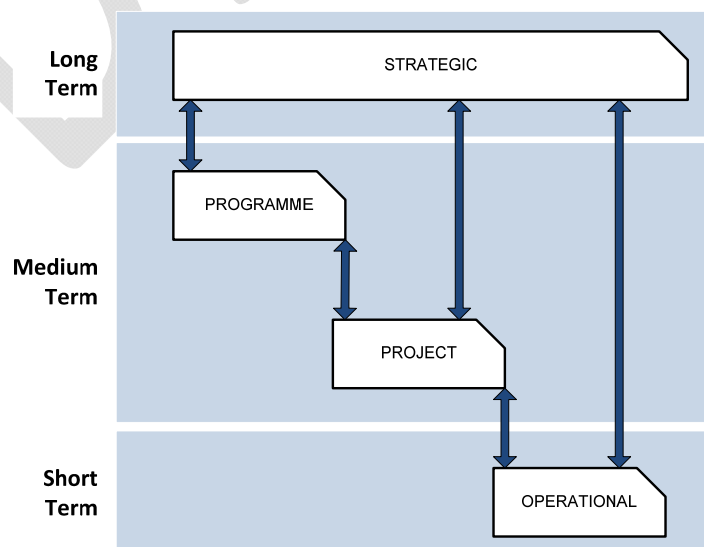
Covalent
Management
Strategic
Strategy
Framework
Inherent
Residual
Risk
Toolkit
Policy

1. Introduction

- 1.1. Doncaster Council recognises that risk management is an integral part of good governance and management practice. Managing our risks effectively contributes to the delivery of the strategic and operational objectives of the authority.
- 1.2. The objective of this policy is to embed risk management within our planning and business processes and into our organisational culture, creating an environment in which we can successfully meet our objectives and achieve continuous improvement in service delivery. Our risk management policy is designed to provide structure and guidance to support our organisation, and the individuals within it, to take positive risks in an informed way.
- 1.3. This Policy the key guiding principles to show how risk management will be implemented throughout the Council. It should be viewed in conjunction with the Risk Management Process Guide, a step by step approach that supports a consistent method to deliver effective risk management.
- 1.4. The Council works with a wide range of partner organisations with varying standards of governance. The risk management policy specifically requires the identification of risks in relation to partnerships and provides for assurances to be obtained about the management of those risks. It is important to ensure that all partners have satisfactory standards to ensure that partnership working does not expose The Council to unforeseen risk.

2. When to Implement Risk Management

- 2.1 Risk Management should be most rigorously applied where critical decisions are being made. Decisions about risk will vary depending on whether the risk relates to long, medium or short-term goals. Strategic decisions are primarily concerned with long-term goals, medium-term goals are usually addressed through programmes and projects to bring about business change and short-term goals usually ensure on-going continuity of business services. This approach is shown in the diagram below.



3. Approach for Managing Risks

- We will promote a risk management culture throughout the organisation and with our partners.
- Our risk management processes will be simple and will prioritise and focus on risks that are significant in relation to the Council's objectives.
- Risk Management will be linked to and inform decision making across the council.
- The risk management process that requires identification of strategic and operational risks, assessment of the risks for likelihood and impact, identification of mitigating controls and allocation of responsibility for the mitigating controls, will be adopted throughout the organisation.
- We will provide appropriate training and guidance for Council members and staff so they can carry out their roles to ensure the benefits of good corporate governance are realised and we will seek to raise awareness within The Council and partner organisations of the need to identify and manage risks.
- Our approach will be pragmatic. We will incorporate the principles of effective risk management into existing planning and management processes to achieve a degree of formality and consistency.
- We will ensure that roles and responsibility for specific risks are clearly identified.
- We will seek to create a culture of openness so that potential problems can be identified and reported to senior management early to allow risk prevention or recovery measures to be taken.
- A risk profile will be developed for all key projects, partnerships and major contracts in line with this policy and the risk Management Process Guide.
- We will develop mechanisms to allow us to learn from our mistakes by investigating when things go wrong and communicating the lessons across the organisation to assist in improving our risk management processes.
- We will consult throughout The Council and regularly review the effectiveness of our risk management systems.
- We will require our Corporate Internal Audit Service to audit our Risk Management Processes, including risk identification, risk appetite, evaluation of risks, how well The Council manages and monitors risk and the effectiveness of control strategies.

4. Attitude to risk

- 4.1. In order for The Council to achieve its objectives some amount of risk taking is inevitable. By being 'risk aware' The Council can identify and avoid threats and take advantage of opportunities.
- 4.2. In an organisation as diverse as The Council, it is impossible to define a single risk appetite, i.e. the amount of risk an organisation is prepared to accept, tolerate or be exposed to at any point in time, that would suit every circumstance in every service and which is in line with all partner organisations' arrangements.
- 4.3. The Council may accept major or critical risks that cannot be reduced or eliminated, providing all relevant information is recorded on Covalent and is subject to regular review in line with the tolerance guide.

5. Roles and Responsibilities

- 5.1. Clear roles of responsibility have been established to ensure the successful implementation of the Councils Risk Management Policy. These roles are outlined in the Risk Management Process Guide.
- 5.2. An Elected Member and a Chief Officer are appointed as Risk Champions to work closely with the Corporate Policy and Performance Team to embed risk and achieve continuous improvement.

6. Monitoring, Reviewing & Reporting Risks

- 6.1. The Covalent Performance Management System will be used to record, monitor and report on all risk registers and progress against all mitigating actions.
- 6.2. Reviewing the progress and mitigating actions against the operational and strategic risk registers is embedded in the quarterly performance challenge process. All risks linked to the priorities within the Council Plan will be contained within the quarterly performance report and strategic risks will be reported as an individual appendix. The quarterly challenge process will inform the contents of reports to Director meeting, Executive Board, Cabinet and Overview and Scrutiny Management Committee. The quarterly Strategic Risk update will also be presented at Audit Committee.
- 6.3. Strategic risks will be monitored at corporate level and operational risks will be monitored and reviewed at directorate level. Risks may be promoted and demoted as part of the quarterly performance challenge process or at any Directors Meeting. This will allow the Council to effectively react to changes in priorities.

7. Review

- 7.1. The Risk Management Policy will be reviewed on an annual basis to incorporate lessons learned and to continually improve our risk management arrangements.

----- Jo Miller Chief Executive	----- Date
----- Howard Monk – Corporate Risk Champion	----- Date
----- Cllr Barry Johnson – Members Risk Champion	----- Date

ⁱ A Glossary of Terms is provided in the Risk Management Process Guide on page 15.

