Draft Risk Management Strategy

2023

Next review date:	Oct 24	Risk and Insurance Manager

Contents

1   Introduction

What is a Risk?

Risk is a part of all our lives. Slough Borough Council deals with risk every day from managing its infrastructure, delivering its services, managing its supply chains, maintaining the safety and security of its staff and residents, and delivering on a wide range of projects including its corporate objectives. Risk can cause uncertainty in achieving business objectives but can also present opportunities.

Risk is defined as:

"The possibility of an event occurring that will have an impact on the achievement of our objectives either negatively or positively.".

Why is Risk important?

Risk is inherent in all activities across the Council and risk management is an integral part of the Council's corporate governance arrangements. Managing risk improves the way we do business. It plays a key role in helping achieve our strategic objectives. It helps ensure decision making is better informed, precious resources are used efficiently and effectively and helps avoid unwelcome surprises. Good risk management is a key part of our everyday business.

Slough BC's Risk Management Strategy

This document sets out the Council's strategy and approach to the management of risk and demonstrates its intention to continue to develop the process of managing risks across the Council to support the delivery of the Council's Strategic Priorities and Outcomes. This strategy is supported by the key elements of the Council's Constitution most notably Financial Procedural Rules and Financial Regulations and its supporting risk management toolkit.

The Council recognises that risk management is a journey and to be effective it must be characterised by a set of consistent principles, language, framework, and processes. In order to achieve its strategic outcomes and objectives. The Council is committed to proactively managing its risks in a systematic way.

2   Policy Statement

The Council has signed up to the following cultural statement regarding risk:

- Slough Borough Council promotes a transparent 'no surprises', 'no blame' culture where well-managed risk taking is encouraged.

- Councillors and Managers will lead by example to encourage the right behaviours and values.

- Risk management behaviours and practices will be embedded into all Council activities including those with partners, contractors, and arms-length organisations such as the Slough Children First.

This strategy sets out the Council's commitment to managing risk effectively across its business, and the standard of risk management we expect across the Council.

In order to maximise the effectiveness of our risk management arrangements we will ensure:

- We have an environment that will allow the effective management of risk to flourish.

- Our people have the skills and knowledge they need to fulfil their risk management responsibilities; and

- There is a commitment from the highest level to the consistent application of the agreed risk management approach across the Council.

Benefits of Good Risk Management

Effective risk management identifies what might go wrong, what the potential consequences could be, and how to minimise the risk materialising. Our goal is to minimise the probability of unwelcomed events and reduce negative consequences of risk scenarios. This is achieved by developing mitigations and contingencies. Risk management also covers opportunities, defined as uncertain events where the positive impact of seizing the opportunity outweighs the status quo.

When implemented and maintained, the effective management of risk enables the Council to:

- Increase the likelihood of achieving its goals and delivering outcomes
- Improve the identification of opportunities and threats
- Improve governance, stakeholder confidence and trust

- Establish a reliable basis for decision making and planning
- Effectively allocate and use resources for risk treatment
- Improve organisational resilience.

3   Roles and responsibilities

The risk management framework has been fully endorsed and supported by the senior officers, Audit and Corporate Governance Committee and Cabinet, who collectively set the tone for risk management and champion the benefits through all levels of the business. Risk management is only considered to be truly embedded when it functions as part of the Council's day-to-day operations. In order for this to be achieved it is vital that clarity exists to determine the various roles and responsibilities of individuals involved throughout the Council in the risk management process and this strategy formalises those responsibilities. The table below outlines the key responsibilities for each group/stakeholder.

Group/Stakeholder	Role Description
Cabinet	• Oversee delivery of the Risk Management Strategy • Review progress of the management of strategic risks • Ensure consideration of risk in agreeing the Council's direction of travel.
Audit and Corporate Governance Committee	• Review the effectiveness of risk management arrangements • Provide comment and challenge on risk management activity and progress.
Corporate Leadership Team	• Overall accountability for risk management across the business including ensuring the Management Board strategic risk register is a live and up to date record of the current risk exposure • Set the tone for risk management, promote the benefits of effective risk management and lead by example in embedding the risk management framework • Establish a control environment and culture where risk can be effectively assessed and managed • Regularly discuss and review the strategic risk register and associated risk reports.
Risk and Audit Board	• To ensure that the Council is proactively managing strategic risk • To ensure that there is a clear process in place to allow Corporate Leadership Team, Audit & Corporate Governance Committee and Cabinet to have assurance that risk is being robustly managed within the authority • Consider and challenge the management of risk to provide assurance that a strong control framework and good governance arrangements are in place • Ensure any emerging risks identified through governance reporting are escalated in accordance with the risk management framework.

