

REPORT TO: TAYSIDE VALUATION JOINT BOARD – 9 FEBRUARY 2026

REPORT ON: RISK MANAGEMENT STRATEGY – UPDATE (RISK APPETITE)

REPORT BY: ASSESSOR

REPORT NO: TVJB 5-2026

1 PURPOSE OF REPORT

- 1.1 To present to the Board proposed updates to the Joint Board's Risk Management Strategy (See Appendix 1) which incorporates more detail on the Board's approach to Risk Appetite. These changes address recommendations arising from Internal Audit.

2 RECOMMENDATIONS

- 2.1 The Joint Board is asked to approve the revised Risk Management Strategy.

3 FINANCIAL IMPLICATIONS

- 3.1 None.

4 POLICY IMPLICATIONS

- 4.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti Poverty and Equality Impact Assessment. There are no major issues.

5 BACKGROUND

- 5.1 The Joint Board has a Risk Management Strategy which provides a framework to structure the approach to identifying, analysing, controlling and monitoring risks associated with service delivery. The Joint Board maintains a Strategic Risk Register which identifies and evaluates such risks and considers appropriate control measures to mitigate them.

Internal Audit recommended that the Joint Board's stated risk appetite be strengthened to provide clearer practical guidance, including definition of appetite levels, tolerances and escalation triggers, and that this be embedded within the risk management framework and Strategic Risk Register.

6 PROPOSED UPDATE – RISK APETITE

- 6.1 The Risk Management Strategy has been updated to clarify the Board's approach to further clarify the Board's approach to risk appetite. The revised strategy sets out:
- the nature and extent of risk that the Joint Board is willing to accept in pursuing its statutory duties and strategic objectives;
 - the relationship between risk capacity, risk appetite and risk tolerance;
 - the circumstances in which a risk will be considered outside appetite; and

- the principle that escalation will be proportionate and based on materiality and trend.

A high-level breakdown of risk appetite by objective and risk category is included at Appendix 2 of the Strategy.

7 IMPLEMENTATION AND NEXT STEPS

7.1 Subject to approval of the revised Strategy, the Strategic Risk Register will be updated at its next scheduled review to record for each strategic risk:

- the applicable risk appetite category; and
- whether the risk is within appetite.

These changes will be implemented in line with the Internal Audit action plan timescales for completion.

8 CONSULTATION

8.1 The Clerk and Treasurer to the Joint Board have been consulted on this report.

9 BACKGROUND PAPERS

9.1 None.

DARRYL RAE
Assessor

February 2026

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

Version	Originator	Summary of Changes	Date	Next Review
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
<u>V1.4</u>	<u>D Rae</u>	<u>Introduction streamlined, Section 1.2 aligned to risk register scoring matrix, risk appetite section expanded. Appendix 2 added.</u>	<u>29/01/2026</u>	<u>01/04/2027</u>

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, evaluating their potential consequences and determining the most effective methods of controlling them. The aim is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they do occur.

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. offers a number of benefits. It is not simply about insurance or health and safety risks. Rather, effective risk management will provide the Valuation Joint Board with a means of improving its strategic, operational and financial management. It can also help to minimise financial losses, service disruption, bad publicity, threats to public health or claims for compensation.

~~Risk management is a key task for managers in every organisation. In local government, identifying and evaluating the consequences of policies or actions is not always referred to as risk management. However, failure to pay proper attention to the likelihood and consequences of risks could cause the Joint Board serious problems. The effective management of risk is therefore a critical part of the Joint Board's approach to delivering the sound governance element of Best Value.~~

~~Risk management will be an integral part of policy planning and operational management. Identifying, analysing, controlling and monitoring risk will help elected members and managers make informed decisions about the appropriateness of adopting policy or service delivery options.~~

Tayside Valuation Joint Board's Risk Management Strategy is the responsibility overseen by of the Governance Working Group, comprising which comprises the Assistant Assessors and Principal Valuers. The Group is responsible for maintaining and reviewing the Risk Management Strategy and also has responsibility for preparing, monitoring, maintaining and updating the Board's Risk Register which together provide the framework for managing business risk across the organisation. The strategy sets out policy in respect of business risk and provides a framework to structure the approach.