Risk Management Process Guide



Contents

1.	Introduction	Page 2
2.	Risk Management Approach	page 3
3.	Identify	page 4
4.	Asses	page 6
5.	Plan	page 8
6.	Implement	page 10
7.	Communicate	page 12
8.	Embed & Review	page 13
9.	Performance Management	page 14
10.	Corporate Governance	page 15
11.	Information Governance	Page 15
12.	Project, Contracts and Partners	page 16
13.	Advice, Guidance and Training	page 17
14.	Glossary of Terms	page 18
15.	Sources of Reference and Guidance	page 19

1. INTRODUCTION

The Risk Management Process Guide is a step by step approach to show how the Council supports a consistent method to deliver effective risk management. This guide should be viewed in conjunction with the Risk Management Policy, the key guiding principles that show how risk management is implemented throughout the Council, and the Risk Management Toolkit, a collection of templates and information to enable the Risk Management Framework to be effectively implemented.

The information contained within this guide will introduce you to the concept of Risk Management, explain the general principles of Risk Management and clarify the approach and ownership of Risk Management within Doncaster Council.

This guide highlights how risk management can be approached by each service area within the Council, and provides guidance on completing the individual stages of the risk management process to help you to identify, assess, control and review risks.

Risk is an uncertain event, or set of events that, should it occur will have an effect on the achievement of objectives.

Risk Management is the process by which we identify, evaluate and manage risks.

Risk Management should be viewed as a positive and enabling process, that if embraced, can help an organisation to achieve positive outcomes from the decisions it makes. All too often, risk management can become a process of identifying the negatives of why a decision or action/opportunity should not be taken; this leads to opportunities not being pursued.

Risk management is not a process of completely avoiding risk, but more a process, that if used effectively, can help the Council to pursue innovative opportunities with higher level of risk because exposure to risk is understood and managed down to acceptable levels.

Every organisation manages risk but not always in a way that is visible, repeatable and consistently applied throughout the organisation. A risk management process tries to ensure that the organisation undertakes cost-effective actions to manage and control risk to acceptable levels through everyone following a well-defined and structured process. The aim of risk management is to enable better decision making by having the best understanding of the potential problems before they happen and to enable pre-emptive action to be taken.

2. RISK MANAGEMENT APPROACH

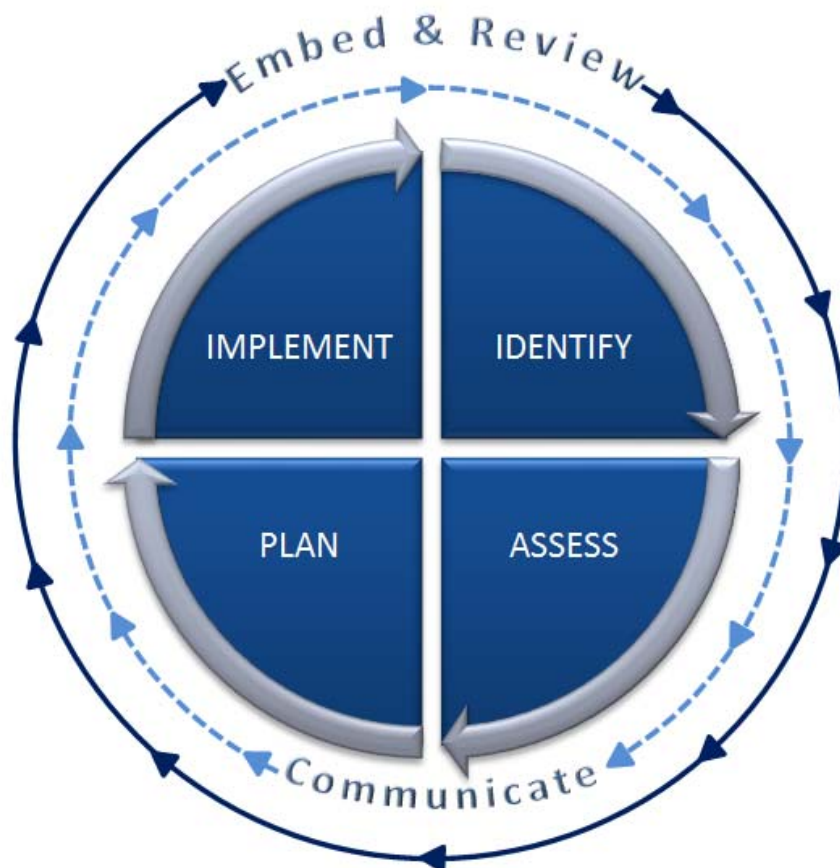
The risk management approach is based on good practice and can be applied at all levels of the organisation and beyond. It describes the key steps for identifying and managing risks within the Council.

This approach intends to promote risk management as a positive and enabling process that can bring value and benefit to each service area within Doncaster Council by helping to identify and deal with issues before they happen.

The management of risk approach is divided into four primary processes known as:

- Identify
- Asses
- Plan
- Implement

Collectively these processes form a logical sequence of steps necessary for the adoption of a robust approach to the implementation of risk management. Within each step there are a number of sequential elements and these are embedded in Doncaster Council's risk management approach. Whilst the first four steps follow in a logical sequence the communicate and review and embed activity operates through each stage.





3. IDENTIFY

The primary goal of the 'Identify' step is to identify the risks to the council that would reduce or remove the likelihood of The Council achieving its objectives whilst maximising opportunities that could lead to improved performance.

A risk is defined as 'An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives'. An opportunity is defined as 'An uncertain event that could have a favourable impact on objectives or benefits'. The starting point to identifying risks and/or opportunities is therefore clarity on what the objectives are. The Council's Priorities and key objectives are identified in the Council Plan. Objectives in Projects and/or Partnerships are identified in the initiation documents.

When describing a risk it is good practice to consider 3 key terms, cause, event and effect. The following template may be used to ensure risks are effectively identified and described.

As a result of (cause)
 There is a threat/opportunity (event)
 That could lead to(effect)

When creating a list of potential risks it is sometimes easier to focus on categories of risks. The following categories of risk have been adopted by Doncaster Council. These categories can be recorded on Covalent and allow greater opportunities when reporting risks.

- **Equipment** – this extends to the equipment utilised for the operation and conduct of the council.
- **Financial** – e.g. budgetary requirements.
- **Legal/compliance** – this category includes compliance with legal requirements such as legislation, regulations, standards, codes of practice and contractual requirements.
- **Organisational** – this relates to the internal requirements of the council, extending to the cultural, structural and people issues associated with its effective operation.
- **Reputation** – this entails the threat to the reputation of the council due to the conduct of the entity as a whole, the viability of the product or service, or the conduct of employees or other individuals associated with the council.
- **Safety** – this category includes the safety of everyone associated with the authority from individual safety, to workplace safety, public safety and to the safety and appropriateness of products and services delivered by the council.
- **Security** – this includes the overall security of council premises, assets and people and extends to security of information, intellectual property and technology.
- **Service Delivery** – this relates to the delivery of services, including the quality and appropriateness of service provided, or the manner in which the service is delivered, including customer interaction.
- **Stakeholder Management** – this category relates to the management of stakeholders, and includes identifying, establishing and maintaining an appropriate relationship. This includes both internal and external stakeholders.
- **Strategic** – this includes the planning, scoping and resourcing requirements of the establishment.

