



Stirling Council

Risk Management & the Challenges

Glen Allan – Corporate Risk Manager



Career

- 15 years @ Scottish Water:
 - Operations – Distribution & Water Treatment
 - Operational Auditor
 - Security Adviser

- 3 years @ NHS 24:
 - Risk Manager

- 2006/2007 @ Stirling Council:
 - Corporate Risk Manager



Stirling Council - Historical RM arrangements

- ❑ Executive Directors responsible for developing RM (2004/2005)
- ❑ Operational & Strategic MS Word based Risk Registers (2005)
- ❑ 150 managers trained in Risk Management (2005)
- ❑ Initial process failed no dedicated resources to sustain momentum (2005/2006)
- ❑ Recognition that full time RM role needed to be created - Corporate Risk Manager post advertised. (2006)

Areas for Improvement

- ❑ Risk Management Framework established to link the separate risk management activities.
- ❑ Staff needed a simple RM process with as little jargon as possible – translated into their terms.
- ❑ RM process needed to be tied into a simple format that met reporting and Risk Management requirements.
- ❑ RM Champions needed to be established in each Service
- ❑ RM process needed to become part of business as usual and not a bolt on when reports were due.
- ❑ Staff needed to see the tangible benefits of RM in their day to day activities.

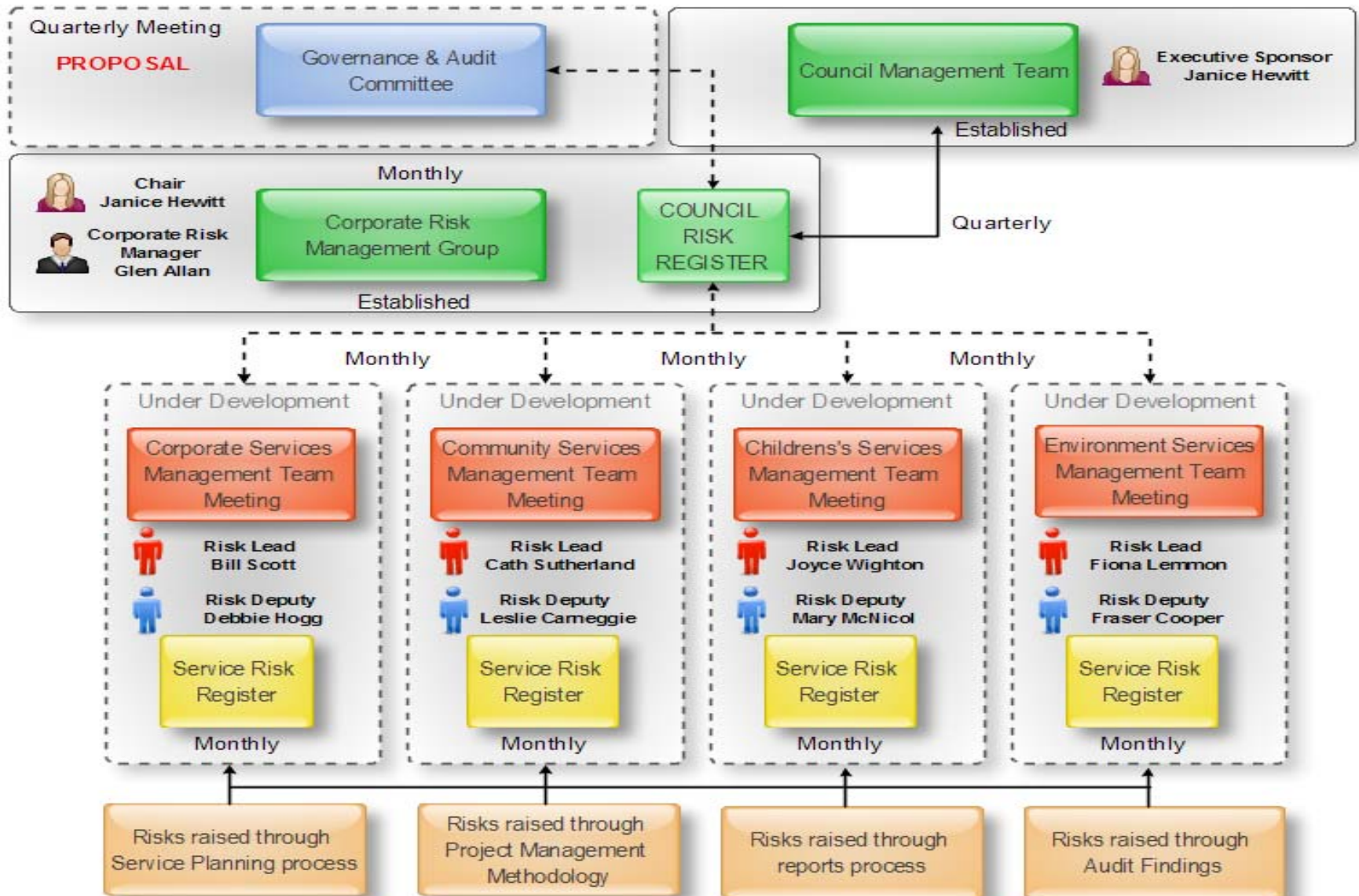
Current RM arrangements

- ❑ **Corporate Risk Management Group** cross council representation (senior council staff) - Monthly

- ❑ Chaired by Executive Sponsor

- ❑ Tasked with:
 - Supporting the development of the RM Framework
 - Reviewing Corporate Risk Register and new/escalated risks for challenge and scrutiny
 - Frank discussion around council & service risks.
 - Development of Risk Communications & Training.
 - Members champion and support Risk Management activities in their area of the business.

Stirling Council Risk Management Framework



RISK MANAGEMENT PROCESS

Risk Register Columns

8

ESTABLISH RISK CONTEXT

1

Who are your Key Stakeholders?

What objectives are you trying to achieve?

What Constraints and dependencies do you need to work with?

Are there any risks that may effect the objectives?

IDENTIFY THE RISKS

2

Risk Number

Risk Date

Risk Description

A clear and concise description that allows anyone to understand what the risk means (if the risk description is not concise it will be harder to manage)

ANALYSE THE RISKS

3

Significant Impact

SO WHAT? - a clear description of the significant impacts that may occur should the risk happen. (these are the impacts that make the risk significant, and why people should take note of the risk)

The risk score now means that the risk can be prioritised for treatment:

Consequence Score (1-5)

X

Likelihood Score (1-5)

=

Risk Score (1-25)

RED (15 - 25) High Priority Treatment
 AMBER (8 - 12) Medium Priority Treatment
 GREEN (1 - 6) Low Priority Treatment



Target Score

The target score that the Risk Owner can tolerate the risk remaining at (Tolerance level)

Risk Monitor

The person responsible for monitoring the risk, the risk treatment actions and the date the actions have to be implemented by

Risk Owner

The person responsible for managing the risk, delivering the risk treatment actions by the target date agreed

Existing Controls

Are there any existing risk controls in place, how effective are they? and do they change the Likelihood or Consequence score? (if so go back and re-visit the Analysis stage to re-score the risk)

EVALUATE THE RISKS

4

TREAT THE RISKS

5

Treatment Actions

These are actions that need to be implented to reduce the likelihood and/or the consequence of the risk to the Target Score (Tolerance Level)

Target Date

The date by which the Treatment Actions will be implemented by.

MONITOR & REVIEW THE RISKS

6

Risk Status

This column indicates whether the risk has increased, decreased or remained steady since the previous month

7

COMMUNICATE & CONSULT

The Stage of Monitoring & Reviewing the Risks as part of the Risk Management process is essential to ensure that the risks are being managed effectively on an ongoing basis.

Future Developments?

- ❑ Training Council Members in RM principles & operation of Risk Register (Governance & Audit internal control)
- ❑ RM process migrates from Excel to dedicated RM Application (Majique link Internal Audit & Galileo)
- ❑ Development of Consequence Factor Table to define the Council's Risk Appetite
- ❑ CRMG members and managers to be trained in Majique
- ❑ Formalized reporting based around performance monitoring (Performance Indicators)
- ❑ Service Planning Risk Workshops & Project Risk Workshops
- ❑ Online Risk Management Training.
- ❑ Further development of the Council Intranet as a Risk Management information hub.
- ❑ Health & Safety alignment with RM Approach

RM Challenges

- ❑ Sustaining RM Engagement with key stakeholders
- ❑ Contributing to effective internal control arrangements – **“Accountability”**
- ❑ Improving effective decision making - Responsiveness
- ❑ Facilitating open discussion of “unmentionables”
- ❑ Development of an agreed “risk appetite” allowing opportunities to be benefited from, rather than constantly operating on the risk aversion principle.
- ❑ Proactive intervention at the Risk Stage vs Issue Stage <Stress <£
- ❑ Staff undertaking RM activity under their own initiative.



Stirling Council

Questions?