Risk Management Framework

The Scottish Legal Aid Board

www.slab.org.uk

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Introduction

Risk is an uncertain future event that, if it occurs, has an effect on the objectives of an organisation, department or project.

Managing risks is important to SLAB – it helps us to prevent things happening that might stop us achieving our objectives, be they corporate or departmental.

Risk Management is the infrastructure that allows us to identify, analyse, assess, treat, monitor and communicate risks in a way that reduces loss or damage and increases opportunities.

Anticipating and addressing problems in advance significantly reduces the cost and time taken to resolve them.

We are committed to achieving the aims set out in our Corporate Plan. In so doing we acknowledge that we will face a variety of risks. The objective of risk management is to respond to these risks effectively to maximise the likelihood of achieving our objectives and best use of resources.

Risk Management Cycle

There are five key stages to our risk management cycle.

Stage	Definition
Identify	Risk identification is the process of determining what risks might affect us delivering our objectives.
Analyse & Assess	Assessing the risk using a likelihood and impact scale alongside agreed statements of risk appetite.
Plan, Action and Implement	Once the risk is identified, plan and implement mitigation responses and further action required.
Monitor and Review	Provide regular ongoing review of the identified risks, to consider whether the risk level has changed and whether actions are proving effective.
Report	Reporting or escalating to the relevant forum.

Staff across SLAB will be required to carry out a range of tasks under each stage of the risk management cycle.

Risk management structure

Risk Registers

Risk registers are a key management tool. A risk register supports the identification, assessment and monitoring of risk. Risk registers also provide useful information on risk trends, action planning and offer a means of sharing lessons and good practice across the organisation.

Risks identified will be classified and recorded in the following risk registers;

Corporate risk register – This register records the risks that have the biggest impact on the delivery of our Corporate Objectives.

Functional risk register – This register records risks that may have an impact on our functions but are not serious enough to warrant inclusion on the Corporate Risk Register.

Project Risk register – This register records risks that could have an impact on the delivery or outcome of key projects.

The template for the SLAB risk register is in here .

Through our risk management processes, we will ensure the relationship and cross over between these risks is monitored and understood, for example, identifying risks and themes that are recorded across multiple functional registers.

Our assessment of risks will also link closely with our consideration of our performance and audit functions.

Roles and responsibilities within the risk management cycle

The Board

The Board is responsible for approving the system of internal control, including the Risk Management Framework. The Board sets the risk appetite for the organisation that drives our response to risks.

Risk appetite is the level of risk that the Board is prepared to tolerate in specific areas. This will differ dependent on the risk event. The purpose of this is to provide clear direction and boundaries for risk management in SLAB. This equips staff with the ability to identify where risks can be taken and where they cannot, or where additional action may be needed to mitigate risks that sit outwith the Board's stated appetite.

The Board delegates oversight of the Risk Management Framework to the Audit Committee.

The Audit Committee

The Audit Committee provides advice to the Board and the Accountable Officer on the strategic processes for risk, control and governance, including the Governance Statement.

The Accountable Officer (Chief Executive)

The Accountable Officer has personal responsibility for maintaining a sound system of internal control that supports our objectives, whilst safeguarding public funds. They sign the annual accounts that includes the Governance Statement.

The Executive Team

The Executive Team are responsible for collective oversight and scrutiny of SLAB's Risk Management Framework, corporate risks, and promotion of good risk practices throughout the organisation.

Directors

Directors are responsible for the implementation and embedding of the Risk Management Framework within their Directorates, ensuring risks are escalated to the Corporate Governance, and Risk Group for consideration as required. They will ensure that risk features as part of meetings with their Managers and that functional risk registers are updated in line with framework timescales. They may also be Risk Owners.

Risk Coordinator

The Risk Coordinator is responsible for overseeing the compilation and updating of risk registers at functional and project level, including highlighting and escalating cross functional risks. They are responsible for coordinating the maintaining and updating of the Corporate Risk Register. They are responsible for overseeing the promotion, embedding and delivery of training and good risk management throughout the organisation, carrying out reviews of risk and reporting to the Executive Team as necessary.

Risk Owners

Risk owners are responsible for managing one or more individual risks. This includes managing each stage of the risk management process for those risks. They ensure risks are discussed with their Director as necessary and that their staff have the relevant skills and training required (in consultation with the Risk coordinator) and risk objectives are set where appropriate.

Project Managers

Project Managers will ensure that project risks are managed and discussed at project boards.

Internal Audit

Internal Audit carry out audit work on parts of the Risk Management Framework as required. They use SLAB's risk registers to formulate our risk universe and inform the strategic audit plan.

Corporate Governance and Risk Group

The Corporate Governance and Risk Group is Chaired by the Risk Coordinator and made up of key staff involved in the management of risk. It meets quarterly to review functional risk registers, discuss cross-organisational risk and is the forum for risk owners to bring risk related questions. It considers risks outwith the risk appetite and the escalation of risks from functional risk register to the corporate risk register.

All staff

All staff are expected to have a basic understanding of the importance of risk and to report potential risks to line management. They should be aware of the Risk Management Framework and the different roles and responsibilities within it. They will be involved in the discussion of risks at team meetings.

Monitoring and Review of Risk

Risk monitoring and review is an ongoing process that will be embedded in everyday activity.

We monitor and review risk through:

- Reviews of the corporate risk environment, including the corporate risk register, by the Executive Team on a quarterly basis
- Risk register reviews by Risk Owners on at least a quarterly basis
- Reviews of cross-functional risks by the Risk Coordinator on a quarterly basis
- Risk discussions at team/department/Directorate meetings
- Review of project risk registers at all Project Board meetings
- Risk being a standard item on specific meetings with the Scottish Government
- The terms of reference for the Corporate Governance and Risk Group
- Internal Audit activity
- Formal review of the Risk Management Framework at least every four years, or as required

Reporting on Risk

Risk reporting is an ongoing process that will be embedded in everyday activity.

We report on our management of risk through:

- Regular operational reporting to the Executive Team
- Ad hoc reporting to the Executive Team by the Corporate Governance and Risk Group as necessary
- Papers to the Audit Committee at each meeting and the Board twice a year
- The Annual Report and Accounts

Escalation of Risk

There will be occasions when risks need to be escalated. This means that the risk has become serious enough for it to be moved from a functional/project risk register to the corporate risk register.

If a functional risk is ‘red’ after mitigation/treatment or the risk is outwith the Board’s anticipated risk score this is escalated by the Risk Owner to the relevant Director who will arrange for discussion with the Corporate Governance and Risk Group. The risk owner should also attend.

If after a review of cross-functional risk by the Risk Coordinator there is found to a problem with cumulative risk exposure, this will be discussed with the Corporate Governance and Risk Group as soon as possible.

The Corporate Governance and Risk Group will decide whether a risk(s) should be escalated to the Executive Team for discussion. If so, the matter will be added to the agenda of the next Executive Team meeting. The Chief Executive in consultation with the Executive Team will then decide if the risk should be escalated to the corporate register.

Training and promoting organisation wide awareness

Managers responsible for a functional risk register will receive face to face training on the management of risk. This will be refreshed every three years.

An all staff communication on risk awareness will be published annually.

The Risk Management Framework will be included as part of the Corporate Induction.