- **Fraud** – this relates to the assessment, monitoring and treatment of risks relating to fraud and corruption. There is the potential for fraud to occur within each of the categories. Therefore, the risk of the occurrence of fraud should be considered when identifying risks within each category.
- **Technology** – this includes the implementation, management, maintenance and upgrades associated with technology.

For effective risk management, it is critical that each risk has an 'owner' who is responsible for dealing with the risk, ensuring that all internal controls are working and that relevant mitigating actions are taken. The role involves regularly monitoring the risk status and adjusting risk ratings accordingly, based on current information and knowledge.

Some risks identified will already have measures in place to control the impact or likelihood of the risk occurring. To be effective these internal controls should be demonstrated by policy, procedure or practice. Controls can be classified in four ways:

- **Directive controls:** these controls are designed to ensure that a particular outcome is achieved. They are particularly important when it is critical that an undesired event should be avoided. An example of directive controls would be training staff with required skills before allowing them to work unsupervised.
- **Preventive controls:** these controls are designed to limit the possibility of an undesirable outcome being realised. The more important it is that an undesirable outcome should not arise; the more important it becomes to implement appropriate preventive controls. An example of preventive control is separation of duties (e.g. the person who authorises payment of an invoice is separate from the person who ordered the goods, thus preventing one person securing goods at public expense for their own benefit).
- **Detective controls:** These controls are designed to identify occasions when undesirable outcomes have been realised. These types of control, by definition, occur 'after the event'. An example of detective control is an asset check (this might identify assets that have been removed without authorisation).
- **Corrective control:** These controls are designed to correct undesirable outcomes, that have been realised. They provide a route of recourse to achieve some sort of recovery against loss or damage. An example of a corrective control is 'clawback' for staff who have been overpaid.

A key question is whether the existing controls are adequate or whether further controls / solutions are required to effectively manage the risk.



4. ASSESS

The primary goal in the 'Assess' step is to understand the effect of the identified treats and opportunities on the activity. In order to decide which risks are most important and merit most attention there needs to be some way of comparing risks relative to each other. Using a score to rate risks provides a quantitative basis for comparison and this can be achieved by assessing the risk along two dimensions:

- The **likelihood** (or probability) that the risk will occur.
- The **impact** (or severity) that the risk will have if it occurs.

The first evaluation should be undertaken on the 'inherent risk' i.e. the risk before any controls have been put in place. This is to ensure that all significant risks are highlighted and assurance provided that these risks are being managed. If you only assess the risk after controls have been put in place, 'residual risk', then you are assuming that the controls will always be there. The inherent and residual risk scores are calculated using the following sum - **The likelihood score x the impact score**

The impact of a risk is often considered in terms of the level of severity. Establishing a consistent approach for scoring the risk impact is more complex than likelihood as it will vary by risk category. The table below considers risks in terms of their impact from a number of perspectives. The criterion against each score is to be used as a guide and is not exhaustive. This table can be personalised by service areas to take account of their own perspectives. When using this approach if more than one perspective applies choose the column containing the more serious outcome.




IMPACT	PERSPECTIVE							
	Personal safety	Property damage	Failure to provide statutory service	Financial loss	Disruption in service (days)	Privacy infringement	Community	Embarrassment
1 = Slight				<£10k	None			
2 = Moderate	Minor injury	Minor damage to 1 property	Litigation, claim or fine £2k to £50k	£10k to £100k	1	Isolated personal detail comprised	Impact on an individual or small group	Contained within service
3 = significant	Major injury to an individual	Significant damage to small building or minor damage to several	Litigation, claim or fine £50k to £250k	£100k to £500k	2-3	Several persons details revealed	Impact on a local community	Local public or press interested
4 = Major	Major injury to several people or death of an individual	Major damage to critical building or serious damage to several properties	Litigation, claim or fine £250k to £1m or custodial sentence imposed	£500k to £1m	4-14	Several persons details comprised	Impact on several communities	National public or press interested
5 = Critical	Death of several people	Total loss of critical building	Multiple civil or criminal actions. Litigation, claim or fine above £1m	>£1m	>14	All personal details revealed / comprised	Impact on whole of the borough	Officer(s) and/or members forced to resign

Likelihood is often considered in the context of ‘what timescale the risk might occur within, or what frequency’. The table below contains descriptions for the risk event with an associated score for each descriptor to be used as a guide to promote a consistent approach.

Score	Descriptor	Description
5	Very likely	I would not be at all surprised if this happened within the next few months.
4	Likely	I think this could occur sometimes in the coming year or so.
3	Possible	I think this could maybe occur at some point, but not necessarily in the immediate future.
2	Unlikely	I would be mildly surprised if this occurred, but cannot entirely rule out the possibility.
1	Very unlikely	I would be very surprised to see this happen, but cannot entirely rule out the possibility.

The council has adopted the 5 x 5 risk matrix. This allows the council to align with partner organisations, improve the scope for a flexible risk appetite and distinguish between serious and critical events.

LIKLIHOOD	Very likely	5	5	10	15	20	25
	Likely	4	4	8	12	16	20
	Possible	3	3	6	9	12	15
	Unlikely	2	2	4	6	8	10
	Very unlikely	1	1	2	3	4	5
			1	2	3	4	5
			Slight	Moderate	Significant	Major	Critical
		IMPACT					

-  Risks rated 1 to 4 – Entered onto Covalent, linked to the relevant actions and reviewed annually.
-  Risks rated 4 to 9 - Entered onto Covalent, linked to the relevant actions, controls and mitigating actions recorded and reviewed quarterly as part of the challenge process
-  Risks rated 10 to 25 – Entered onto Covalent, linked to relevant actions, additional controls and mitigating actions recorded, reviewed quarterly as part of the challenge process and at Directorate Management Team meetings.

The risk rating corresponds to the traffic light status below.



5. PLAN

The primary goal of the 'Plan' step is to prepare specific management responses to the threats and opportunities identified and to remove or reduce these threats and to maximise the opportunities.

Once the risks have been identified and assessed appropriate management action needs to be taken. The 'Four Ts' is the generic approach that can be used when planning how to manage a risk or opportunity:

- Tolerate** The risk is accepted making limited if any efforts to mitigate it or reduce its likelihood/impact. This may occur because the cost of mitigation exceeds the consequence of the risk.
- Transfer** The risk rating is reduced by transferring the risk to a third party by changing contractual terms. Typically this would mean the council discontinuing the activity that gives rise to the risk, and sub-contracting/outsourcing that activity to another organisation. Other alternatives include insurance or private finance initiatives.
- Treat** Actions will be taken to reduce the risk, possibly by putting in additional controls.
- Terminate** The activity that gives rise to the risk will cease, be avoided or altered thus eliminating the risk.

With the exception of taking a 'tolerate' approach mitigating actions will need to be developed and monitored in order to effectively manage the risk.