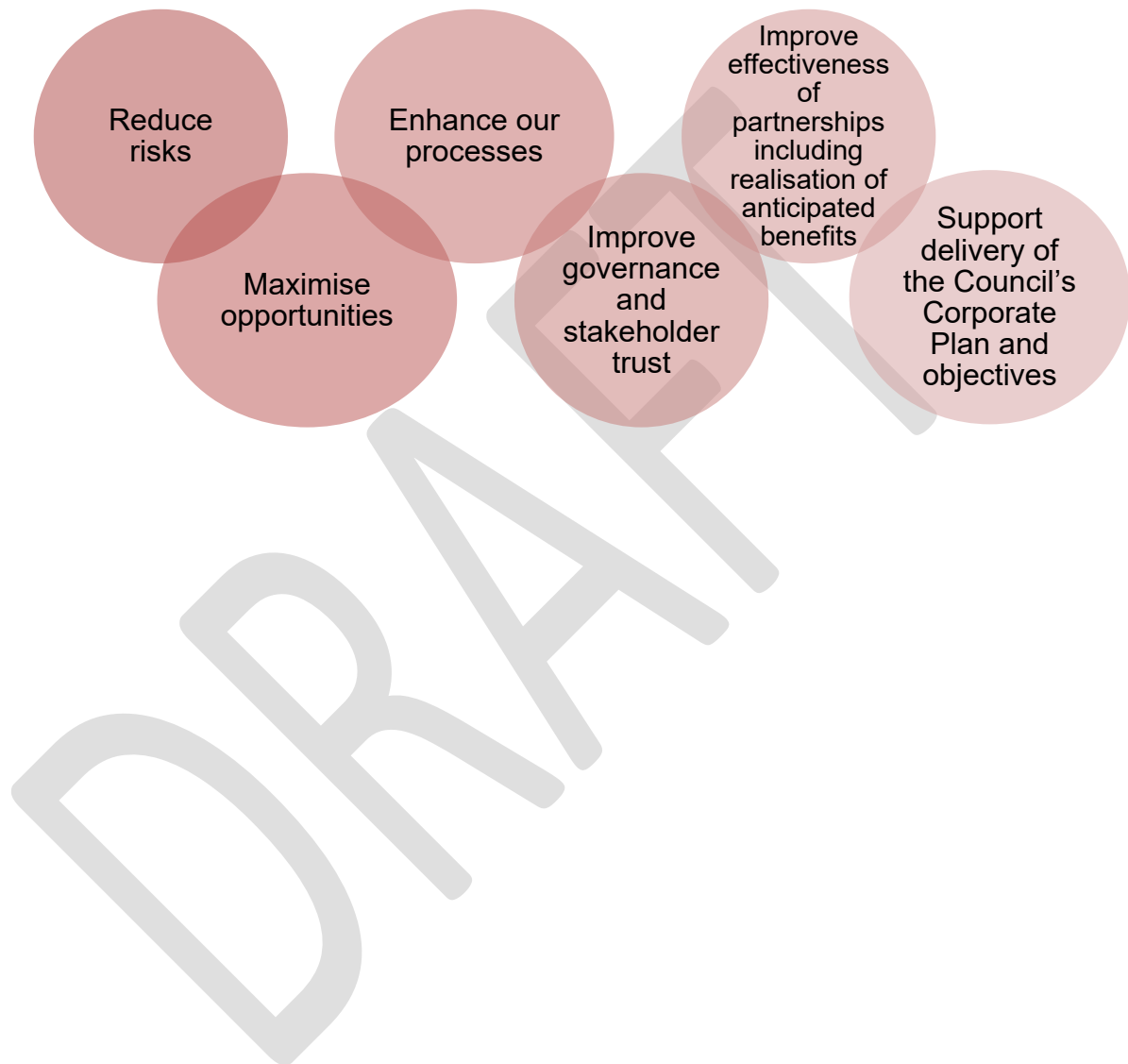| Role	Responsibilities
Head of Paid Services, Section 151 Officer, Monitoring Officer	- Overall accountability for the effective delivery of the Council's governance functions in accordance with industry best practice. - Ensure risk management features as part of the Councils proper administration to protect the authority from financial, strategic and operational risk.
Departmental Leadership Teams	- Ensure adherence with the risk management strategy and framework - Champion the benefits of effective risk management - Take ownership for risks within their function and ensure risk registers are regularly discussed, reviewed, updated and escalated as appropriate. - To appoint a risk coordinator to drive forward the risk management framework within their function.
Heads of Service, SBC Managers	- Record and manage risks effectively in their service area, in accordance with the risk management framework. - Where necessary escalate risks to Function Leadership Teams - Ensure their staff have appropriate understanding and training on risk management - Champion the benefits of risk management across their service and communicate the corporate approach to managing risk.
Employees	- Manage risk as part of their role and report risks to their managers - Develop understanding of risk management in SBC - Maintain awareness of risks, their impact, including costs, and feed these through the adopted risk management process.
Head of Financial Governance, Risk and Insurance, Counter Fraud and Internal Audit	- Overall leadership for the effective delivery of the Council's risk management assurance function in accordance with industry best practice. - Establish and embed the risk management framework across the Council - Provide oversight, challenge, and assurance that risk is being effectively managed.
Risk and Insurance Team	- Develop guidance, tools and training to support the business to manage risk effectively in Team accordance with the risk management framework. - Embed the risk management strategy and process to drive consistency in its application - Provide support and training on the risk register system - Provide assurance, support, and challenge to the business on all areas of risk management.

