

# ***TAYSIDE VALUATION JOINT BOARD***



# **RISK MANAGEMENT STRATEGY**

## IMPLEMENTATION AND REVIEW

Responsibility for the implementation and annual review of this policy together with the communication of any resultant amendments across the Board and to relevant third parties is assigned to the Information Asset Owner (currently the Assessor).

### Revision History

<b>Version</b>	<b>Originator</b>	<b>Summary of Changes</b>	<b>Date</b>	<b>Next Review</b>
V1.1	D Allan	Removal of reference to Depute Assessor to reflect new structure	03/02/2023	03/02/2024
V1.2	L Williamson	Reviewed with no change	25/03/2024	25/03/2024
V1.3	D Rae	Reviewed with no change	01/04/2025	01/04/2026
V1.4	D Rae	Introduction streamlined, Section 1.2 aligned to risk register scoring matrix, risk appetite section expanded. Appendix 2 added.	29/01/2026	01/04/2027

## **INTRODUCTION**

Risk management is the process of identifying, assessing and controlling risks to reduce the likelihood of adverse events and mitigate their potential impact. Effective risk management supports sound strategic, operational and financial decision making and helps minimise service disruption, financial loss, reputational damage and other adverse consequences

Risk management underpins good governance and Best Value by ensuring that potential consequences of policies and operational decisions are properly considered. It is an integral part of policy development, service planning and day-to-day management.

Tayside Valuation Joint Board's Risk Management Strategy is overseen by the Governance Working Group, comprising Assistant Assessors and Principal Valuers. The Group is responsible for maintaining and reviewing the Risk Management Strategy and the Board's Risk Register which together provide the framework for managing business risk across the organisation.

## **POLICY CONTEXT**

Tayside Valuation Joint Board aims to provide high quality, effective and responsible services to all of our stakeholders.

In order to achieve this Tayside Valuation Joint Board is committed to the management of risks within its control in order to safeguard its employees and service users, protect its assets, preserve and enhance service delivery and maintain effective stewardship of its funds.

## **AIMS AND OBJECTIVES OF THE STRATEGY**

The aims and objectives of the strategy include:-

- Identification of risks
- Quantification of risks
- Control of risks
- Financing of risks

## **SCOPE OF THE STRATEGY**

All risks associated with

- services
- staff
- assets
- infrastructure
- systems
- stakeholders

will be included in the risk management process. Risk management is a continuous process which will incorporate all strategic and operational risks. Categories of strategic and operational risks are defined in Appendix 1.

## PROCESS AND METHODOLOGY

To manage risk effectively, the risks associated with each policy option or service delivery method needs to be systematically identified, analysed, controlled and monitored. This process is called the risk management cycle.

In line with these requirements, a structured approach to risk management will be adopted.

### 1 Approach

#### 1.1 Risk Identification

For each category in Appendix 1, actual losses and failures which have occurred as well as those which might threaten the Joint Board, will be identified and recorded in a Risk Register.

#### 1.2 Risk Analysis

Each risk identified will be systematically and accurately assessed by considering:

- Likelihood - the probability of risk event occurring
  - o Unlikely / Possible / Probable
- Impact - the potential severity of the consequences should the event occur
  - o Minor / Moderate / Significant

Using managers' experience, judgements will be made about the likelihood and impact of risks, which will be combined to determine an overall risk rating.

The probability and severity will then be assessed together using the formula

$$\text{Risk} = \text{Likelihood of occurrence} \times \text{Impact}$$

Risks will then be prioritised for control action.

#### 1.3 Risk Control

Actions will be taken or planned to minimise the likelihood of the risk occurring or the severity of the consequences should it happen. This may require the identification and implementation of projects or revisions to operating practices. The appropriate action may be to transfer risk to another body.

#### 1.4 Risk Appetite

The Risk Appetite sets out the nature and extent of risk that the Board is willing to accept in pursuing its statutory duties and strategic objectives. It supports consistent decision-making, prioritisation of controls, and proportionate escalation of risk. The approach links risk appetite to objectives and sets clear tolerances and escalation triggers.

Risk capacity is the maximum level of risk that TVJB could absorb without compromising statutory duties, financial sustainability, or reputation.

