



Risk Management Strategy

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FOREWORD FROM THE CHIEF EXECUTIVE

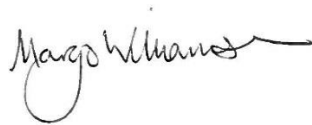
Angus Council's purpose is to improve the outcomes and opportunities for the people of Angus. Our **vision** is for Angus to be the best place to live, work and visit. Within that we have made a commitment to be a **better, stronger, more sustainable and smaller Council**. Our [Council Plan](#) details our priorities and objectives around economy, people and place. Our approach to risk management must align with our vision, our commitment and the Council's priorities.

Identifying and managing risk is important because it helps support our business and our service planning.

For many of us, when we hear the term risk management, we think that it is a complicated and challenging process. It isn't. Risk management is a process that we all use in our personal and business lives on a daily basis.

We recognise in future the council cannot continue do everything and that it might reduce or stop providing some services. We must ensure that when proposing any change we identify associated risks and adopt a positive approach to risk management. It is not about eliminating risks, rather understanding and managing risk effectively. We will be proactive, innovative and opportunistic to achieve our outcomes and that involves considering any aspects of risk that may prevent that happening. All aspects of our change will be considered within a risk framework. It is through that framework we will identify the best way forward.

As employees of Angus Council, we take responsibility for risk management within our roles and services and adopt a risk based approach to all that we do. Evidence of that risk based approach will accompany any proposed change to service delivery and outline how the change will be managed.

A handwritten signature in black ink, appearing to read "Margo Williams", with a horizontal line extending to the right.

1. Introduction To Risk Management

1.1 Definition of Risk

Risk is defined as the combination of the probability of an event and its consequences, whether a positive opportunity or negative threat (Risk Standard ISO/IEC Guide 73). Risk management is the planned and systematic approach to the identification, evaluation and control of risk. The objective of risk management is to secure the assets and reputation of the organisation and to ensure the continued financial and organisational well-being of the Council.

THE CHANCE OF SOMETHING HAPPENING THAT WILL HAVE AN IMPACT ON THE COUNCIL'S BUSINESS OR OUTCOMES.

1.2 Risk Management

Good risk management is about identifying what might go wrong and what the likelihood, impact and consequences might be. It is also about deciding what can be done to reduce the possibility of something going wrong and that the impact is kept to a minimum.

Risk management should ensure that Angus Council makes effective use of a risk framework that has a series of well-defined steps. The aim is to support better decision making through a good understanding of risks and their likely impact. This means that risk management should be a continuous and developing process aligning across all of our business, including past, present and future planning.

The diagram noted at [appendix 1](#) "Risky Business" Quirk, B (2017) provides an overview of the wider context of risk.

THE PROCESS OF IDENTIFYING AND MANAGING RISK IS TO INCREASE THE PROBABILITY OF SUCCESS AND REDUCE THE OPPORTUNITY OF FAILURE.

1.3 Risk Appetite

The term risk appetite describes our attitude towards the amount of risk that the Council is prepared to accept in trying to achieve our outcomes. The approach to risk can differ across our services, from risk averse to risk taking. Risk appetite is about taking well thought through risks where the long-term rewards are expected to be greater than any short-term losses. If the Council is unnecessarily averse to risk we may miss good opportunities. However, in taking some risks it is important not to over extend into territory where the Council cannot afford the possible consequences. It is worth noting that the Public Accounts Committee supports well-managed risk taking, recognising that innovation and opportunities to improve public services requires risk taking, providing that we have the ability, skills, knowledge and training to manage those risks well.

Angus Council's approach is to minimise its exposure to reputational, compliance and financial risk, whilst accepting and encouraging an increased degree of risk in pursuit of innovation and improved outcomes.

RECOGNISE THAT THE APPETITE FOR RISK VARIES ACCORDING TO THE ACTIVITY UNDERTAKEN, AND THAT ACCEPTANCE OF RISK IS SUBJECT TO ENSURING THAT POTENTIAL BENEFITS AND RISKS ARE FULLY UNDERSTOOD.

2. Council Commitment and Priorities

Angus Council is committed to encouraging and maintaining a culture where risk management is evident and embedded within all areas of the organisation.