It is the role of the Risk and Insurance Team within the Council to provide support, guidance, professional advice and the necessary tools and techniques to enable it to take control of the risks that threaten delivery. It is however everybody's responsibility to manage risk wherever they work in the Council.

The work of the team will be directed to effect the achievement of the following risk management objectives:

- Align the Council's culture with the risk management framework
- Integrate and embed the risk management framework across the Council
- Enable the Council to recognise and manage the risks it faces
- Improve risk awareness so the Council is better placed to avoid threats and take advantage of opportunities

- Minimise the cost of risk
- Anticipate and respond to emerging risks, internal and external influences and a changing operating environment
- Implement a consistent method of measuring risk.

The implementation of the Risk Management Strategy will assist the Council to:

Reduce risks

Enhance our processes

Improve effectiveness of partnerships including realisation of anticipated benefits

Maximise opportunities

Improve governance and stakeholder trust

Support delivery of the Council's Corporate Plan and objectives

4 Risk Management Framework

At Slough Borough Council, we are committed to ensuring risk management is embedded across the whole Council. The risk management framework and the annual work and project plan of the Risk and Insurance Team follows industry best practice to provide a best-in-class risk management service helping the Council to be the most effective and efficient organisation.

For risk management to be successful, it is imperative that there is a single yet flexible approach for the management of business risk, adopted through all levels of the Council. This strategy is one part of the overall risk framework, the essential elements of which include:

- Risk Management Policy Statement and Strategy (including governance and accountabilities)
- Risk Management Methodology
- Risk Management Tools and Guidance to support the methodology
- Risk Management Training Programme
- Risk Assurance Statement.

Our approach is to ensure that the discipline of effectively managing risk is integrated throughout the Council and involves all key stakeholders including - but not limited to - officers, leaders, Members, partners and suppliers. Our framework is our end-to-end process of managing risk.

Primarily, Members and senior leaders of the Council will be focussed on the strategic and business critical risks that could impact on the achievement of objectives or successful delivery of outcomes. More detailed business operations risks will be the primary concern of services and functions, where managers will be controlling and monitoring their risks and escalating these to a strategic level if they are no longer containable and manageable at a functional level.

Identified risks and mitigations are managed through the Council's corporate risk register and should be regularly discussed, reviewed and updated. Frequent risk reporting takes place across all levels of the Council. The governance and reporting arrangements which set out what risk information is reported to which audience and when is covered in more detail in section 9 of this strategy.

The Risk and Insurance Team has a key role to play in supporting the operating principles of the Council and helping to achieve the strategic aims and priorities by providing oversight, challenge and assurance that risk is being effectively managed across the Council; whilst delivering a high performing, customer focused service. It is the role of the Risk and Insurance Team to develop and set the risk framework for the

Council to follow; ensuring that this adds value and is in line with the very latest industry standards and requirements. Section 11 of this strategy provides more detail on the roles and responsibilities of all stakeholders in relation to risk management.

5   Risk Appetite

Risk appetite is best summarised as "the amount of risk an organisation is willing to accept" and is about looking at both the propensity to take risk and the propensity to exercise control.

Ensuring the on-going effectiveness of risk management requires strong and sustained commitment by the Members and senior leaders of the Council as well as strategic and rigorous planning to achieve commitment at all levels. The tone set by senior management towards risk management has the greatest impact on organisational appetite.

As a large and diverse organisation, it is recognised that the appetite for risk will vary according to the activity undertaken and hence different appetites and tolerances to risk apply.

Slough Borough Council aims to be risk aware, but not overly risk averse and to actively manage business risks to protect and grow the Council. To deliver its strategic aims, the Council recognises that it will have to take and manage certain business risks. Intolerable risks are those that could:

- Negatively affect the safety of employees or our customers/clients
- Have a damaging impact on our reputation
- Lead to breaches of laws and regulations
- Endanger the future operations of the Council.

6   Risk Maturity

All organisations, including Slough Borough Council, are on a risk management journey. Risk maturity refers to where the business is on that journey and how well-established risk management is as a discipline across the Council. A risk maturity assessment measures an organisation's processes according to best practice, against clear external benchmarks. This establishes the 'risk maturity level' and assists with identifying areas of improvement to become more risk mature.

Risk management is currently embedded and integrated across Slough Borough Council with a low level of risk maturity. There is increasing complexity of risks facing the Council, public service organisations and our senior leaders recognise and actively support the driving forward of the risk management agenda. We continue to review our current risk management capability to help us direct our resources to areas that need improvement and further development, ensuring that risk management arrangements remain fit for purpose in this changing environment.

We network and share information with other Councils across Berkshire and the wider Unitary Council's network. The Council regularly engages with external risk management bodies such as Alarm (the Association of Local Authority Risk Managers) and the Institute of Risk Management. These provide additional opportunities for Slough Borough Council to

compare itself with industry best practice and ensure that it continues to move forward on the risk management journey.