The risk, the risk profile and the mitigating action against each activity are recorded collectively in the form of risk registers.

All corporate risk registers within The Council are recorded on Covalent and monitored and reviewed in line with the Risk Management Policy. Individual project risk register may be managed via manual spreadsheets, as defined in the project's individual Risk Management Strategy, but must still comply with the Risk Management Framework.

Risk Registers are structured under the following headings on Covalent:

- **Operational Risk Register**
All risks identified with the delivery of the Council Plan.
- **Strategic Risk Register**
Any risk from the operational risk register that may prevent or delay the delivery of the Council's shared priorities, or that may prevent or delay the delivery of the internal cross-cutting actions needed by the Council to improve performance and underpin the Borough Strategy may be elevated to a Strategic Risk.

- **Projects, Partnerships & Contracts Risk Register**
All risks associated with the delivery of high level projects and major partnerships and contracts.
- **Fraud Risk Register**
The Fraud Risk Register is a specific register dedicated to the assessment, monitoring and treatment of the risks relating to fraud and corruption. It is an integral part of the Risk Management Framework designed to focus attention on minimising the damage caused by fraud and corruption and on upholding The Council's principles of zero tolerance to fraudulent and corrupt activity. The fraud risk register will be used by both management and Internal Audit Services to focus anti-fraud and corruption resources and training on illuminating fraud and corruption and its associated effects.
- **Service Plan Risk Register**
Risks associated with The Council's day to day services delivery.

DRAFT



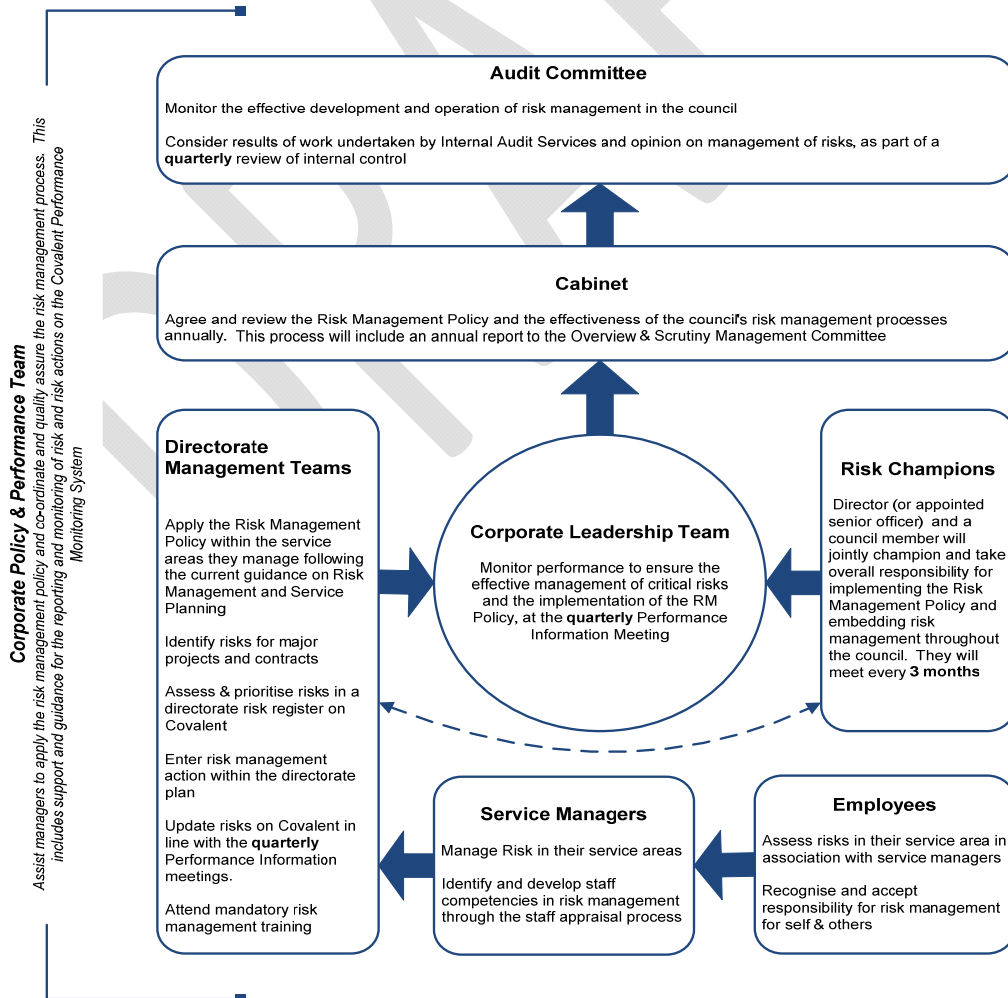
6. IMPLEMENT

The primary goal of the implement step is to ensure that the planned risk management actions are implemented and monitored as to their effectiveness, and corrective action is taken where responses do not match expectations.

Covalent is used to record, monitor and report on all corporate risk registers and progress against all mitigating actions.

- Operational risks will be reviewed at directorate level as part of the quarterly performance meetings.
- Strategic risks will initially be reviewed as part of the quarterly performance meeting with Directors and then at the Directors Meeting. Risk Champions will challenge the risks prior to them being reported to Exec Board, Cabinet and Audit Committee.
- Fraud Risk will be reviewed by the Council’s Internal Audit function.
- Major Partnership, Projects and Contract risks will be reviewed as part of the quarterly performance meeting with exception reporting to the Directors meeting.

The monitoring and reporting process is outlined below.



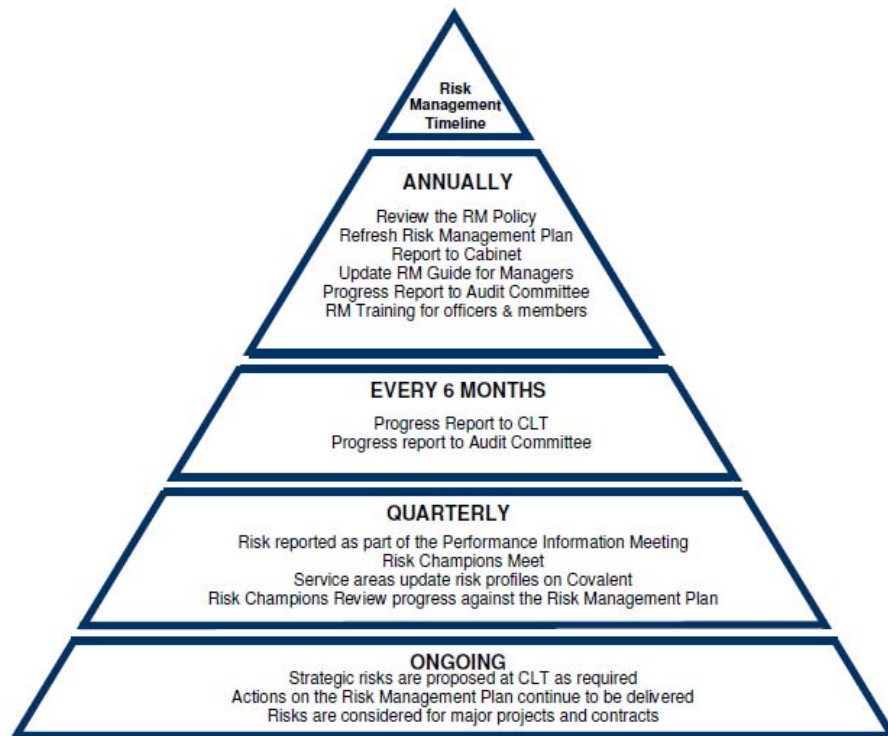
Assistant Directors, Senior Managers and Service Managers are responsible for managing risks scoring up to, and including 9 on the risk evaluation matrix. Risks scoring 10 or above will be monitored and reviewed at Director Level. Directors are ultimately responsible, and will be accountable, for ensuring risks are managed within the structure of this Policy.

