SCRA Risk Management Policy

1. Statement on Risk Management

1.1 The Risk Management Policy is founded upon the core principles that risk management is:

- central to SCRA's corporate governance and internal control arrangements
- a key tool in the management of the organisation to assist staff to manage risk as part of their day to day workload
- an important component in ensuring continuity of core activities and to assist SCRA to deliver its business objectives
- dynamic, with frequent review and updating, and focused on the most significant risks at the time
- is an inclusive process covering all strategic and operational risks.

1.2 The definition of a **risk** is the threat or possibility that an action or event will adversely or beneficially affect an organisations' ability to achieve its objectives.

1.3 The policy applies to all areas of the organisation's activity. It is not only concerned with strategic objectives but encompasses operational and programme/project management activity.

1.4 It should be viewed as a top to bottom process, involving all levels of staff, that supports continuous improvement. As well as focusing on possible threats it is important to consider the risks of not taking opportunities that would support innovation (positive risk taking) and improve service delivery.

1.5 Locality Management Teams and Head Office Teams are responsible for developing their own risk registers and escalating risks to the Planning and Performance Network (PPN) or EMT as appropriate.

1.6 The PPN co-ordinates the operational and locality approach to risk, including the development and maintenance of risks (linked and aligned to locality plans).

1.7 The PPN role also includes:
- identifying and sharing good practice
- assessing whether risks are being adequately managed within agreed appetites and tolerances across SCRA
- ensuring that each business area and locality is regularly carrying out risk identification and assessment exercises to ensure that risk registers are accurate and up-to-date.

2. Approach to Risk Management

2.1 The risk management policy sets out the approach to risk management and documents the roles, responsibilities of the Board, senior management, the PPN and employees.

2.2 In addition, the policy describes the process the Board will use to evaluate the effectiveness of the Administration's internal control procedures.

2.3 The following key principles outline SCRA's approach to risk management and internal control:

- the Board has responsibility for the system of internal control and for overseeing risk management within SCRA

- the Principal Reporter/Chief Executive and senior managers will implement policies on risk management and internal control approved by the Board

- a positive attitude to risk assessment and solving risk problems is adopted by the Board and senior managers

- managers at all levels are responsible for encouraging good risk management practice within their areas and all managers consider the consequences of their decisions and actions from a risk management perspective

- integration of risk management into the planning and performance framework

- the process will be supported by a programme of audit and review

3. Risk Management Policy

3.1 The objectives of the risk management framework are founded on a number of key objectives to:

- ensure the delivery of core strategic and operational objectives within available resources
- support continuous improvement in service delivery
- inform SCRA business continuity plans
- support internal controls intended to reduce losses
- facilitate the timely identification and resolution of risks
- enable effective stakeholder communication on service delivery
- enhance SCRA's reputation and image.

3.2 The effectiveness of the Risk Management Policy will be reviewed and monitored based on the following measures:

- the extent to which SCRA is successful year on year in achieving its business objectives

- the incidents of risks which have not been recognised and documented within the Risk Management structures; or which have been inappropriately rated within the structures.

3.3 The Risk Management Policy is underpinned by a commitment to training and development in risk management and the recognition of the importance

of staff responsibilities in this area.

4. Risk Management Structure

4.1 The Risk Management Structure for SCRA is detailed at Appendix 1. Appendix 2 sets out in general the framework for managing risk (Diagram 1) and the Risk Management Process (Diagram 2).

4.2 These arrangements reflect the organisational structure and ensures that risk is embedded throughout the organisation and allows for a straightforward and timely process to response to risk.

4.3 Information Risk Register
A separate information risk register is maintained by SCRA's Digital Security and Governance Manager and owned by SCRA's Senior Information Risk Officer (SIRO) given the specific duties placed on the organisation in terms of information risks.

4.4 Joint Risks (SCRA/CHS)
SCRA and Children's Hearings Scotland (CHS) hold regular liaison meetings and any joint risks would be highlighted at joint Board meetings.

5. Risk management as part of the system of internal control

5.1 The internal control system encompasses a number of elements including:

- Strategic planning and budgeting - the strategic planning and budgeting process is used to set objectives, agree priorities and allocate resources. Progress towards meeting objectives is monitored and scrutinised by the Board quarterly with longer term and strategic objectives reviewed at a frequency to be agreed between the Board and senior management.