7 PLANNING TO ACHIEVE OUR OBJECTIVES

In order to improve our risk maturity, we will, during 2022-23, focus on the development of the Council's ERM framework using the framework promulgated by the Association of Local Authority Risk Managers (ALARM). A s a starting point we will undertake a self-assessment of our Risk Management maturity as the basis for developing a multi-year plan for improvement. The Table below shows initial areas for inclusion in the plan, but these will be refined once the maturity assessment has been concluded:

Focus Area	Plans over the next 12 months
Risk Strategy and Governance	Establish risk and insurance team as 'go to' resource for advice on risk matters. Formalise and embed governance structure through the currently established forums – Cabinet, CLT, Audit and CG Cttee, Risk and Audit Board – consider setting up wider Governance Group Agree oversight roles across all significant risk areas including partnership arrangements
Risk Culture	Undertake risk culture exercise with CLT and Departmental Management teams Introduce regular risk training and refresher courses tailored to different requirements
Risk Enabled process	Unified risk methodology, consistent language and assessment criteria used across the Council Improved clarity on risk ownership, development, and implementation of mitigating actions to enable greater accountability Single Corporate Risk Register that is single source of the truth and builds on departmental risk registers
Risk Appetite	Formal expression of risk appetite that is reflected in strategic and departmental plans Structured mechanism to monitor and flag risk appetite exceptions
Technology Enablement	Embed risk management reporting then consider move away from Word based risk registers to a technology-based solution by the end of 2022-23. Introduce and embed risk management training and ethos across the Council starting with the Members and Senior Managers.

8 Risk Management Process

The risk management process is a series of logical steps which are carried out in sequence to progress through each stage of managing a risk. The process is cyclical, and it is often necessary to revisit earlier steps and carry them out again to ensure you have a complete

picture of the risks to the activity/outcome being assessed. Whilst we advocate there being less focus on following a rigid process and there being greater concentration on quality risk identification and action, there is a need to provide the Council with risk management methodology.

There are many variations of the 'Risk Management Process' and at Slough Borough Council, the risk management process adopted is in line with the International Standard in Risk Management - ISO31000. The Risk and Insurance Team has developed detailed guidance and accompanying training to take users through completion of the process step by step.
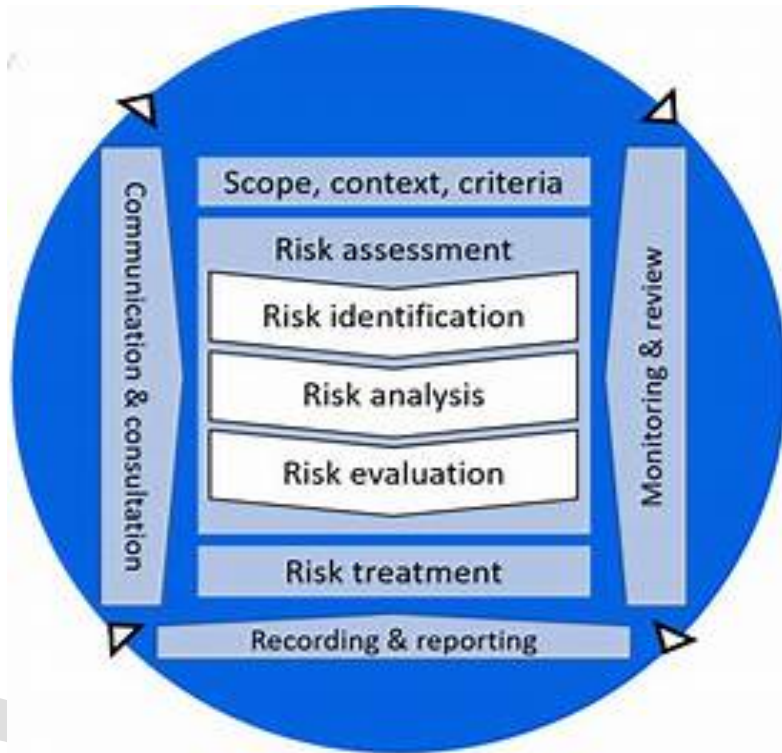
The risk management process begins by establishing **the context** around which you want to identify and assess risks. This could relate to an activity, objective, or outcome.

Risk identification sets out to identify an organisation's exposure to uncertainty. This requires knowledge of the organisation, the market in which it operates, the legal, social, political, and cultural environment in which it exists, as well as the development of a sound understanding of its strategic and operational objectives, including factors critical to its success and the threats and opportunities related to the achievement of these objectives. The Council is exposed to a wide range of risks. These risks can be grouped in different ways, to help with the assessment and evaluation of the risks. The Council has categorised these risks to provide a simplified method to manage, respond to and report on risks in the Table below:

Risk Type	Definition
Financial	Risks that a weakness in financial controls could result in a failure to safeguard assets, impacting adversely on the Council's financial viability and

	capability for providing services. Financial risks include fraud, corruption, and money-laundering.
Service Delivery	Risks that threaten the day-to-day delivery of services. Examples include procurement issues; supply chain; maintenance of property/systems and IT, and others such as geopolitical (e.g., Brexit) and pandemic (e.g., Covid-19).
Reputational	Risks that the Council receives negative publicity which impacts on service user and public confidence in the Council (e.g., CIPFA and DLUCH reports, adverse inspection reports).
Legal / Regulatory	Risks which may impact on the ability of the Council to deliver high quality services in accordance with the requirements of regulators and national standards. This can include information governance (e.g., GDPR/Data protection, Planning Law, Health & Safety at Work Law, Procurement regulations)
People/ EH&S	Impact on the health, well-being or health and safety of the Councils employees or the public. Failure to invest in people and culture of the Council. Examples include stress in the workplace, lack of training and development opportunities, exposure to hazardous substances, investment in planned maintenance, safe working, lack of PPE.
Economic	Direct impact on the economy of Slough. For example, loss of revenue due to Covid-19 and potential loss of major sectors (e.g., finance, hospitality, fisheries), changes in growth of Heathrow airport.
Environmental / Social	Relating to the environmental consequences of progressing the Council's strategic objectives (e.g., in terms of energy, efficiency, pollution, recycling, landfill requirements, emissions etc.). This could include not investing in environmental and sustainable projects as a result of pressures on finances.

Risk Analysis - Once identified, each risks needs to be **assessed and assigned a score for both their impact and probability** - the combined outcome of this produces the risk rating. To ensure consistency and the ability to compare and report on the various levels of risk; Slough Borough Council has adopted a 6x4 risk matrix to be used when determining the risk rating.

The risk score is calculated as *(impact) x (likelihood) = risk score*

The opening risk score is determined by assuming no control measures are in place.

Likelih	Very High	6	12	18	24
	High	5	10	15	20

	Significant	4	8	12	16
	Low	3	6	9	12
	Very Low	2	4	6	8
	Almost impossible	1	2	3	4
		Negligible	Marginal	Critical	Catastrophic
			Impact		

Measuring Impact

Risk Category	Impact Category Negligible	Marginal	Critical	Catastrophic
Risk Score	1	2	3	4
Economic/ Financial	Financial impact up to £50,000 requiring virement or additional funds	Financial impact of £50,000 and £500,000 requiring virement or additional funds	Financial impact of £500,000 to £1,000,000 requiring virement or additional funds	Financial impact in excess of £1,000,000 requiring virement or additional funds
Political	. Could have a major impact on one departmental objective - no impact on a Council strategic objective	Could have a major impact on a departments' objectives - some impact on a Council strategic objective	Severely impact the delivery of a Council strategic objective	The council would not be able to meet multiple strategic objectives.
Health & Safety	Reduced safety which if left unresolved may result in minor injury.	Minor injuries	1 death or multiple serious injuries	Multiple deaths
Environment	Minimal short-term/temporary environmental damage	Borough-wide environmental damage	Major long-term environmental damage	Very severe long-term environmental damage
Legal/Regulatory	Minor breach resulting in small fines and minor disruption for a short period	Regulatory breach resulting in small fines and short-term disruption for a short period	Minimal CMT but major departmental management effort required	Very severe regulatory impact that threatens the strategic objectives of the Council
Operational (including Contractual)	Minimal contract management required	Minimal departmental but major contract management required	Minimal CMT but major departmental management effort required.	Major CMT management effort would be required

Programmes and Projects	Risk does not affect overall project tolerances	Risk affects delivery of a milestone, but overall project tolerances are unaffected	Risk affects project tolerances to Amber RAG rating	Risk affects project tolerances to Red RAG rating

Measuring Likelihood

Score	1	2	3	4	5	6
	Exceptional	Rare	Unlikely	Possible	Likely	Almost certain
Time Frame	Multi-year	Annual	6 Month	Quarter	Month	Week
Frequency	Occurred a few times in >10 years in this or similar org	Occurred <2 times in 10 years in this or similar org	Occurred <3 times in 10 years in this or similar org	Occurred >3 times in 10 years in this or similar org	Occurred >7 in the last 10 years in this or similar org	Occurred >9 times in the last 10 years in this or similar org
Probability	<5%	<20%	<35%	>35%	>65%	>95%
Chance	Would only occur in exceptional circumstances	Could occur at some point	Might occur at some point	Likely to occur at some point	Will probably occur in most circumstances	Is expected to occur in most circumstances

Those risks which normally score between 16 and 24 will be regarded as strategically significant risks and will be included in the Corporate Risk Register which is considered by the Corporate Leadership Team. However other risks with an impact (consequence) score of 3, 4, or 5 may be recommended by a Departmental Leadership Team (with advice from the Departmental Risk Group) or proposed by the CLT for inclusion on the Corporate Risk Register on the basis that the nature of the impact (consequence) of the risks means that the CLT should have continued oversight – even though a high level of controls / mitigation are in place.

Risk Outcome – for each defined risk we must have a clear definition of the objective or desired goal for the risk, not simply as an intangible number on a page, but rather as a specific terminus point measured in time and quantified against a clear metric. This outcome orientation supports colleagues in defining clear treatment and control processes and developing measures and indicators which will support the assessment and monitoring of risk.

To define risk outcomes colleagues will receive training in the use of OKR and SMART tool kits for setting objectives.

OKR – Objective and Key Results, is a framework for defining a clear objective within a team setting. The objective ought to set the vision for the team, the key results are the measures by which they will determine their progress towards the goal, the latter doubling as risk indicators.