Reviewing the progress and mitigating actions against the operational and strategic risk registers is embedded in the quarterly performance challenge process. All risks linked to outcomes will be contained within the quarterly performance report and strategic risks will be reported as an individual appendix.

Strategic risks will be reviewed quarterly as part of the challenge process. Operational risks may also be elevated to a strategic level either during this process or at any Corporate Leadership meeting. This will allow The Council to effectively react to changes in priorities.

The quarterly challenge process will inform the contents of reports to Corporate Leadership Team, Executive Board, Cabinet and Overview and Scrutiny Management Committee.

The reporting timeline is highlighted in the diagram below.





7. COMMUNICATE

Communicate is not a distinct step in the management of risk process, Communicate is an activity that is carried out throughout the whole process. Doncaster Council’s exposure to risk is never static: effective communication is key to the identification of new threats and opportunities or changes in existing risks.

The implementation of risk management is dependent on participation, and participation, in turn, is dependent on communication. It is important for managers to engage with staff across The Council to ensure that:

- Everyone understands The Council’s risk appetite, risk policy, risk process and risk strategies, in a way that is appropriate to their role. If this is not achieved, effective and consistent embedding of risk management will not be realised and risk priorities may not be addressed;
- Everyone understands the benefits of effective risk management and the potential implications if it is not done or is done badly;
- Each level of management actively seeks and receives appropriate and regular assurance about the management of risk within their control. Effective communication provides assurance that risk is being managed within the expressed risk appetite and that risks exceeding tolerance levels are being escalated;
- The procurement team understands the requirement for making risk ownership explicit within contract.
- There is no misunderstanding over the respective risk priorities within and across business perspectives. This will help management to avoid being diverted from the most significant risks and will enable appropriate levels of control to be applied.
- Any organisation providing outsourcing services has adequate risk management skills and processes. Gaining assurance that a partner organisation has implemented adequate risk management for itself will avoid dependence on a third party that may fail to deliver in an acceptable way, or may not deliver at all.

Communication is embedded within the monitoring and reporting process detailed in the diagram on page 12 and the timeline detailed in the diagram on page 13.



8. EMBED AND REVIEW

How an organisation manages its risks demonstrates a part of that organisation's core values and improves stakeholder's confidence in the organisation's ability to cope and manage its risks.

Doncaster Council needs to ensure that risk management has been integrated successfully, has the necessary support, is addressed in an appropriate way and is successful. Key indicators that demonstrate that the management of risk culture had been embedded are:

- The understanding of risk management policies and the benefits by all staff;
- The existence and operation of a transparent and repeatable risk management framework;
- The support by the organisational culture of well thought-through risk taking innovation;
- The close linking of management of risk with the achievement of objectives;
- The explicit assessment and management of the risks associated with working with partners;
- The active monitoring and regular review of risks;
- The reporting of risks to management in a timely manner (together with sufficient information to enable risk treatment to be developed) and the escalation of risks within appropriate timescales if they develop.

The following section highlights the roles and responsibilities of officers within Doncaster Council who are involved in developing and embedding the management of risk culture

Chief Executive:

- Ultimate officer responsible for embedding risk management throughout the Council.

Elected Members:

- Receive reports outlining strategic risks;
- Attend awareness training;
- Adopt the Risk Management Policy and Process Guide.
- They should also have due regard to the risks facing the authority in determining its policy and ensure a balance between managed risk taking in order to enable improved services and the achievement of objectives and risk control to protect the reputation and assets of the Authority.

Risk Champions:

- A Director (or appointed Senior Officer) and an Elected Member will jointly champion and take overall responsibility for implementing the Risk Management Framework and embedding risk management throughout the Council;
- Challenge the strategic risk profiles as part of the quarterly performance process.

Cabinet:

- Consider and approve the Risk Management Policy and Risk Management Process Guide;
- Monitor the Strategic Risk Register.

Audit Committee:

- Monitor the effective development and operation of risk management in the Council;
- Monitor the strategic risk register.

Directors:

- Monitor performance to ensure the effective management of critical risks and the implementation of the Risk Management Policy and Process Guide, for the quarterly performance reporting process.

Directorate Management Teams:

- Apply the Risk Management Policy and Process Guide within the service area they manage following the current guidance;
- Identify risks for major projects and contract;
- Assess & priorities risks;
- Ensure Covalent is updated in line with the quarterly performance reporting process.

Service Managers:

- Manage risks in their service areas;
- Identify and develop staff competencies in risk management through the staff appraisal process.

Employees

- Assess risks in their service area in association with service managers;
- Recognise and accept responsibility for risk management for self and others.

Policy & Performance Team:

- Develop the Risk Management Policy and Process Guide including an annual review;
- Corporate advisor of risk at strategic and operational level;
- Promote a positive culture of risk awareness within the organisation and to all partners;
- Continual development and maintenance of the corporate risk registers;
- Regular reporting of strategic risks;
- Design and implement risk management training;
- Provision of corporate and service based risk management advice and support as required.

9. PERFORMANCE MANAGEMENT

Risk Management is an integral part of The Council's Performance Management Framework. Awareness of potential risks that could impact the achievement of The Council's priorities and objectives and planning for such possibilities will contribute to the successful delivery of the objectives.

Risks associated with the delivery of the Council Plan are included in the directorate challenge reports. These reports then go to Directors, Executive Board and Cabinet. Strategic risks are highlighted within the same reports and, in addition, are present to Audit Committee.

(Link to the [Performance Management Framework](#))

10. CORPORATE GOVERNANCE

Good governance is about getting things right first time. It is about demonstrating legitimate leadership, respecting the democratic process, making proper and timely decisions, managing risk and allocating resources for valid reasons.

Good governance principles should be instilled in everything that we do at every level of the organisation. It is embedded in a number of key policies and procedures maintained and published by the Council. Compliance with these policies and procedures is the key to instilling good governance throughout Doncaster Council and the Risk Management Framework has been identified as a key governance policy.