- Risk Registers – the standard template (Appendix 3) should be used at strategic, operational and locality level. The risk registers should be included in annual business plans at these levels and formally reviewed quarterly. Localities and Head Office (HO) Teams should develop a risk register for inclusion in their Locality/team plans and ensure any risks which require to be escalated are highlighted to the appropriate management group/network and Executive Management Team member.

- Programmes – SCRA's strategic Programmes and Projects have individual risk profiles based on risks identified by Project Managers some of which are escalated for review to the appropriate management group/network and Executive Management Team member.

- Audit & Risk Committee - the Audit & Risk Committee will oversee, on behalf of the Board, the risk management process through co-ordination and monitoring of the implementation of the Risk Management Policy. This includes reviewing Strategic and Operational Risk Registers every six months and as necessary, reviewing the work undertaken on identified high risk areas and the action plans to mitigate the effects of such risks.

- Audit – The Audit programme is informed by an annual needs assessment and encompasses traditional fieldwork and self assessment. The internal audit programme will be focused on the significant strategic and operational risks, as identified by management, and auditing risk management processes across SCRA. External audit provides feedback to the Audit Committee on the operation of internal controls as part of the annual audit.

6. Annual Governance Statement

6.1 The Board is responsible for the effectiveness of governance arrangements within SCRA. The Principal Reporter/Chief Executive, in preparing an annual Governance Statement for inclusion in the Annual Accounts will consider the elements in section 5.1 above and the following:

- SCRA's performance against financial and non-financial targets
- organisational structure and performance of senior managers
- organisation culture with respect to management of risk
- operation of delegated authority
- timeliness in identification of control issues and new significant risks
- prioritisation of risks and action to address areas of high exposure.
- effectiveness with which corrective actions are implemented

7. Risk Management Process

7.1 The key elements of the risk management process are set out below and more information is provided in Appendix 8. Effective risk management is a vehicle for continuous improvement in service delivery.

7.2 Risk Types – it is helpful to categorise risks to ensure consistency in the process of identification, monitoring and reporting of key risks. SCRA has adopted a simple approach based on definitions for seven types of risk that should be sufficiently flexible to cover strategic, operational, group, team and programme risks.

7.3 Risk Identification (guidance at Appendix 4) is the process of finding, recognising and describing risks – it is the responsibility of the members of groups/teams at each level to identify risks. A workshop approach is likely to be most effective allowing individuals within the group/team to work together and look beyond their areas of responsibility.

7.4 Description of Risk (guidance at Appendix 4) – each risk should be defined by a risk statement which describes the risk (the event) and outlines the consequence for and the impact on the organisation if the risk is crystallised.

7.5 Risk Measurement (guidance at Appendix 5) – a numerical value between 1 and 5 is given to two measures of risk – Impact and Likelihood.

7.6   Inherent Risk is the exposure arising from a specific risk before any action has been taken to manage it.

7.7   Controls – the controls in place to mitigate the risk should be recorded and any new controls to be put in place should be proportional to the risk. Some form of cost benefit analysis might be required to ensure the control action represents value for money in relation to the risk being controlled.

7.8   Residual risk is the risk remaining after the application of key mitigating controls and reflects how effective these controls are.

7.9   Target Risk is the risk exposure deemed to be acceptable as informed by the organisation's risk appetite.

7.10   Monitoring and Reporting

        Monitoring is continually checking, supervising critically observing or determining the status in order to identify change from the performance level required or expected.

7.11   A key element of managing risk is obtaining assurance that key controls are in place and operating effectively. SCRA has a range of internal and external assurance providers who review and provide opinions and statements which enable EMT and the Board to form a view as to whether risks are being managed in line with its expectations. A risk assurance map captures an assessment of the assurance requirements of each risk, whether the assurance is sufficient and any improvements. A risk assurance map template is attached at Appendix 6.

7.9   It is important to monitor that action plans are effective and to identify further action that might be necessary. Groups/teams should self- assess their key risks quarterly and report thereon to the appropriate level for the purposes of challenge and scrutiny.

7.10   Outputs – the Risk Register is the main output of the process. As well as providing crucial data internally, this document provides evidence for audit that the risk management process is operating. The overall risk management process should help ensure that significant issues are quickly highlighted to the right level of management.

8.   Risk Appetite

8.1   SCRA recognises that the organisation may be involved in activities that expose the organisation to a measure of risk.

8.2   The 'risk appetite' (Appendix 7) is defined as the amount of risk that SCRA is prepared to accept, tolerate or be exposed to at any point in time. Risk appetite is about taking well thought through risks where the long-term rewards are expected to be greater than any short term losses. Risk appetite needs to be considered at all levels.