SMART – The SMART objective setting framework support definition of clear, measurable and time-based objectives for risks. The below image provides a refence for colleagues.

Specific	•Who, what, when and why?
Measureable	•How will we measure progress •How will we know if goal met
Achieveable	•Is it reasonable to achieve the goal in the stated time
Relevant	•Is this goal related to our overall success
Time-Bound	•How long will it take to deliver the objective •When will we check on progress

Risk Treatment and Control- Following identification and assessment, a decision must be taken on **how best to respond** to the risk and if accepted then control measures need to be determined to manage the risk. Actions will be developed to 'manage down' those risks to the Council's tolerance threshold. The options available will be one or more of the following:
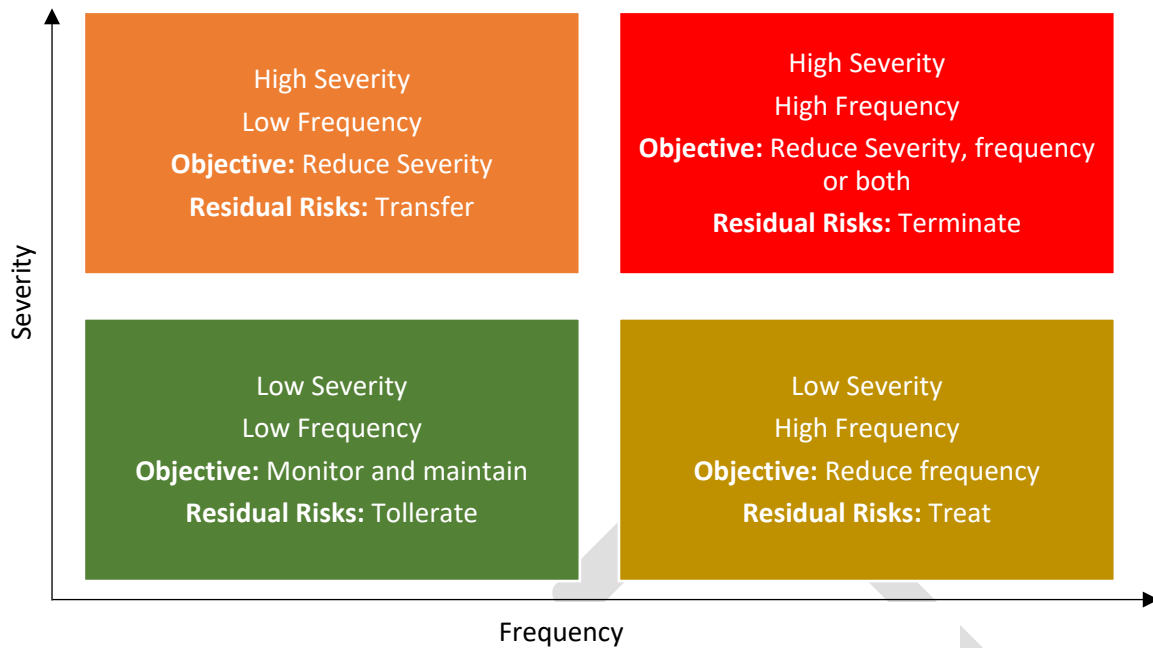
Tolerate – Where our ability to take effective action is limited or where the cost of mitigating the risk outweighs the potential benefit.

Treat – Take action to control the risk to an acceptable level by means of containment (before the risk materialises) or contingent actions (once the risk has happened).

Transfer – Pass some aspects of the risk to another party. This can take the form of a conventional insurance transaction or paying a third party to take on risk in another way (for example through outsourcing services). The Council acknowledge that service and reputation risk cannot be transferred and that contracting can raise a range of other risks that need managing.

Terminate – Where feasible we will, by doing things differently, remove certain risks. Most risks can be managed by 'treating' them. Relatively few risks have to be transferred. Any proposals to address risks must identify the resources required to deliver the improvements, the individual responsible for their implementation and the key date(s) involved. They will be incorporated into service and project plans and recorded in each risk register.

These treatment and controls generally map to one of four high-level quadrants as shown in the figure over the page.

A quadrant diagram with axes labelled "Severity" (vertical) and "Frequency" (horizontal):

High Severity **Low Frequency** **Objective:** Reduce Severity **Residual Risks:** Transfer	**High Severity** **High Frequency** **Objective:** Reduce Severity, frequency or both **Residual Risks:** Terminate
Low Severity **Low Frequency** **Objective:** Monitor and maintain **Residual Risks:** Tollerate	**Low Severity** **High Frequency** **Objective:** Reduce frequency **Residual Risks:** Treat

Using quadrants – The quadrants are a quick tool to steer colleagues thinking about the immediate objectives for the management of a risk, and ultimately how we might approach the management of residual risks which remain in the respective quadrants. Colleagues will have to consider the materiality of specific risks in determining how they map to the quadrants.

Communication and Consultation - There should be communication and consultation throughout the process and the need for continual monitoring and review of the risk(s) throughout the lifecycle of the activity/objective/outcome. Each risk at the strategic and function levels needs to have a **clear link to one or more of the strategic aims that are in the Slough Recovery and Improvement Plan.** The relevant strategic aim is included as part of the captured risk information providing increased assurance that there is effective identification and management of risk.