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 four-stage 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 listed-recorded in a Risk Register.

1.2 Risk Analysis

Each risk identified will be systematically and accurately assessed by considering: ~~The process will assess~~

- Likelihood - the probability of risk event occurring
 - Unlikely / Possible / Probable, and
- Impact - the potential severity of the consequences should ~~such as the~~ event occur
 - 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, severity of events occurring and these will be categorised as low, medium or high risk.

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

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

Risks will then be and prioritised for control action.

1.3 Risk Appetite

~~Risk appetite is defined as the amount of risk the Board is willing to accept, tolerate or be exposed to at any one time. Risk appetite is normally assessed on a scale ranging from high to zero. The Board's risk appetite has been assessed as moderate in most cases. Although there may be time critical events where this is unacceptable, the Board is generally willing to accept risks that may affect delivery of core services in the short term which is defined for the purposes of this plan as a period of up to fourteen days.~~

~~In certain cases, such as time critical periods associated with electoral registration, the risk appetite has been assessed as zero. This means that the Board is not willing to accept risks that may affect the delivery of a time critical electoral registration service.~~

1.41.3 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:

<u>Risk Appetite</u>	<u>Description</u>
<u>Zero</u>	<u>No tolerance</u>
<u>Low</u>	<u>Limited tolerance</u>
<u>Moderate</u>	<u>Managed tolerance</u>
<u>High</u>	<u>Significant tolerance</u>

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.
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- 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.
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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. Those associated with current or potential changes in national or European law. Those associated with failure to meet statutory duties.
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.
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Risk Appetite Alignment and Escalation Framework

Risk Appetite and Escalation Framework

Risk aAppetite cCategory / objective	Relative risk register Sections	Typical Risk appetite	Rationale for typical appetiteTolerances (outside appetite)	Typical escalation requirements Escalation
<u>Statutory compliance and governance</u>	<u>Finance, Service</u>	<u>Low</u>	<u>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.</u>	<u>Escalation to the Assessor, with reporting to the Clerk and Treasurer and, where material or systemic, to the Joint Board.</u>
<u>Electoral registration - time-critical elections work</u>	<u>ER</u>	<u>Zero</u>	<u>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.</u>	<u>Immediate escalation to the Assessor / ERO, with notification through appropriate governance routes and Board-level awareness where relevant.</u>
<u>Financial sustainability and budget management</u>	<u>Finance</u>	<u>Low</u>	<u>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.</u>	<u>Managed in line with Financial Regulations, including escalation to the Assessor and Treasurer and reporting to the Board where required.</u>
<u>Service continuity and operational delivery</u>	<u>Premises, Staffing, Service, Pandemic</u>	<u>Moderate</u>	<u>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.</u>	<u>Escalation through management channels, with governance and Board reporting where disruption is material, prolonged or threatens statutory delivery.</u>
<u>Cyber security and information management</u>	<u>IT</u>	<u>Low</u>	<u>Risks affecting information security, data protection and system integrity can have legal, operational and reputational consequences.</u>	<u>Prompt escalation through the Assessor's management structures, with governance and</u>

			<u>Tolerance is therefore limited, particularly for unmanaged or high-severity vulnerabilities.</u>	<u>Board reporting where incidents or weaknesses are material.</u>
<u>Reputation and stakeholder confidence</u>	<u>Service</u>	<u>Low</u>	<u>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.</u>	<u>Escalated and managed with appropriate mitigation and communications, with Board awareness where reputational impact is material.</u>
<u>Change, improvement and transformation</u>	<u>IT, Brexit</u>	<u>Moderate</u>	<u>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.</u>	<u>Governed through established approval and reporting arrangements, with escalation to the Board for high-impact or strategic change.</u>

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.