8.3   SCRA has considered its risk appetite using the classifications shown in the table below:

Classification	Description
Averse	Avoidance of risk and uncertainty is a key organisational objective.
Minimalist	Preference for ultra-safe options that have a low degree of inherent risk and a potential for limited reward
Cautious	Preference for safe options that have a low degree of residual risk and limited potential for reward
Open	Willing to consider all options and chose the one that is most likely to result in success, whilst also providing an acceptable level of reward
Hungry	Eager to be innovative and to choose options offering potentially higher rewards despite greater inherent risk

8.4   The SCRA Board has to determine its risk appetite against the different categories of risk that it is exposed to as follows:-

Type of Risk		Risk Appetite Agreed (as at June 2019)
Strategic/Policy Risks		Open to Cautious
Operational/Service Delivery Risks		Open to cautious
Finance Risk		Minimalist to Cautious
Reputational/Credibility Risks		Open to Cautious
Accountability/Governance Risks		Open Cautious

8.5   Whilst the organisation's approach is to minimise its exposure to reputational, compliance and financial risks it may accept and encourage an increased and proportionate degree of risk in pursuit of opportunities to better achieve its strategic and operational objectives.

9.   Roles and Responsibilities

9.1   Through allocating specific risk management responsibilities SCRA have created an environment where:

- risk management is integrated into decision-making arrangements, helping to create an environment for continuous improvement and learning

- the adequacy of risk assessment, control measures and action plans are regularly reviewed, taking into account the Board's risk appetite.
- The effectiveness of the risk management framework is reviewed at regular intervals and modified as necessary.

9.2 Role of the Board

The Board is responsible for the system of internal control. This includes
- Setting the tone and influencing the culture of risk management
- Setting appropriate policies on internal control
- Seeking regular assurance that the system is functioning effectively
- Approving major decisions affecting SCRA's risk profile or exposure
- Annually reviewing risk management policy and risk appetite.

9.3　In setting the tone and influencing the culture of risk management the Board must determine the level of risk which SCRA is prepared to tolerate i.e. for any particular risk whether SCRA is prepared to accept the risk at its current level or whether any further action is needed to reduce likelihood or impact. It is expected that for all top rated strategic, operational and programme risks the risk owner will develop an action plan to reduce the risk assessment to moderate or escalate the risk to the next level.

9.4 Role of the Audit & Risk Committee

The Audit & Risk Committee is charged by the Board with overseeing the operation of the system of internal control and with ensuring robust risk management arrangements within SCRA.

9.5 The Principal Reporter/Chief Executive

As Accountable Officer the Principal Reporter/Chief Executive has overall executive responsibility for risk management arrangements within SCRA, leading the risk management systems and ensuring that responsibilities delegated to other senior managers and staff at all levels within SCRA are discharged in an effective manner. The Principal Reporter/Chief Executive is also responsible for signing the Governance Statement which is included in the annual accounts.

In addition to overall executive responsibility for risk management the Principal Reporter/Chief Executive oversees the maintenance of the Operational Risk Register which is owned by EMT.

9.6 Senior Managers
All senior managers are responsible for:

- implementing policies on risk management and internal control
- identifying, assessing and developing actions plans for the most significant risks faced by SCRA

9.7 **The Head of Finance & Resources**

The Head of Finance and Resources has specific responsibility for:

- day to day operation of SCRA's risk management arrangements
- regular reporting to the Executive Management Team, Audit & Risk Committee and Board on strategic risks and controls
- facilitating an annual review of the effectiveness of governance arrangements and reporting thereon to the Audit & Risk Committee

9.8 **Planning and Performance Network (PPN)**

The role of the PPN is to act as an internal focus for the development of SCRA's approach to risk issues, providing leadership on the delivery of SCRA's Risk Management Policy at Locality level.

Risk leads within the PPN will act as risk champions which will include:

- having a specific role of raising awareness of both the risk management process and specific risks.
- providing local staff with advice and support on risk management issues
- working with other risk champions to bring consistency of approach to risk management, share knowledge and experience
- assisting with making the necessary changes happen – both process and cultural changes.

9.9 **All Employees**

All employees should have the necessary knowledge, skills, information and authority to establish, operate and monitor the system of internal control and be responsible for managing risks as an integral element of their job.