9   RISK MONITORING AND REVIEW

Our ambition is for the Council to have one Corporate Risk Register which is populated from the risk assessments carried out at all levels within the Council whilst enabling directorates, service areas, functions and project leads the ability to access information that is relevant to them (in supporting risk registers) in order to allow them to manage their part of the business. The Council's risk profile will be articulated using a 3-tier hierarchy.

Corporate – emergency risks dealt with through resilience forum and joint planning

Strategic – those that could materially affect the Council's business model

Operational / Projects – those that impact day to day activities and projects

Each tier refers to a dedicated risk register or set of risk registers. We set out later in this report the criteria for escalation and / or aggregation of risks. Further information is

contained within the Risk Management Toolkit Guidance. Once a risk has been identified, analysed, prioritised and further control actions agreed, it will be recorded in the relevant risk register. The total risk score will be used to measure performance in managing that risk and will be reviewed by the risk owner. High scoring risks will be subject to more frequent review.

10   RECORDING AND REPORTING

Regular reporting on the status of strategic and emerging risks and of the measures of success will support two outcomes:

• Increased accountability for delivery upon the actions, and

• Communications to the Full Council, Cabinet, Corporate Leadership Team and the Audit and Corporate Governance Committee that demonstrates the Council's commitment to risk management.

Having complete and current risk information available is vital to the Council, as this information drives business performance through the ability to make informed and calculated decisions. The table below outlines **the type of risks that the Council will report on its Corporate Risk Register:**

Types of risk	Description
Strategic Risks	Significant or strategic risks to the achievement of the Council's priorities. These risks are maintained by the Risk and Insurance Team and reviewed at least quarterly by the CLT.
Operational Risks	Report focused on common risks identified across the Departments. Risk Analysis on a regular basis through the Risk and Audit Board will allow for the identification of efficiencies and synergies in how the risk is managed.
New and Emerging Risks	New and emerging risks provide an opportunity to highlight emerging risk trends that could potentially impact the achievement of the Council's objectives. These are usually external risks e.g., new regulations or geopolitical relations. CLT will determine whether the new or emerging risks warrant inclusion in the Council's Corporate Risk Register.
Risks by exception	These are risks specific to one or more Departments that are escalated for review, potentially by theme, and consideration because of one or a number of the following reasons: • the risk rating cannot be controlled / contained at the current level • the risk remains very high even after mitigations are implemented • action/ support is required from the relevant oversight body • the risk will impact on more than one public service / functions If the risk rating decreases significantly, these will be moved lower to the Departmental level once approval is obtained from the CLT.

11   Risk Management - Escalation of Risks

Our approach to risk management is founded upon ensuring risk is effectively and consistently managed across all levels of the Council. The risk culture that emanates from

the Corporate Leadership Team throughout the Council is essential in ensuring all levels buy into and adhere to the corporate risk process.

A risk may need to be escalated to a higher level if:

- the risk becomes too unwieldy to manage at the current level
- the risk rating cannot be controlled contained within its current level
- the risk remains very high even after mitigations are implemented
- the risk will impact on more than one service project or function if
- the risk event materialises
- the risk moves outside the appetite boundaries I comfort zone.

A risk may need to be moved to a lower level if:

- the risk can be controlled and managed at a lower level
- the risk rating decreases significantly, and the risk event will only affect one function 1 service area or 1 team, and
- the impact will be limited then this should be controlled more locally at a lower level.

If a risk owner identifies that the risk needs to be moved because it fits into one of the categories as stated above the advice of the relevant Risk Coordinator or the Risk and Insurance Team should be sought regarding moving the risk. If this results in a change of risk owner, the potential new risk owner must be contacted for handover.

If a risk is multi service or Council wide the risk owner should consult with other relevant parties before recommending a change of level.

Strategic Level - If the risk is to be moved to the Strategic Level, then the Risk and Insurance Team will need to be consulted so this can be considered by Corporate Leadership Team (CLT) for inclusion on the Strategic Risk Register. If CLT endorse the inclusion of this risk, then the Risk and Insurance Team will ensure the risk features in the Corporate Risk Register and falls within the standard monitoring and review cycle.

Function Level - If the risk is to be escalated to the Function level, then, in conjunction with the Risk Coordinator, the risk owner needs to consult with senior management regarding inclusion to the function risk register. This ideally should be raised with the function leadership team either at the next available meeting or remotely. Similarly, to the escalation process if the risk is considered to be moved down a level, then the appropriate Risk Coordinator should be involved to assist in the process.

12   INTEGRATING WITH THE CONTROL AND ASSURANCE FRAMEWORK

Risk management complements Slough Borough Council's internal control environment, alongside other financial, operational and compliance controls. The UK Corporate Governance Code (2016) dictates that –

 "The board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The board should maintain sound risk management and internal control systems".

Sections 11 and 12 of this strategy outline the roles and responsibilities, and governance framework for risk management within Slough Borough Council, demonstrating our arrangements for dispersing accountability and responsibility for risk management throughout the Council. With particular focus on internal control, the Audit and Corporate Governance Committee are the Council's oversight body for risk management, providing check and challenge to the risk management strategy, process and delivery.

