

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	4 th December 2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Risk Management Policy
REPORT NUMBER	GOV/19/445
CHIEF OFFICER	Fraser Bell
REPORT AUTHOR	Vikki Cuthbert
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

To present the Risk Management Policy for approval.

2. RECOMMENDATION(S)

That the Committee approve the Risk Management Policy.

3. BACKGROUND

3.1 Committee approved a Risk Management Framework in February 2018 following a review of the documentation in place at the time. The Committee agreed to receive an updated Framework one year later, reflecting changes required through implementation of transformational changes.

3.2 Since the Framework was approved, there have been some changes which have a bearing on the document:

- Governance Function established including an Assurance Team with a remit for risk management.
- Corporate Policy Review - all policies reviewed and catalogued, establishment of a policies register, and creation of guidance on writing policies and the content and language to be used to make these consistent. The primary purpose of this was to make sure that policies are retained only when needed. There may be scope to consolidate

policies and to re-commission them as procedures and guidance in some cases.

- Internal Audit of the Council's system of risk management, which recommended that the Policy and procedural content within the Framework should be separated out. This was reported to the Committee in September and all the recommendations were accepted and are now being progressed by officers.
- Continuing transformational change which has risk management woven through it.

3.3 The Framework has been re-written as a Policy, based on the guidance produced for the Corporate Policy Review. The document serves as a high-level articulation of the Council's vision for, and approach to, risk management. The tools required by the workforce to actively and proactively risk management will be set out within the Policy's supporting documentation, as follows:-

- Risk Register Templates - the corporate template used to record and maintain risk scores, controls and actions.
- Risk Management Process Guide – a guidance document describing the processes to be followed in effectively managing risk.
- Risk Appetite Statement - A description of the types and levels of risk the Council is willing to accept in the pursuit of its strategic outcomes. This recognises both threats and opportunities.

3.5 The Policy has been reviewed and approved by the Corporate Management Team and has also been reviewed by Internal Audit in light of their recommendations. Internal Audit are satisfied that the Policy implements this recommendation, and that the remaining recommendations will be implemented on time through the supporting documentation.

4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from the recommendations of this report. The report introduces a Risk Management Policy that will facilitate the processes required in order to identify controls and assurances that finances are being properly managed.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report. The Risk Management Policy will facilitate risk management processes allowing the Council to manage risks with implications for its legal position and statutory responsibilities.

6. MANAGEMENT OF RISK

6.1 The Risk Management Policy is an overarching document supporting the ongoing improvement of the Council's system of risk management. The risk management system will enable the Council to ensure that all risks attached to the Council's business and strategic priorities are identified, appropriately managed and are compliant with the Council's duties under the Equalities Act.

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Financial	The council will have no risk management system in place to identify and mitigate its risks	H	Put a risk management system in place to allow staff to identify, mitigate and manage risks
Legal	As above	H	As above
Employee	As above	H	As above
Customer	As above	H	As above
Environment	As above	H	As above
Technology	As above	H	As above
Reputational	As above	H	As above

7. OUTCOMES

7.1 The risks contained with the Council's risk registers are aligned to one or more of the themes within Local Outcome Improvement Plan. This section will also be completed for the Cluster Risk Registers before they are reported to committees.

Design Principles of Target Operating Model	
	Impact of Report
Organisational Design	The Council's risk registers are aligned to functions and clusters within the interim transitional structure and supports the principles of organisational design.
Governance	Reporting to Committee on the Corporate Risk Register and Cluster Risk Registers allows members to scrutinise the system of risk management to help ensure its effectiveness.
Process Design	In reviewing our risk management processes, there is an opportunity to make sure that the risk to the Council is mitigated.
Technology	It is anticipated that risk registers and supporting processes will be updated using digital methods and

	will become integrated within a wider assurance framework.
Partnerships and Alliances	Risks to the delivery of organisational objectives can at times be related to arms-length external organisations. These will be reflected in the appropriate risk register(s). Furthermore, risk is overseen by the Assurance Hub which reports to the Audit, Risk and Scrutiny Committee on a regular basis.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	Full EHRIA not required
Data Protection Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable

9. BACKGROUND PAPERS

None.

10. APPENDICES (if applicable)

Appendix A – Risk Management Policy

11. REPORT AUTHOR CONTACT DETAILS

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