9.10 **The Senior Information Risk Owner (SIRO)**

The Senior Information Risk Owner (SIRO) owns the information risk policy and provides advice to the Accountable Officer on the content of the Governance Statement relating to information risk.
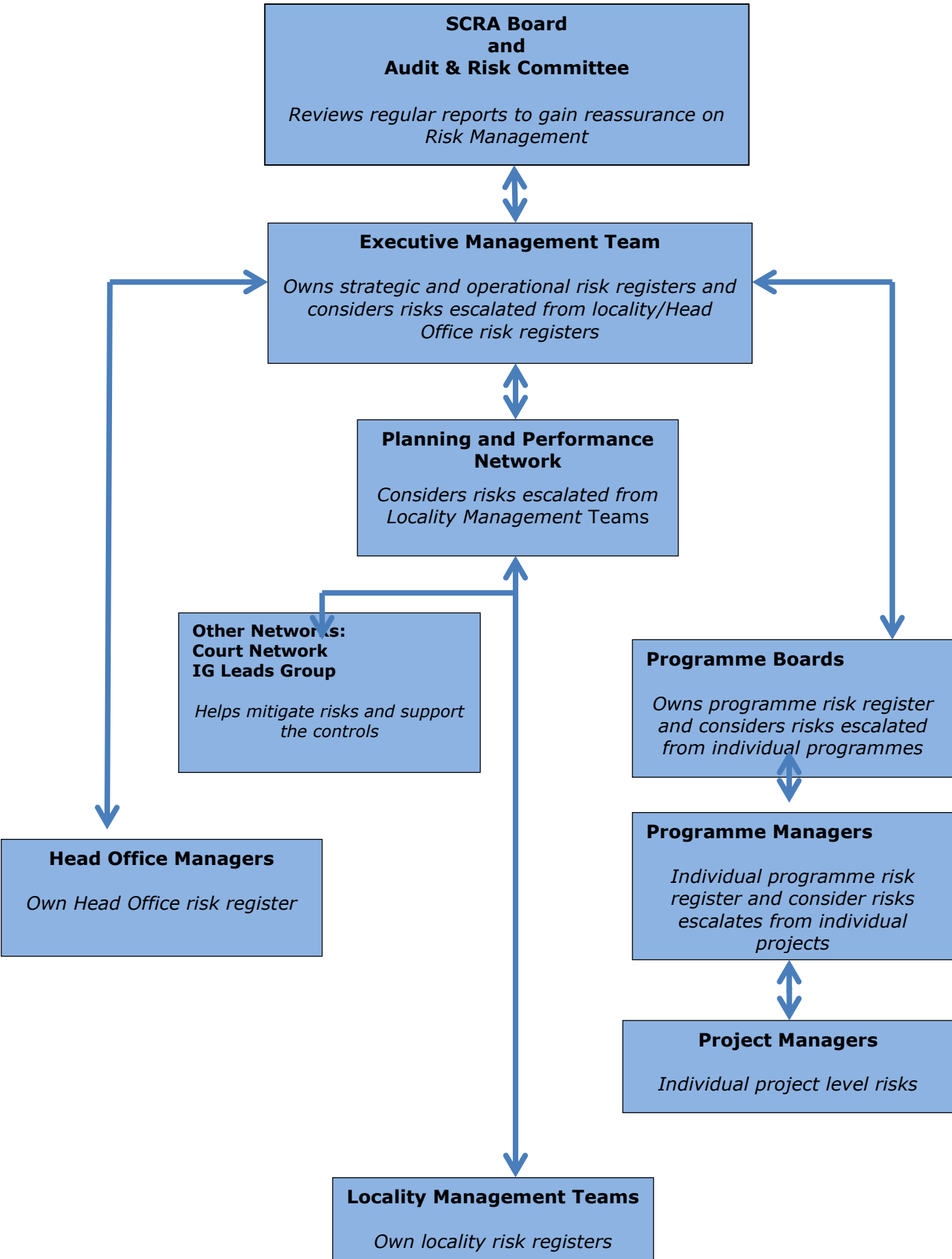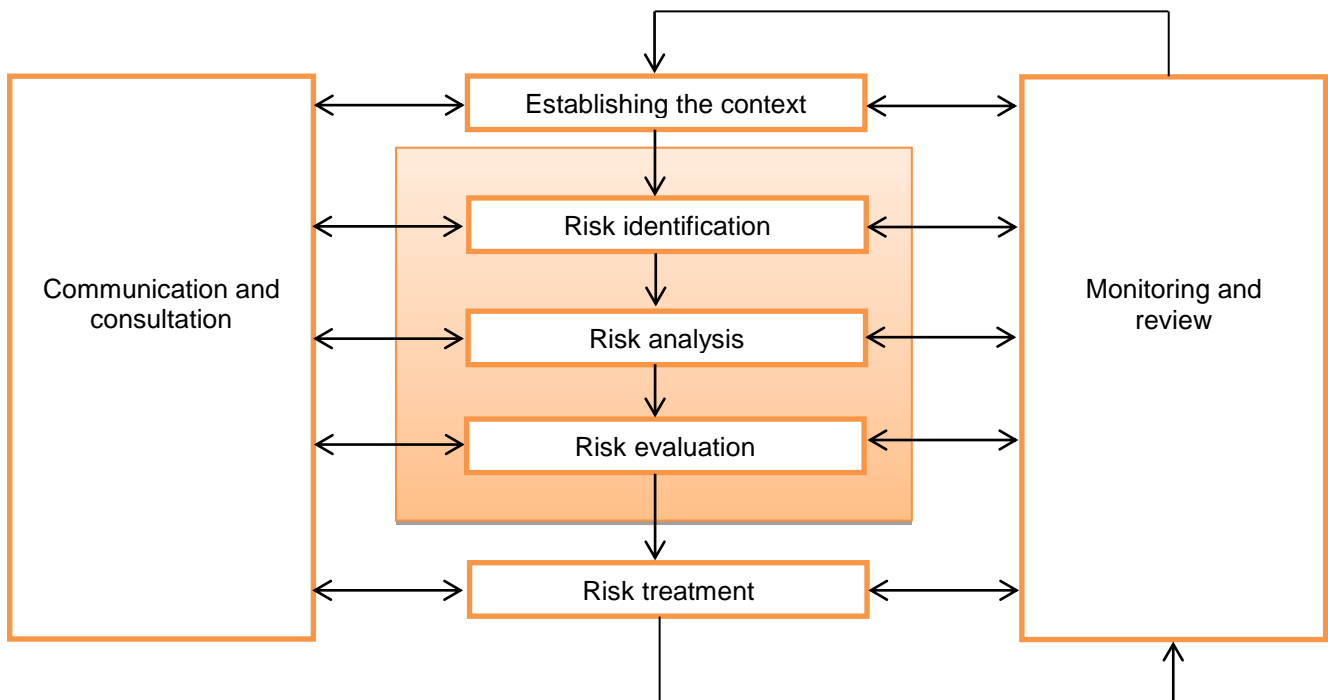
Risk Management Structure