Risk appetite is the amount and type of risk TVJB is willing to accept in pursuit of its objectives.

Risk tolerance describes limits of acceptable variation from plan or control expectations which, if exceeded, require additional action and escalation.

For the purposes of this Strategy, risk appetite will be expressed using the following categories:

Risk Appetite	Description
Zero	No tolerance
Low	Limited tolerance
Moderate	Managed tolerance
High	Significant tolerance

These categories describe the Board's relative tolerance for different types of risk and are applied in a proportionate manner, supported by the tolerances and escalation arrangements. Given the statutory nature of the Board's current functions, most risks are expected to fall within the Zero to Moderate range.

A risk will be treated as outside appetite where any of the following apply:

- it threatens delivery of a zero appetite duty;
- it indicates systemic control failure in statutory compliance;
- it creates or is likely to create material reputational harm;
- it requires additional expenditure outside approved budgets without appropriate approval;
- it demonstrates a sustained worsening trend in the strategic risk profile.

Escalation will be proportionate and informed by materiality and trend. A high-level framework linking risk appetite to escalation by risk category is set out at Appendix 2.

### 1.5 Risk Monitoring

The effectiveness of any actions or amendments to operating practices must be monitored and reviewed and the nature of risks will be assessed for change over time.

## 2 **Risk Register**

- The Joint Board's Management Team will be responsible for developing and maintaining a risk register.
- The risk register will be reviewed by the Governance Working Group at their regular meetings.
- For each strategic risk, the register will record the applicable appetite category and whether the risk is within appetite.
- The risk register will be reported to the Joint Board at least annually.

- The Assessor and Electoral Registration Officer will have overall responsibility for the risk register.

## ROLES AND RESPONSIBILITIES

Parties	Role
Elected Members	Oversee the effective management of risk by officers of the Joint Board
Assessor and Electoral Registration Officer	Ensure that the Joint Board manages risk effectively through the development, implementation and review of a risk strategy. Overall responsibility for the development and maintenance of a risk register. Report risk register to Joint Board. To consult with lead authority on insurance issues.
Management Team	Input into the development, implementation and review of risk strategy. Input into the development and maintenance of a risk register. To ensure risk is effectively managed across all areas of function.
Governance Working Group	Organise relevant training and raise awareness of the risk strategy. Monitor and Review success of risk control actions and procedures.
Line Managers	Assist in the implementation of the risk management strategy across relevant area of function.
Employees	Make every effort to be aware of situations which place themselves, others or service delivery at risk and report hazards. Provide information on any risks or hazards to Management Team for inclusion with risk register.
Dundee City Council – Corporate Services	Provide assistance, advice and training on budgetary planning and control. Provide assistance and advice on insurance and risk. Assist in the handling of any litigation claims. Negotiate insurance cover.
Internal Health & Safety Work Group	Advise on any health and safety implications of the chosen or preferred arrangements for service delivery.

## REVIEW

Regular reviews of the risk management strategy will be included in Service Plans.

## **FINANCING RISK**

Risk financing is an important element of risk management. The purpose is to reduce the total cost of risk, which includes:-

- The amount of uninsured losses met by the Joint Board's funds.
- Insurance premiums for the external insurance cover obtained.
- Excesses applied to individual claims.
- Management and administration costs associated with risk and insurance.
- The cost of preventative measures taken to reduce risk.

Insurance broking and loss adjusting will be negotiated by the appropriate officers of Dundee City Council, who provide financial and corporate services to the Board.

In major initiatives and partnerships the cost of risk will be shared as far as is possible.

Revenue budgets will carry the costs relating to risk prevention and loss.

## **COMMITMENT**

This strategy had been approved by the Valuation Joint Board.

It provides a robust framework for the continuous improvement of our risk management practices across the Joint Board's areas of function.