The Risk and Insurance Team work closely with the Risk and Audit Board, internal audit and governance colleagues to ensure the principles of good governance are adopted. Auditing of the business risk management framework is undertaken by the Council's internal audit team in accordance with their audit plan and recommendations arising are fed back through the risk management framework to ensure continual improvement.

The Institute of Internal Audit issued a report entitled "the three lines of defence in effective risk management and control". This provides a model for clarifying response at both an operational and strategic level and this has been adopted for Risk Management at Slough Borough Council as a 'Three Lines of Assurance' model.

First Line of Assurance	Second Line of Assurance	Third Line of Assurance	External Third Parties
Managers in Functions and Service Areas	Risk Management Health and Safety Business Continuity Emergency Planning Information Data Security Insurance	Internal Audit	External Audit Regulators

Within this model, management control is seen as the first line of assurance; this shows how each function area complies with risk management sources of assurance. The second line of assurance shows the oversight functions of Assurance Services. The third line of assurance provides Internal Audit's assessment of the risk management sources of assurance. Assurance is also offered from external sources such as external audit. This model provides active scrutiny and challenge to ensure assurance is achieved.

13   RISK SYSTEM

As part of good governance, the Council manages and maintains a register of its key strategic and operational business risks - assigning named individuals as responsible officers for ensuring the risks and their control measures are monitored and effectively managed. The risk register is a critical tool for capturing and reporting on risk activity and the Councils risk profile.

The various risk registers are currently maintained in Word or Excel documents. This is cumbersome and a move to an electronic solution utilising a live database where new risks are captured will be introduced during 2023-24.

We have reviewed several platforms that can systemise our Risk Management process, we are undergoing the ECP and TDA approval processes in relation to GOAT.

14   GUIDANCE, EDUCATION AND TRAINING

The Risk and Insurance Team is responsible for developing workforce risk management capability across the Council, through the provision of guidance, education, training and support. Guidance materials are under regular review to ensure they reflect the needs of the Council and are compatible with the Councils structure having the flexibility to adapt to new and changing structures. New ways to engage with officers and leaders to help with the understanding and embedding of effective risk management is under regular review, with the options for digital learning and development high on the agenda. The risk management intranet pages are continually being improved.

New training with accompanying companion guidance has been and will continue to be developed and rolled out. The risk management strategy, guidance and training materials are reviewed on a regular basis to ensure they continue to meet the needs of the Council and incorporate the very latest industry best practice. The most recent training programme is now on the Cornerstone site.

15   QUALITY ASSURANCE AND REVIEW PROCEDURES

To ensure the risk management framework remains fit for purpose, we continually seek to review and improve our risk management methodology and embrace new initiatives and industry practices that suit the needs of our Council. We adapt to our changing operating environment and economic conditions and have a risk framework with sufficient flexibility to cope with these changes.

 We aim to improvise, innovate and experiment in addressing challenges and exploiting opportunities learning from both success and failure, which strengthens the Council and its dependent networks. Members of the Risk and Insurance Team have the necessary skills, professional knowledge and relevant qualifications in their field and are members of external risk forums, working groups and related risk education and learning industry groups.

Risk skills and knowledge from these are fed back into our day-to-day practices at Slough Borough Council to ensure we are at the forefront of enterprise risk management. The risk management policy & strategy, guidance and associated tools are regularly reviewed to

ensure the impact of new legislation, government guidance or internal changes in practice are captured and reflected. Risk management is subject to the Councils internal audit practices and as such, is audited in line with the timetabling set by the Internal Audit Plan. Any recommendations arising from audit activity is channelled back through our annual work plans to ensure they are addressed.

16 EVALUATING SUCCESS

In order to determine whether the risk strategy has delivered its anticipated benefits the following measures will be developed and monitored to assess the success of the strategy.

Expected Benefit	Measure
Effective decision making through better understanding of risk exposures	Improved current risk ratings / reduction in level of risk exposure across the Council Documented evidence of 'risk consideration' in approvals of strategic decisions e.g., Recovery and Improvement Plan, business plans, project plans etc.
Effective use of the Councils' resources to deliver outcomes for residents	Improved risk reporting / decision making (e.g., hours saved by risk function, number of risk related advice information requested)
Compliance with legal and regulatory requirements	Reduction in number of breaches and size of penalties / fines Reduction in number of exemptions
Improved confidence and proactivity to manage risk	Positive stakeholder feedback Improved ratings from internal and external audits e.g., Scrutiny, External Audit, Internal Audit
Capitalising on opportunities	Increased number of opportunities recognised and realised Costs saved / profit made through successful opportunities
Increased organisational risk maturity	Improving risk maturity score against ERM maturity model
Confidence and trust of stakeholders	Positive stakeholder feedback through risk surveys
Accountability for risk	All risks and treatments with named owners % of 'active' risks with mitigating activities taking place
Enhancement of the Councils' reputation	Number of external audit findings addressed in a timely manner and meeting / exceeding customer expectations