**SCRA Board
and
Audit & Risk Committee**

Reviews regular reports to gain reassurance on Risk Management

Executive Management Team

Owns strategic and operational risk registers and considers risks escalated from locality/Head Office risk registers

Planning and Performance Network

Considers risks escalated from Locality Management Teams

**Other Networks:
Court Network
IG Leads Group**

Helps mitigate risks and support the controls

Programme Boards

Owns programme risk register and considers risks escalated from individual programmes

Head Office Managers

Own Head Office risk register

Programme Managers

Individual programme risk register and consider risks escalates from individual projects

Project Managers

Individual project level risks

Locality Management Teams

Own locality risk registers

Diagram 1: Relationship between the components of the framework for managing risks:

Mandate and Commitment

Design of framework for managing risk
- Understanding the organisation and its context
- Establishing the risk management policy
- Accountability
- Integration into organisational processes
- Resources
- Establishing internal communication and reporting mechanisms
- Establishing external communication and reporting mechanisms

Continual improvement of the framework

Implementing risk management
- Implementing the framework for managing risk
- Implementing the risk management process

Monitoring and review of the framework

Diagram 2: Risk management process:

Communication and consultation

Establishing the context

Risk identification

Risk analysis

Risk evaluation

Risk treatment

Monitoring and review

Risk Register Template

Risk No	Reference to Locality Objectives	Risk Type	Risk Description	Risk Owner	Gross Risk Score L*I	Key mitigating controls	Control Effectiveness	Residual Risk Score L*I	Risk Appetite	Target Risk Score L*I	Actions and Timescales	Action Owner /Deadline
1						•					1.	
2						•					1.	
3						•					1.	
4						•					1.	
5						•					1.	
6						•					1.	