## APPENDIX 1

**STRATEGIC RISKS** are hazards and risks which need to be taken into account in judgements about the medium to long term goals and objectives of the Valuation Joint Board. These may include:-

Risk Category	Definition
Political	Those associated with failure to deliver either local/central government policy.
Economic	Those affecting the ability of the Joint Board to meet its financial commitments, including budgetary pressures, failure to purchase adequate insurance cover and changes in the economy.
Social	Those relating to the effects of changes in demographic, residential or socio-economic trends on the Joint Board's ability to deliver its service.
Technological	Those associated with the Joint Board's capacity to deal with the pace/scale of technological change, its ability to use technology to address changing demands, or the consequences of failure of technologies on the Joint Board's ability to deliver its services.
Legislative	Those associated with changes in legislation, regulation or case law, and with failure to meet statutory or legal obligations.
Environmental	Those related to the environmental consequences of delivering the Joint Board's services.
Competitive	Those affecting the competitiveness of the service in terms of cost or quality.
Stakeholders	Those associated with failure to meet the current and changing needs, expectations and aspirations of stakeholders.

**OPERATIONAL RISKS** are hazards and risks which managers and staff will encounter in the daily course of their work. These may include:-

Risk Category	Definition
Professional	Those associated with the particular nature of each profession.
Financial	Those associated with financial planning and control and the adequacy of insurance cover.
Legal	Those related to possible breaches of legislation.
Physical	Those related to fire, security, accident prevention and health and safety.
Contractual	Those associated with the failure of contractors to deliver services or products to the agreed specification and cost and within agreed timescale.
Technological	Those related to reliance on operational equipment (e.g. IT systems, etc.)
Environmental	Those related to pollution, noise or energy efficiency of ongoing service operation.

## APPENDIX 2

### Risk Appetite Alignment and Escalation Framework

Risk appetite category / objective	Relative risk register Sections	Typical risk appetite	Rationale for typical appetite	Typical escalation requirements
Statutory compliance and governance	Finance, Service	Low	The Board has limited tolerance for risks that could lead to statutory non-compliance, governance failure or regulatory scrutiny. While minor or isolated issues may arise, systemic or material failure is unacceptable.	Escalation to the Assessor, with reporting to the Clerk and Treasurer and, where material or systemic, to the Joint Board.
Electoral registration - time-critical elections work	ER	Zero	These functions are time-critical, statutory and fundamental to democratic processes. There is no tolerance for unmanaged risk that could jeopardise delivery during critical periods.	Immediate escalation to the Assessor / ERO, with notification through appropriate governance routes and Board-level awareness where relevant.
Financial sustainability and budget management	Finance	Low	Financial management involves estimates and in-year variation, which can be tolerated within strong controls and approved frameworks. However, unmanaged overspend or non-compliance with Financial Regulations is unacceptable.	Managed in line with Financial Regulations, including escalation to the Assessor and Treasurer and reporting to the Board where required.
Service continuity and operational delivery	Premises, Staffing, Service, Pandemic	Moderate	A degree of operational risk is inherent in service delivery. The Board accepts managed risk where controls are in place, provided disruption does not threaten sustained delivery of critical or statutory services.	Escalation through management channels, with governance and Board reporting where disruption is material, prolonged or threatens statutory delivery.
Cyber security and information management	IT	Low	Risks affecting information security, data protection and system integrity can have legal, operational and reputational	Prompt escalation through the Assessor's management structures, with governance and

			consequences. Tolerance is therefore limited, particularly for unmanaged or high-severity vulnerabilities.	Board reporting where incidents or weaknesses are material.
Reputation and stakeholder confidence	Service	Low	Public confidence underpins the Board's ability to operate effectively. Risks likely to cause sustained reputational damage or loss of stakeholder trust are not acceptable.	Escalated and managed with appropriate mitigation and communications, with Board awareness where reputational impact is material.
Change, improvement and transformation	IT, Brexit	Moderate	Change and external developments inevitably carry uncertainty. The Board accepts managed risk where change is planned and controlled, provided it does not undermine core statutory performance.	Governed through established approval and reporting arrangements, with escalation to the Board for high-impact or strategic change.

This framework provides a high-level view of typical risk appetite and escalation expectations by risk category. Individual risks recorded in the Risk Register will be assessed on their own merits, taking account of specific circumstances, controls and trends. The applicable risk appetite and escalation route for each risk will therefore be determined at register level, informed by, but not constrained by, this framework.