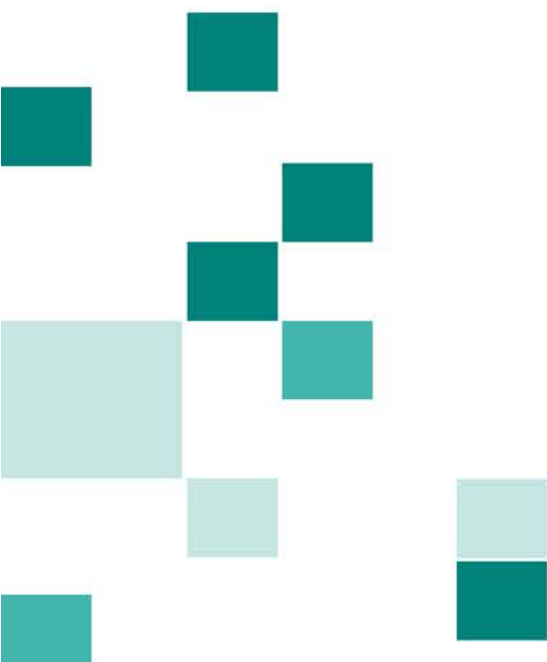




# Risk Policy

## December 2019



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## 1. Introduction

The SSSC recognises that risk is inherent in all aspects of delivering public protection services. These risks relate to our staff, registrants, service users their families or carers, employers and the wide range of stakeholders we work with as well the systems and facilities we use.

This policy is designed to manage the risks of the SSSC and support the identification, evaluation and control of risk to ensure, as far as possible, that they are eliminated or reduced to a level that is acceptable to the Council. By undertaking risk management, we will better manage the successful delivery of our objectives by both preparing for and understanding the implications of adverse events. We will also be better able to provide assurance to our stakeholders that we are managing risks and appropriately maximising business and public value opportunities.

The policy describes the SSSC approach to risk management, details the roles and responsibilities of the of the Council, Audit and Assurance Committee, Executive Management Team (EMT) and Operational Management Team (OMT). It outlines key parts of the risk management process and identifies the main reporting procedures. It also describes the methods used to evaluate the effectiveness of the internal controls and approach to risk.

## 2. Principles

- The Council is accountable for overseeing risk management.
- The Council adopts an open and receptive approach to solving risk problems and addressing risk implications.
- We will set our appetite for risk, maintaining a formal statement.
- We will have a dynamic approach to risk that will allow of escalation and de-escalation of risk within the tolerance and appetite set by Council.
- The Chief Executive and senior managers are responsible for the identification and management of Strategic and Operational risks.
- We take a prudent approach to the recognition and disclosure of both the financial and non-financial implications of risks.
- Managers are responsible for ensuring good risk management practice within their functional areas.
- Key risk indicators will be identified and closely monitored on a regular basis with changes in assessed risk regularly reported to the relevant programme board, EMT, Audit Committee or Council as appropriate.

### **3. Roles and responsibilities**

#### **3.1 Council**

The Council is accountable for the oversight of the management of risk. The responsibility for overseeing the management of strategic risk is delegated to the Audit and Assurance Committee.

The Council sets the tone and influences the culture of risk management at the SSSC. This includes determining:

- whether the SSSC is 'risk taking' or 'risk averse' as a whole or any relevant individual issue
- the risk appetite of the SSSC
- what types of risk are acceptable and which are not
- the appropriate level of risk exposure for the SSSC
- the standards and expectations of staff with respect to conduct and probity in relation to risk management.

The Council is also responsible for:

- agreeing the strategic risks of the organisation
- delegating strategic risk monitoring and management to Audit and Assurance Committee
- satisfying itself that the less significant risks are being actively managed, with the appropriate controls in place and working effectively.

#### **3.2 Audit and Assurance Committee**

The Audit and Assurance Committee is a committee of the Council and is responsible for:

- reviewing the Strategic Risk Register and any associated management plan
- advising Council and Chief Executive of the adequacy of the identification and management of strategic risk
- providing assurance to Council on the adequacy and effectiveness of the SSSC arrangements for risk management
- producing an annual report for the Council and Chief Executive as Accountable Officer, including advice on the effectiveness of the SSSC risk management.