Risk Identification Guidelines

The following guidelines have been developed to assist risk leads across SCRA to adopt a consistent approach to identifying new risks (the same approach can be used to identify changes in existing risks or risks which are no longer relevant):

- The existing meeting structures for Locality/Team planning and performance reviews, facilitated by Planning Business Partners, should be used for identifying new risks.
- A facilitated workshop, at least once per year, as part of the Locality/Team meeting is usually the best method of generating new risks.
- Good documentation of discussions is important.
- Consideration should be given as to how to gather input from those staff not involved in the Locality/Team meeting.
- Some pre-work is encouraged e.g. ask those attending the meeting to identify top 5 new risks which can then be discussed and developed further.
- A major refresh of the Locality/Team risk register should take place every two years.
- Consider different types of risks (external, governance, information management, compliance, financial management, human resources, operational).
- As well as facilitated workshops other tools and techniques and sources of information can be used to support identification of new risks (SWOT analysis, PESTLE, questionnaires, checklists, inspection reports, audit findings).
- Risks should be related to objectives in Locality/Team Plans although care should be taken to identify any generic risks which will impact on objectives but might not always be apparent when thinking about particular objectives.
- Risk identification is not an exact science and should be a continuous process which keeps up with changes in the Locality/Team.

The role of risk leads in Head Office (Head of Finance & Resources and Governance Officer) includes supporting and challenging individual Localities/Teams on their risk descriptions and risk scores and comparing risk registers to identify common themes, feeding back findings to the Planning and Performance Network and EMT.
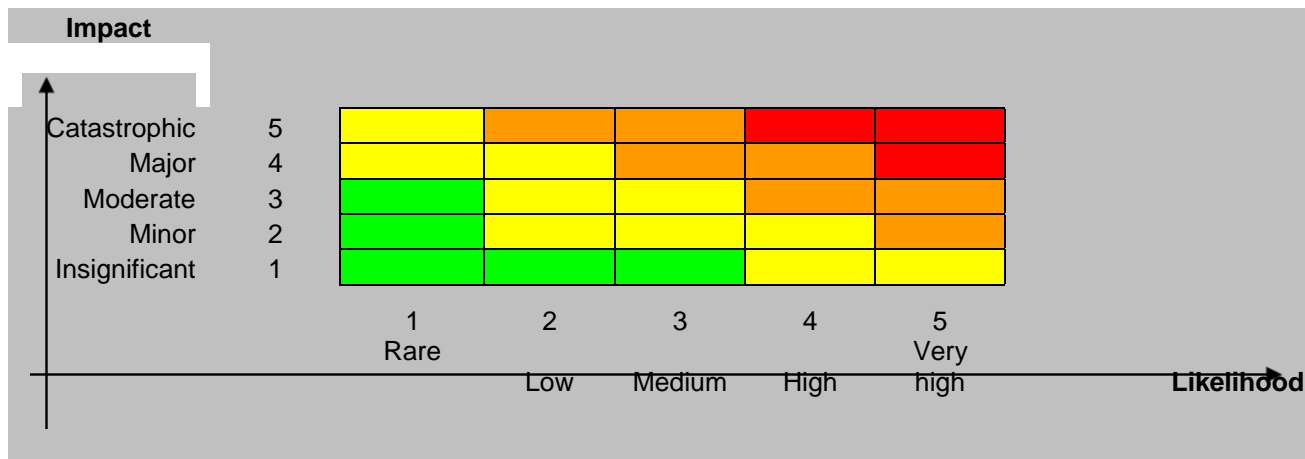
Risk descriptions

Once a new risk has been identified it is important to develop a good description or statement of the risk. There are some basic rules which should be followed:

- Avoid stating impacts which may arise as being the risks themselves, and to avoid stating risks which do not impact on objectives.
- Avoid defining risks which are simply the converse of the objectives.
- Identify the root causes and don't mistake these for the symptoms.
- A statement of risk should encompass the risk event, causes of the impact and the impact to the objective (or consequences) which might arise.
- This should mean you identify a risk which you can't control. For a risk which you can't control it may be advisable to draw up a contingency plan.