(Link to [Corporate Governance Intranet Page](#))

11. INFORMATION GOVERNANCE

The Council has a Senior Information Risk Owner (SIRO). This is one of three mandated roles established by the Government after a review on Data Handling in 2007. The SIRO chairs the SIRO Information Governance Board (SIGB) and is the champion for Information Governance at Corporate Management Team meetings.

The SIGB membership consists of:

- Director of Finance & Corporate Services – Role of SIRO
- Nominated Heads of Services – Role of Information Asset Owner (IAO)
- ICT Security Officer
- Freedom of Information Officer
- Data Protection Officer
- Information Management Officer
- Head of Service Policy and Improvement – Role of Caldicott Guardian
- Internal Audit Manager

All aspects of information governance should be taken in to consideration where any risk is identified when using personal/sensitive personal/business sensitive information this will include Data Protection, Freedom of Information and Information Management. Where personal information is being gathered in order to fulfil the needs of a project a Privacy Impact Assessment should be carried out to ensure the needs of the customer have been considered before using their information. Any Privacy Impact Assessments or risks identified to personal information must be taken to the SIGB for a SIRO decision. All Privacy Impact Assessments should also be made available to the public to ensure transparency is maintained.

12. PROJECTS, CONTRACTS & PARTNERS

Projects

As part of the Council approach to managing projects, risks against the delivery of the objectives are profiled and managed throughout the life of the projects. The Council needs to ensure that risk registers for projects are created on Covalent and monitored and reviewed in line with the Risk Management Policy. For larger projects a Risk Management Strategy may be developed, in conjunction with the Risk Management Policy and Process Guide, to outline the specific approach, responsibilities and reporting criteria for an individual project.

Contracts

To be supplied by Procurement

Partners

Significant partners are identified as part of the partnership registration process and the self-assessment process will identify potential areas of risk. The process for managing risks within partnerships forms part of The Council's Corporate Governance Framework and Toolkit for Working in Partnership that is currently being developed.

13. ADVICE, GUIDANCE and TRAINING

The Corporate Policy and Performance Team is responsible for advising the Council on its risk management arrangements. This includes the development of the Risk Management Framework, supporting the implementation of the risk management policy and process guide and ensuring those involved have sufficient skills to fulfil their roles.

For further information please contact the relevant lead below:

Corporate Risk Management Framework – Sennette Wroot 862533

Adults & Communities - Allan Wiltshire 862307

Children & Young People’s Service - Louise Parker 737006

Regeneration & Environment - Alan Lowther 737647

Finance & Corporate Services - Sennette Wroot 862533

For further information on fraud related risks please contact:

Internal Audit Manager - Peter Jackson 862938

For further information on Information Governance please contact:

Data Protection Officer – Nikki Minnikin 737978

Freedom of Information Officer – Jenny Ball 737996

Information Management Officer – Sarah Winn - 736646

Training

Training is an essential component of embedding effective risk management. Risk Management training for all staff and members is available as part of the e-learning portal with additional one to one training being provided by the Corporate Policy and Performance Team as and when required.

14. GLOSSARY OF TERMS

Covalent	The Council’s electronic Performance Management System
Fraud Risk Register	Risks concerned with the assessment, monitoring and treatment of the risks relating to fraud and corruption.
Inherent Risk	The exposure arising from specific risk before any action has been taken to manage it.
Operational Risk	A risk associated with the day to day operation of a service
Opportunity	An uncertain event that could have a favourable impact on objectives or benefits’
Residual Risk	The risk remaining after the risk response has been applied.
Risk	An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives
Risk Management	Systematic application of principles, approach and processes to the tasks of identifying and assessing risks, then planning the implementing risk responses.
Risk Management Policy	A high level policy to communicate how risk management will be implemented throughout the Council.
Risk Management Process Guide	Describes the series of steps and their respective associated activities necessary to implement risk management
Risk Management Strategy	A description of how specific risk management activity will be managed within an individual project whilst at the same time reflecting the process document and the hierarchy of the policy document.
Risk Management Toolkit	A practical guide on how to implement risk management.
Risk Register	A record of all identified risks relating to an initiative, including their status and history.
SIGO	SIRO Information Governance Board
SIRO	Senior Information Risk Owner
Strategic Risk	Risk concerned with where the organisation wants to go, how it plans to get there, and how it can ensure survival.

15. SOURCES OF REFERENCE & GUIDANCE

External Sources:

Management of Risk: Guidance for Practitioners

Strategic Risk Management Review of Doncaster Metropolitan Borough Council – Zurich

Risk Management Policy – Exeter City Council

Risk Management Policy Statement and Strategy – Basildon Council

Creating a Risk Management Framework – Covalent

Risk and Opportunity Management Strategy – Plymouth City Council

Management of Risk – A Strategic Overview – HM Treasury

Internal Sources:

Performance Management Framework

Corporate Governance Framework and Toolkit for Working in Partnership

Governance Intranet Page

Covalent

Information Security Policy

Data Protection Policy

Risk Management Toolkit

Covalent
Management
Strategic
Strategy
Framework
Inherent
Residual
Risk
Toolkit
Policy

Step by Step Guide

STEP 1 - IDENTIFICATION

- Identify the risks associated with key results in The Council Plan/Directorate Plan/Service Plan; delivery of individual projects; actions to improve performance;

Tools Available

Describing a risk	Page 3
Categories of risk	Page 3
Risk Template	Page 4

STEP 2 - ASSESSMENT

- Score each inherent risk(the risk before any controls have been put in place)
- Identify possible measures to mitigate the risk
- Score the residual risk (the risk with the mitigating action in place)

Tools Available

Impact Guide	Page 4
Likelihood Guide	Page 5
5x5 Matrix	Page 5

STEP 3 - PLAN

- Decide on an approach to manage the risk

Tools Available

Treatment guide	Page 6
-----------------------	--------

STEP 4 - PROFILING RISKS ON COVALENT

- Upload the risks information, generated via steps 1-3, onto Covalent within the relevant risk register.

Tools Available

Covalent User Guide	Page 6
---------------------------	--------

STEP 5 - REVIEW

- Risk are reviewed as part of the quarterly challenge process and as and when required, depending on the risk score.

Tools Available

Covalent User Guide	Page 8
---------------------------	--------

STEP 6 - REPORTING

- There are a range of reports available to facilitate risk management, some are corporate and others are bespoke.

Tools Available

Report type and description of use	Page 8
--	--------

STEP 1 – IDENTIFICATION

Identify the risk(s) associated with key results in the Council Plan/Directorate Plan/Service Plan; delivery of individual projects; actions to improve performance.

Describing a risk

When describing a risk it is good practice to consider 3 key terms: Cause, Event and Effect. The following template may be used to ensure risks are effectively identified and described.

As a result of (cause)

There is a threat/opportunity that (event)

Which could lead to (effect)

Categories of risk

When creating a list of potential risks it is sometimes easier to focus on categories of risks. The following categories of risk have been adopted by Doncaster Council. These categories can be recorded on Covalent and allow greater opportunities when reporting risks.

