2. **Risk Strategy and Policies**

Is there a clear risk strategy and risk policies?

Summary of progress

Level 1: ☐ **Awareness & understanding**	Level 2: ☐ **Implementation planned & in progress**	Level 3: ☐ **Implemented in all key areas**	Level 4: ☐ **Embedded and improving**	Level 5: ☐ **Excellent capability established**
The need for a risk strategy and related policies has been identified and accepted	A risk management strategy & policies have been drawn up and communicated and are being acted upon	Risk strategy & policies are communicated effectively and made to work through a framework of processes	An effective risk strategy and policies are an inherent feature of department policies and processes	Risk management aspects of strategy and policymaking help to drive the risk agenda and are reviewed and improved. Role model status

Evidence

Is there a clear:

2.1 Risk Management Strategy?
(The Risk Management Strategy may be a contained in a separate document but this is not essential and as embedding progresses more of the information would be expected to be part of the organisations general policies and processes)

- Is there a risk management strategy which:
  - Is endorsed by the Head of the organisation/ Board / Audit Committee / Risk Committee?
  - Sets out the organisation's attitudes to risk?
  - Defines the structures for the management and ownership of risk and for the management of situations in which control failure leads to material realisation of risks?
  - Specifies the way in which risk issues are to be considered at each level of business planning and delivery ranging from the corporate process to operational action and the setting of individual staff's objectives?
  - Includes risk as an opportunity (if it can be managed effectively) as well as a threat?
  - Allows for peer review and the benchmarking of risks where appropriate?
  - Specifies how new activities will be assessed for risk and incorporated into risk management structures?
  - Ensures common understanding of terminology used in relation to risk issues?
  - Defines the structures for monitoring, review and gaining assurance about the management of risk?
  - Defines the criteria that will inform assessment of risk and the definition of specific risks as "key"?
  - Defines the way in which the risk register(s) and risk evaluation criteria will be regularly reviewed?
- Is it easily available to all staff and reviewed at least annually to ensure it remains appropriate and current?
- Does if allow for balancing the portfolio of risk?
- Does it support effective innovation and encourage well-managed risk taking to generate improved delivery of aims and objectives?
- Does it encourage and promote the integration of risk management into established procedures and arrangements for departmental business, ie policy making, planning (eg business plans, delivery plans, spending plans etc), delivery etc and does this include effective management of risks to the public (information on 'Principles of Managing Risks to the Public' can be found at: www.risk-support.gov.uk)?
- Does it include effective communication about risk with staff and all stakeholders, inside and outside the organisation and including management of risks to the public? (A tool-kit on risk communications providing more detailed guidance can be found on: http://www.ukresilience.info/risk/index.htm)

2.2 Risk Management Policy?

(The Risk Management Policy may be a contained in a separate document but this is not essential and as embedding progresses more of the information would be expected to be part of the organisations general policies and processes)

- Does a formal risk policy (policies) exist and is this documented, endorsed by the head of the organisation, clearly communicated, readily available to all staff and subject to regular review?
- Were views from in-house stakeholders (eg employees, internal experts, auditors etc) taken into account?
- Is the risk management policy (policies) integrated with established policies for departmental business activities (ie policy, planning, delivery etc)
- Are there clear statements that set out a proactive approach to innovation, and are staff encouraged to read them?
- Is there an explicit policy to encourage well-managed risk taking where it has good potential to realise sustainable improvements in service delivery and value for money, and is this policy actively communicated to all staff?
- Is a common definition of risks and how they should be managed, clearly communicated and adopted by all staff throughout the organisation with detailed guidance for staff drawing up or implementing programmes, policies, plans etc?
- Is there a policy on balancing the portfolio of risk within the overall risk appetite/tolerance and does this include seizing opportunities as well as dealing with threats?