Risk Scoring

Risk Matrix

Impact						
Catastrophic	5					
Major	4					
Moderate	3					
Minor	2					
Insignificant	1					

	1	2	3	4	5	
	Rare				Very	
		Low	Medium	High	high	**Likelihood**

Risk level	Score	Risk level description
Very high	20 - 25	**Rating:** Unacceptable level of risk exposure that requires immediate mitigating action
		Reporting: To Accountable Officer/ Audit & Risk Committee for upward reporting to Board
High	10 - 19	**Rating**: Unacceptable level of risk which requires controls to be put in place to reduce exposure.
		Reporting: consideration should be given as to whether High risks should be escalated.
		Scores between 10 - 14: No, scores between 15 - 19 Yes
Medium	4 - 9	**Rating:** Acceptable level of risk exposure subject to regular active monitoring
		Reporting: Director level
Low	1 - 3	**Rating**: Acceptable level of risk exposure subject to regular passive monitoring
		Reporting: Director level. Do risks that low still exist?

Likelihood of a risk materialising

Score	Likelihood	Definitions
5	Almost certain	81-100% - almost certain will occur. Highly likely, could occur on a regular basis (i.e. several times a year).
4	Likely	51-80% - more likely to occur than not. Likely, could occur, but on sporadic basis (i.e. at least once a year). Potential of it occurring several times within the time period or has occurred recently.
3	Possible	21-50% - fairly likely to occur. Possibly, could occur, but infrequently (i.e. not more than once every 12 months). Could occur more than once within the time period and may be difficult to control due to some external influences.
2	Unlikely	6-20% - low but not impossible. Unlikely, (i.e. an event that is unlikely to occur more than once every few years) or has not occurred historically.
1	Exceptional	0-5% - extremely unlikely or virtually impossible (i.e. one-off event).

Impact of the risk

Score	Impact	Definition	Regulatory	Business Objectives	Reputational	Financial
5	Catastrophic	Likely to threaten the survival or continued effective functioning of SCRA, either financially or reputationally. Likely to have major impact on the whole organisation. Immediate action required. Must be managed with an effective control.	As below causing catastrophic loss.	> 20% variance	Ongoing media campaign, Parliamentary attention.	> £1m
4	Major	Likely substantial financial impact on SCRA. Significant impact on SCRA's strategy or operational activities. Significant stakeholder concern seriously damaging SCRA's ability to deliver its service. Likely to have major impact in many areas of the organisation. Likely to cause some damage, disruption or breach of legislation. Prompt attention required. Risk controls and actions to be developed.	As below causing major loss.	10-20% variance	Short term media campaign, meet partners and Minister to provide reassurance.	> £250k
3	Moderate	Financial impact on SCRA is likely to be moderate. Moderate impact on the SCRA's strategy or operational activities. Moderate stakeholder concern having some impact on the SCRA's ability to deliver its service. Likely to have major impact in one or a few areas of SCRA. Unlikely to cause much damage and/or threaten SCRA. Monitor and review.	As below causing moderate loss.	5-10% variance	Headline media interest causing public embarrassment, proactive contact with partners and Minister.	£50-£250k

Score	Impact	Definition	Regulatory	Business Objectives	Reputational	Financial
2	Minor	Financial impact on SCRA is likely to be small. Low impact on SCRA's strategy or operational activities. Low stakeholder concern. Likely to have minor impact in many areas of SCRA. Primary impact is on the internal business. Unlikely to require specific application of additional resources. Manage through existing controls. Monitor and review.	As below causing minor loss.	2.5-5% variance	Headline media interest, reactive approach to limited interest from partners and Minister.	£25-£50k
1	Insignificant	Likely to have minor impact in one or a few areas of SCRA. No significant impact on SCRA as a whole.	Act or omission causing legal or regulatory breach causing insignificant loss.	< 2.5% variance	Minor media, partner, Ministerial interest	< £25k

Risk Assurance Map template

Risk	Risk Owner	Reference to SCRA objectives	Controls	Assurance Providers			Assessment		
				Business Management (First Line)	**Corporate oversight (Second Line)**	**Independent Assurance (Third Line)**	**Control RAG rating**	**Assurance sufficient? Y/N**	**Improvement Actions**

Risk Appetite

SCRA has considered its risk appetite using the classifications shown in the table below:

Classification	Description
Averse	Avoidance of risk and uncertainty is a key organisational objective.
Minimalist	Preference for ultra-safe options that have a low degree of inherent risk and a potential for limited reward
Cautious	Preference for safe options that have a low degree of residual risk and limited potential for reward
Open	Willing to consider all options and chose the one that is most likely to result in success, whilst also providing an acceptable level of reward
Hungry	Eager to be innovative and to choose options offering potentially higher rewards despite greater inherent risk