- **Equipment** – this extends to the equipment utilised for the operation and conduct of the council.
- **Financial** – e.g. budgetary requirements.
- **Legal/compliance** – this category includes compliance with legal requirements such as legislation, regulations, standards, codes of practice and contractual requirements.
- **Organisational** – this relates to the internal requirements of the council, extending to the cultural, structural and people issues associated with its effective operation.
- **Reputation** – this entails the threat to the reputation of the council due to the conduct of the entity as a whole, the viability of the product or service, or the conduct of employees or other individuals associated with the council.
- **Safety** – this category includes the safety of everyone associated with the authority from individual safety, to workplace safety, public safety and to the safety and appropriateness of products and services delivered by the council.
- **Security** – this includes the overall security of council premises, assets and people and extends to security of information, intellectual property and technology.
- **Service Delivery** – this relates to the delivery of services, including the quality and appropriateness of service provided, or the manner in which the service is delivered, including customer interaction.
- **Stakeholder Management** – this category relates to the management of stakeholders, and includes identifying, establishing and maintaining an appropriate relationship. This includes both internal and external stakeholders.
- **Strategic** – this includes the planning, scoping and resourcing requirements of the establishment.
- **Fraud** – this relates to the assessment, monitoring and treatment of risks relating to fraud and corruption. There is the potential for fraud to occur within each of the categories. Therefore, the risk of the occurrence of fraud should be considered when identifying risks within each category.
- **Technology** – this includes the implementation, management, maintenance and upgrades associated with technology.

Risk Template

The template can be used to capture the information generated by following the step by step guide in this toolkit. It can also be used when profiling your risks on Covalent. A Word version is attached as appendix A.

Objective:																				
Risk:																				
Risk Owner:					Risk Category:															
Original Risk Rating (Inherent Risk)					Measures to reduce risk						Remaining Risks (Residual Risk)									
		Slight	Moderate	Significant	Major	Critical														
Very likely		Yellow	Red	Red	Red	Red							Very likely	Yellow	Red	Red	Red	Red	Red	Red
Likely		Green	Yellow	Red	Red	Red							Likely	Green	Yellow	Red	Red	Red	Red	Red
Possible		Green	Green	Yellow	Red	Red							Possible	Green	Yellow	Yellow	Red	Red	Red	Red
Unlikely		Green	Green	Green	Yellow	Red							Unlikely	Green	Green	Yellow	Yellow	Red	Red	Red
Very unlikely		Green	Green	Green	Green	Yellow							Very unlikely	Green	Green	Green	Yellow	Yellow	Red	Red

Risks rated 1 to 4 - Entered onto Covalent, linked to the relevant actions and reviewed annually.

Risks rated 4 to 9 - Entered onto Covalent, linked to the relevant actions, controls and mitigating actions recorded and reviewed quarterly as part of the challenge process

Risks rated 10 to 25 - Entered onto Covalent, linked to relevant actions, additional controls and mitigating actions recorded, reviewed quarterly as part of the challenge process and at Directorate Management Team meetings.

Further action planned to treat the residual risk		
Action	Target Date	Lead Officer

These actions need to be transferred onto Covalent as milestones against the relevant actions in your Directorate Plan or Work Plan and reviewed as part of the quarterly performance monitoring process.

STEP 2 – ASSESSMENT

Once you have identified a risk you need to assign an inherent risk score (the risk before any controls have been put in place). This is done by assigning an impact score and likelihood score and multiplying the two together. To establish a consistent approach when profiling risks the council use the following impact and likelihood guides. If your service area requires scoring from a perspective that is not included on the table you can add additional columns and populate for use in your service area.

Likelihood Guide

Score	Descriptor	Description
5	Very likely	I would not be at all surprised if this happened within the next few months.
4	Likely	I think this could occur sometimes in the coming year or so.
3	Possible	I think this could maybe occur at some point, but not necessarily in the immediate future.
2	Unlikely	I would be mildly surprised if this occurred, but cannot entirely rule out the possibility.
1	Very unlikely	I would be very surprised to see this happen, but cannot entirely rule out the possibility.

Impact Guide

IMPACT	PERSPECTIVE							
	Personal safety	Property damage	Failure to provide statutory service	Financial loss	Disruption in service (days)	Privacy infringement	Community	Embarrassment
1 = Slight				<£10k	None			
2 = Moderate	Minor injury	Minor damage to 1 property	Litigation, claim or fine £2k to £50k	£10k to £100k	1	Isolated personal detail comprised	Impact on an individual or small group	Contained within service
3 = significant	Major injury to an individual	Significant damage to small building or minor damage to several	Litigation, claim or fine £50k to £250k	£100k to £500k	2-3	Several persons details revealed	Impact on a local community	Local public or press interested
4 = Major	Major injury to several people or death of an individual	Major damage to critical building or serious damage to several properties	Litigation, claim or fine £250k to £1m or custodial sentence imposed	£500k to £1m	4-14	Several persons details comprised	Impact on several communities	National public or press interested
5 = Critical	Death of several people	Total loss of critical building	Multiple civil or criminal actions. Litigation, claim or fine above £1m	>£1m	>14	All personal details revealed / comprised	Impact on whole of the borough	Officer(s) and/or members forced to resign

If you multiply the impact and likelihood score this will give you an overall profile score for the risk ranging between 2 and 25. This score can be plotted on the 5x5 risk matrix that has been adopted by the council.

LIKLIHOOD	Very likely	5	5	10	15	20	25
	Likely	4	4	8	12	16	20
	Possible	3	3	6	9	12	15
	Unlikely	2	2	4	6	8	10
	Very unlikely	1	1	2	3	4	5
		1	2	3	4	5	
		Slight	Moderate	Significant	Major	Critical	
		IMPACT					

STEP 3 – PLAN

You have identified your risks and assigned a risk score, you now have to decide on your approach to managing the risk. This is done by using the 'Four T' approach below:

- Tolerate** The risk is accepted, making limited, if any efforts to mitigate it or reduce its likelihood/impact. This may occur because the cost of mitigation exceeds the consequence of the risk.
- Transfer** The risk rating is reduced by transferring the risk to a third party by changing contractual terms. Typically this would mean the council discontinuing the activity that gives rise to the risk, and sub-contracting/outsourcing that activity to another organisation. Other alternatives include insurance or private finance initiatives.
- Treat** Actions will be taken to reduce the risk, possibly by putting in additional controls.
- Terminate** The activity that gives rise to the risk will cease, be avoided or altered thus eliminating the risk.

With the exception of taking a 'tolerate' approach you will now need to develop mitigating actions to evidence how you intend to manage the risk.

The next step is to add your risks to the relevant risk register on Covalent and add any mitigating action to the relevant plan.

