

## Appendix B Responsibility for Risk Management

(Source: CIPFA TISonline [Technical Information Service online], Internal Audit, Audit Environment, Risk Management)

<p>Responsibility for risk management rests ultimately with the board (or equivalent) which should retain responsibility for the major risks the organisation faces and be accountable for their effective management.</p>	<p>i.e. for SCDC, Cabinet, led by the designated portfolio holder.</p>
<p>However, it will be necessary to assign responsibility for the day to day management of specific risks to the organisation's managers and staff. All levels of managers and staff should understand that they are responsible for the management of risk in their particular area.</p>	
<p>The risk management policy should identify the major risks the organisation faces and how these are to be managed. Across the public sector, most organisations now place responsibility for monitoring risk management with an audit committee or equivalent function.</p> <p>The audit committee's responsibility is to obtain assurance that the risk management process is operating effectively; not to deliver the process itself. There is sector specific guidance available on the role of audit committees in this regard. See "Audit Committees: Practical Guidance for Local Authorities (CIPFA, 2005)".</p>	<p>i.e. for SCDC, Corporate Governance Committee.</p>
<p>A formal risk management process should also be adopted at senior management and departmental level (and section level in larger organisations).</p> <p>Each department should develop a risk register as part of this process and report on this at least annually to the senior management team.</p> <p>The senior management team should in turn report at least twice a year (and perhaps more frequently depending on severity of risk) to the audit committee or the board on the way that the organisation as a whole is managing its significant risks.</p>	<p>i.e. for SCDC, the Strategic Risk Register and service area risk registers.</p> <p>At SCDC, these are reported twice a year.</p> <p>At SCDC, Strategic Risk Register reports go to EMT and the designated portfolio holder quarterly, with an annual report to Corporate Governance Committee on the Risk Management Strategy and process, including how the Strategic Risk Register has been reviewed by EMT and the portfolio holder.</p>