Current Risk Appetite

Type of Risk	Risk Appetite Agreed (February 2022)
Strategic/Policy Risks	Open to Cautious
Operational/Service Delivery Risks	Open to Cautious
Finance Risk	Minimalist to Cautious
Reputational/Credibility Risks	Open to Cautious
Accountability/Governance Risks	Open Cautious

Risk Management Process

1. Risk Identification (Reference & Link to Business/Group/Programme/Project objective)
It is best practice to integrate risk management into the annual business planning and quarterly performance monitoring process. Risks should be identified, assessed and prioritised in relation to SCRA's objectives. Each risk should have a unique reference number (for audit trail purposes) and be cross-referenced to one or more Business Plan/Locality Plan/Programme/Project objectives. The management of risk at strategic, operational and Programme levels needs to be integrated to ensure actions at different levels are co-ordinated.

Initial risk identification should be carried out as a facilitated group exercise involving the owners of plans and objectives at each level of the organisation. All participants should have the opportunity to identify and assess risks however the exercise should conclude with an overall group view on the risk profile to be captured in the Risk Register. Continuous risk identification and assessment is achieved as part of the quarterly reviews of the Risk Register, although new risks can be identified and assessed outwith the cycle.

The participants in initial and ongoing risk identification exercises will want to consider the following internal factors:
- Annual plans and Quarterly Operational Performance Reports (OPR's)
- Weekly, monthly/quarterly performance reports
- Quality Assurance, External Audit and Internal Audit findings
- Research and Evaluation findings
- Significant Case Reviews
- Casework issues/appeals activity

Identification of risks should involve looking externally as a well as internally. Areas for consideration include:
- Stakeholder feedback
- Economic changes
- Issues from other jurisdictions
- Partnership Working issues
- Inspectorate reports and action plans

2. Risk Type

Once identified, individual risks typically fall into natural groupings. Capturing these groupings or categories of risk can act as a check that the range of potential risks that may arise have been considered. The following risk categories should be used at all levels of the organisation:

Strategic Risks - Risks that relate to doing the wrong things
Operational Risks - Risks that relate to doing the right things but doing them in the wrong way
Information Risks - Risks that relate to loss or inaccuracy of data, systems or reported information
Reputation Risks - Risks that relate to SCRA's image
Financial Risks - Risks that relate to losing monetary resources or incurring unacceptable liabilities
People Risks - Risks associated with employees and management
Regulatory Risks - Risks related to the regulatory environment

3. Responsibility for identification, assessment, recording, reporting, management and escalation of risks

Activity	Executive Management Team (strategic and operational risks)	Localities/Head Office	Programme/projects
Risk identification	All Members	All Members	All Members
Risk assessment	All Members	All Members	All Members
Updating Risk Register	Head of Finance & Resources	Risk Lead	Programme Manager
Reporting risks	Head of Finance & Resources	Risk Lead	Programme Manager
Identification/assessment of controls	Risk owner	Risk owner	Risk owner
Action plan and progress	Risk owner	Risk owner	Risk owner
Escalation of risks	PR/CE	SOM/Risk Lead	Programme Manager

4. Key Mitigating Controls and Control Effectiveness
The controls in place should be recorded by the Risk Owner. In addition there should be an assessment of how effectively the controls are operating.

5. Action Plan & Timescales
The key actions required to mitigate the risks should be recorded along with a clear timescale for implementation.

6. Owner
The individual responsible for ensuring that the risk is managed and monitored over time. They should have sufficient authority to ensure the risk is effectively managed but may not be the person who implements the agreed actions.

7. Progress against Action Plan
Progress should be recorded on an ongoing basis on the register, with outstanding actions clearly marked.

8. Escalation
Risks may be escalated for a number of reasons: they can no longer be managed at local level; they are not confined to one area of the business; they cannot be managed effectively in isolation; there are correlations where one risk has an impact on another. The register should record where the risk is to be escalated:

Risks at Locality or Head Office level should be escalated to the Senior Operational Manager (Operational Risk Register) or Executive Management Team (Strategic Risk Register). Project risks should be captured on Programme Risk Registers and where necessary to the Senior Operational Manager (Operational Risk Register) or Executive Management Team (Strategic Risk Register). Risks that may require to be escalated to Executive Management Team (and Board) include risks that pose a significant threat to corporate objectives, targets or resource plans, risks that are deemed intolerable or have potential for significant adverse publicity.

9. Closed risks
Risks that are no longer applicable should be recorded as 'closed' and moved to a closed risk register.