STEP 4 – PROFILING RISKS ON COVALENT

If you have had the relevant training and have been given the right permissions to add risks directly onto Covalent follow the instructions below. If you have not had the relevant training please contact the Corporate Policy & Performance Team, 862533, for assistance.

Adding a new Risk

- Select the 'maps' icon on the bottom tool bar, click on Risk Central. In the panel on the left hand side click the white cross against the relevant risk register.
- Keep selecting the white crosses to expand the register until you reach the level where you want to add a new risk.
- Highlight the area you want the risk to be added to and click 'new risk' in the top left hand corner. A new risk is now displayed in the main screen.
- Click in the 'code' box and type the risk code. (use the parent risk code as a starting point e.g. if the parent risk code is 'Risk 1' then the new sub risk could be 'Risk 1a' or 'Risk 1.1'. If there are already other parent risks with sub risks in the register following the coding already in place).
- Select the 'Title' box and type in the risk name.

- Against 'current risk' there is a 5x5 risk matrix. Select the 'impact' drop down box to the right of the matrix and score the risk from 1 to 5 using the impact guide in Appendix A.
- Select the 'likelihood' drop down box and score the risk from 1 to 5 using the likelihood guide in Appendix B. This will generate a risk profile.
- The review date is automatically selects the correct date. Please note this is the date of the current assessment and not the date the next assessment is due.
- Select the 'notes & history' tab towards the bottom of the page. Select 'add status update'. This generates a text box that automatically records the date and the author. You should then add a note on the profile of the risk and list any mitigating actions that you are putting in place to manage the risk. Select OK.
- Select the 'Ownership' tab towards the bottom of the page. To add a manger to the risk click the box with the dots in nest to 'manager' this will generate 2 boxes. You select the required name from the filter on the right hand side. You can type the name in the bottom filter box or scroll through the alphabetical list. Highlight the required name and select the > box in the middle. This will move the name into the left hand box, repeat to add more than one manger then select OK. Follow the same process for any of the relevant ownership categories.

If you have identified mitigating actions these need to be added as milestones to the relevant plan and linked to the risk by following the instructions below:

- Once you are in the relevant plan click on milestone.
- Click on 'new milestone'.
- Click the description button – type the mitigating action in here.
- Select due date and add the date that you intend to complete the milestone. This is done by using the up and down arrows against the month and the year, then click on the relevant date in the calendar.
- The note field can be used to add an update to show how you are progressing against the milestone.
- Press 'save' in the top left of the screen.
- To link the action to the risk select 'related link' at the foot of the page. Select the square box with three dots in against Risks. Add the code or part of the title of the risk you wish to link in the search facility that has opened. Highlight the risk and press the > button in the middle. This will transfer the risk to the column on the right. Press OK then select 'save' at the top right of the screen.

STEP 5 – REVIEW

As part of the monitoring and review process you will need to update your risks. This is done by following the steps below.

Updating an existing risk

- Select the relevant risk to be updated.
- Click 'new assessment' just above the 5x5 matrix. This will generate a new profile. Using the impact and likelihood guide in appendix A & B score the current risk. The review date will be automatically generated.
- Select the 'notes & history' tab towards the bottom of the page. Select 'add status update'. This generates a text box that automatically records the date and the author. You should add a note on the profile of the risk and list any mitigating actions that you are putting in place to manage the risk. Select OK.

STEP 6 - REPORTING

Reporting the risk management framework is a process that applies at all stages in the risk lifecycle, though it is most critical at the monitoring stage. The quarterly performance process has an established reporting mechanism that is reviewed annually to ensure it remains effective. The table overleaf highlights the types of reports, generated via Covalent, that may be used in each of the approach stages to strengthen the reporting process.

Stage	Reports available
Identify	<ul style="list-style-type: none">• Full Risk profile: A 'datasheet' view of an individual risk that provides a complete list of all information you have about the risk.• Departmental Risk Report: A multi-page report normally sorted by risk category within department and division, and cuts across all risk categories, division and department.• Risks by owner/category: A quick snapshot of how your risk owners are managing their risks logged in the system, and who may have too many/few assigned to them.• Risks by priority/objective: a scorecard-type report that maps risks against each priority or objective. This may well highlight objectives that are exposed to lots of risks and those with few, which in itself might indicate a shortcoming in the risk identification process.
Assess	<ul style="list-style-type: none">• Risks at red: A summary view, ideally with colour-coded risk rating matrix showing all risks with high impact/likelihood.• Critical Risk Report: provides a list of all risks logged in the system where the treatment-adjusted risk rating is greater than the acceptable risk level.
Plan	<ul style="list-style-type: none">• Mitigation actions progress report: an update of progress of each action, linked to relevant risks, providing details of percentage of progress made and any status update comments from action assignees.




<p>Implement</p>	<ul style="list-style-type: none"> • Risk status report: A multi-page report, normally sorted by risk category within risk status, and that cuts across all risk categories, divisions and departments. • Risk trend report: Provided details of the last three likelihood and impact scores giving the trend for each risk. It also shows any actions planned and their due dates and treatment completion dates. • Top ten risks snapshot: A one-page summary of highest rated risks, with details of impact and likelihood scores, and updates on any linked actions. • Treatment status report: A full update on status of all actions that are in place to mitigate risks. The report shows details, percentage of progress made, completion due dates and action assignee.
-------------------------	--

Please contact the Corporate Policy and Performance Team to discuss your reporting requirements.

DRAFT

Risk Management Template

Objective:																		
Risk:																		
Risk Owner:						Risk Category:												
Original Risk Rating (Inherent Risk)						Measures to reduce risk					Remaining Risks (Residual Risk)							
	Slight	Moderate	Significant	Major	Critical								Slight	Moderate	Significant	Major	Critical	
Very likely	Yellow	Red	Red	Red	Red								Very likely	Yellow	Red	Red	Red	Red
Likely	Green	Yellow	Red	Red	Red								Likely	Green	Yellow	Red	Red	Red
Possible	Green	Yellow	Yellow	Red	Red								Possible	Green	Yellow	Yellow	Red	Red
Unlikely	Green	Green	Yellow	Yellow	Red								Unlikely	Green	Green	Yellow	Yellow	Red
Very unlikely	Green	Green	Green	Green	Yellow								Very unlikely	Green	Green	Green	Green	Yellow

-  Risks rated 1 to 4 – Entered onto Covalent, linked to the relevant actions and reviewed annually.
-  Risks rated 4 to 9 - Entered onto Covalent, linked to the relevant actions, controls and mitigating actions recorded and reviewed quarterly as part of the challenge process
-  Risks rated 10 to 25 – Entered onto Covalent, linked to relevant actions, additional controls and mitigating actions recorded, reviewed quarterly as part of the challenge process and at Directorate Management Team meetings.

Further action planned to treat the residual risk		
Action	Target Date	Lead Officer

These actions need to be transferred onto Covalent as milestones against the relevant actions in your Directorate Plan or Work Plan and reviewed as part of the quarterly performance monitoring process.