#### **3.3 Executive Management Team**

The Executive Management Team are the senior management team of the SSSC and are responsible for:

- developing and implementing policies on risk management and ensuring staff understand these
- identifying, monitoring and evaluating the strategic risks faced by the SSSC for consideration by Audit and Assurance Committee

- reviewing risk in relation to performance and budget to achieve strategic outcomes
- delegating the operational management of risk to OMT and ensuring OMT understand their responsibilities in relation to risk
- ensuring Directorates undertake the requirements set out in this policy.

### **3.4 Operational Management Team**

The Operational Management team consist of the Heads of Service within the SSSC and oversee the day to day operational management of the SSSC. They are responsible for:

- ensuring operational risks in their areas of responsibility are identified, monitored and controlled, taking appropriate action to mitigate risks and escalating issues as appropriate
- identifying, monitoring and evaluating Directorate risks, maintaining a risk register and ensuring risks are controlled and escalated where necessary
- undertaking monthly reviews of their department risks, include those contributing to the Directorate Risk Register
- escalating risks to EMT through the monthly directorate meeting to review the Assurance Report process
- ensuring risk is appropriately documented month to month, including any escalated risks or changes to risk assessment.

## **4. Risk management processes**

### **4.1 Risk identification and review**

Directorates will identify risks and document these using the established pro-forma which includes:

- risk owner
- link to the Strategic Plan
- risk description and consequences
- scoring of raw risk
- risk velocity
- control measures
- scoring of residual risk
- risk indicators
- movement since last review.

Heads of Service will review department risks on the Directorate Risk Register in line with the SSSC performance reporting timetable. Departments and Directors will identify new operational risks for discussion at monthly performance review meetings.

Any new, emerging or escalated risks and associated management actions will form part of the Assurance Report to EMT on a monthly basis. EMT will consider the actions and identify if the consequences will lead to an impact on

the strategic risks or create the emergence of a new strategic risk. EMT will also consider the actions required in the report.

EMT will consider the strategic risk register at each monthly meeting and provide a report on new, emerging or escalated risks to the Audit and Assurance Committee. EMT will also agree any further actions to be undertaken to manage strategic risk.

Any member of staff can identify a risk and raise it with their operational manager for assessment for the directorate risk register. Where a member of staff has identified a risk which they feel has not been taken seriously enough, they should raise it with their director, and as a last resort where it is potentially very serious, through the SSSC's Whistle-Blowing Policy. For a new risk, the raw risk score determines how significant a risk is and whether it should be included on the Council's Strategic Risk Register.

The SSSC Health and Safety Policy outlines the requirements in relation to risk assessments and health and safety risk, please refer to this policy for further guidance.

## **4.2 Monitoring risks and management actions**

The Performance and Improvement department will support the monitoring process by ensuring reviews of Directorate Risk Registers are completed as required and coordinating the risk report to EMT. Directorates via Heads of Service are responsible for ensuring the reviews are documented and risks are tracked, added and closed accordingly. They are also responsible for updating progress on management actions.

The Council is accountable for the effectiveness of internal controls in the SSSC. The Audit and Assurance Committee has delegated responsibility for overseeing this based on information provided by senior management. Risk is monitored through the Assurance Report on a quarterly basis and is reported to Council with recommendations from the Audit and Assurance Committee.

The Audit and Assurance Committee prepares an annual report to Council on its activity, including oversight of risk. Development sessions are held to ensure that Council Members understand their collective responsibilities for oversight of risk where necessary. In addition, the Council considers the internal and external risk profile for the coming year and considers if current internal control arrangements are likely to be effective.

During the year, the EMT will consider and update in-year changes to the residual risk scores and update the Audit and Assurance Committee accordingly.

This policy will be reviewed annually.

## 5. Risk appetite

Organisations without a formal statement on risk appetite are likely to experience a control problem. Without such a statement, managers have insufficient guidance on the levels of risk they are permitted to take.

The Council has prepared a Risk Appetite Statement which is reviewed annually. The EMT is responsible for developing Risk Tolerance Statements for individual risks in support of the overall Risk Appetite Statement.

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