The detail contained within this document is delivered in practice by following the protocols and guidance included in the associated risk management guidance document.

The commitment to risk management underpins one of the main principles of the council's Code of Corporate Governance.

Our strategic risk management priorities are to:

- Focus on material risks.
- Support and advise officers and members to make decisions and take action with a fuller understanding of the risks faced by the council.
- Increase the likelihood of achieving council priorities and outcomes as stated in the Council Plan and Local Outcome Improvement Plan.
- Ensure a holistic approach to risk management through the risk monitoring group.

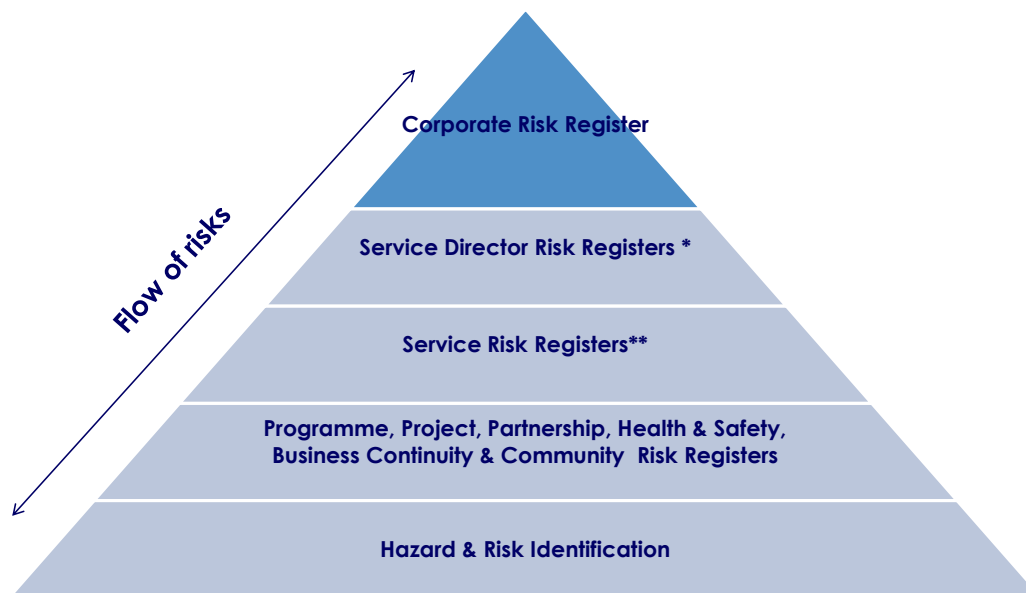
3. Methodology

Risk will be identified using the council's risk management guidance. This will be undertaken at the various levels shown in the risk management structure detailed on page 3.

The risks will be recorded in a risk register in accordance with the risk management guidance.

The diagram also shows that the flow of risks is upwards and downwards. Risks should be escalated and de-escalated as required.

Risk Management Structure



The risk management process is explained as part of the risk management guidance document.

4. Responsibility and Reporting

The council's corporate risk register is the responsibility of the corporate leadership team (CLT) and is reported to the Scrutiny and Audit Committee twice a year.

The service director, programme / project and other risk registers are the responsibility of the appropriate service director and should be reported as a standing item as part of the governance arrangements for each management team and or specific group. Risks should be assessed accordingly and escalated to the corporate risk register if required.

*This is the overarching register for the service director's areas of accountability and responsibility.

** This is a service specific register for services that require operational risks to be identified, managed and monitored. This may not be necessary for all service areas and is a decision for the service director/service leaders etc.

5. Risk Monitoring Group

To ensure that a holistic and consistent approach to risk management is developed, delivered and implemented across the council, a small group of officers representing Service Directors and risk-related specialist functions will discharge a corporate support and oversight function. This group will champion the deployment of the risk management strategy, building organisational capability to effectively manage risk as part of the council's culture, and disseminate good practice

including the provision of training and support.

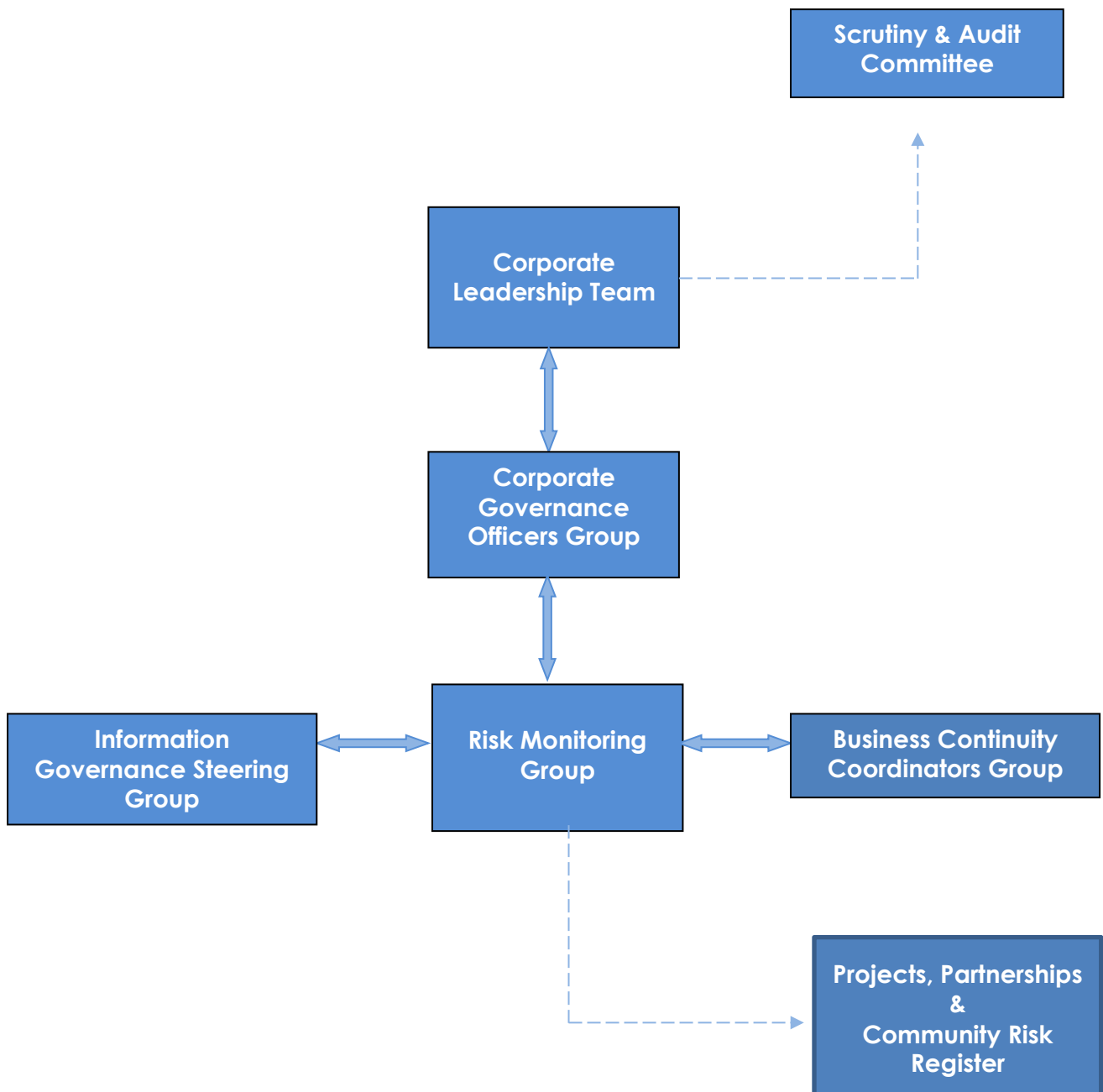
This group will advise the corporate governance officers group (CGOG) on all matters relating to the practical delivery of the risk management strategy. CGOG will similarly advise CLT.

The governance framework that supports the practical application of the risk management strategy is set out below.

6. Review of Strategy

The risk management strategy will be reviewed every two years. The next review will be conducted by the risk monitoring group who will provide recommendations to the corporate CGOG, who will consider any matters, raised and recommend any changes.

7. Governance Structure



RISKY BUSINESS

Reducing public risk.

Safeguarding people from harm and hazard.

Helping people make their own best judgments in the context of uncertainty.

