

Mid-year Council Plan performance update 2024/25

Appendix 2: Risk Management Framework

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What is risk and risk management?

Risk Management is the co-ordinated activities designed and operated to manage risk and exercise internal control within the council.

A risk is the potential of an uncertain situation or event to impact on the achievement of the council's intended outcomes. Risk is usually expressed in terms of causes, potential events, and their consequences:

- A cause is an element which alone or in combination with other causes has the potential to give rise to risk
- An event is an occurrence or change of a set of circumstances and can be something that is expected which does not happen or something that is not expected which does happen. Events can have multiple causes and consequences and can affect multiple objectives
- the consequences, should the risk materialise, are the outcome(s) of an event affecting objectives, which can be certain or uncertain, can have positive or negative direct or indirect effects on objectives. Consequences can be expressed qualitatively or quantitatively

The Risk Management Framework supports the consistent and robust identification and management of risks within desired levels across the council, supporting openness, challenge, innovation and excellence in the achievement of council objectives.

Risk management is part of the Performance Management Framework

Risk management is an essential part of governance and leadership and one of the eight elements that make up the council's Performance Management Framework.

Best Value Authorities are under a general Duty of Best Value to "make arrangements to secure **continuous improvement** in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness."

The eight elements of the Performance Management Framework allow us to understand the performance of the council as a whole which will give us better context in

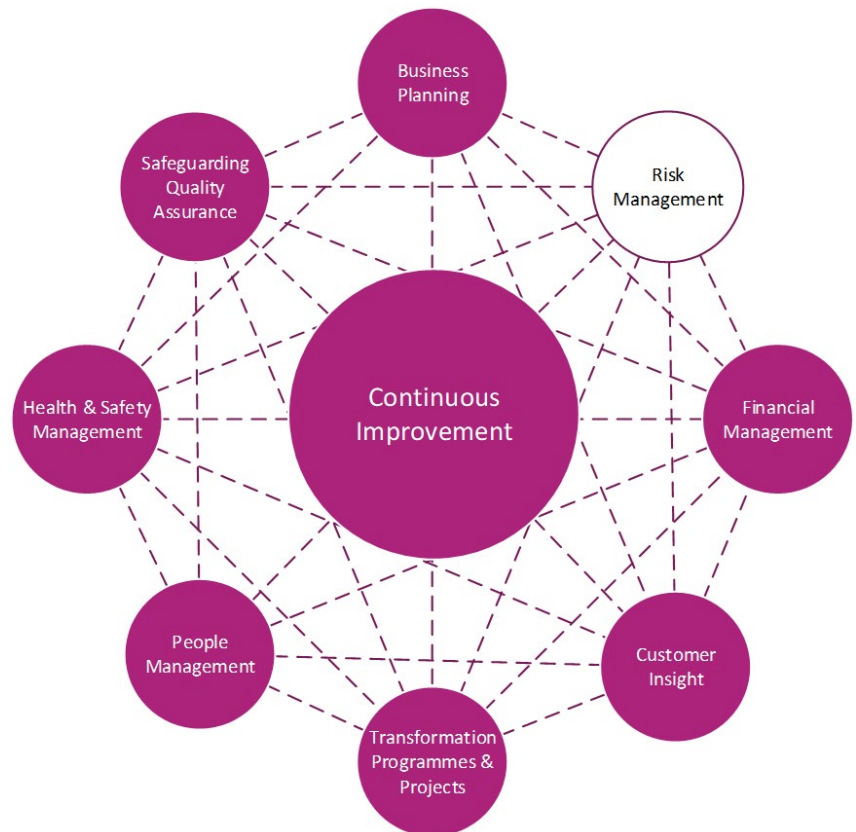


Figure 1: The eight inter-related elements of the Performance Management Framework

which we are operating. The elements are inter-related; most services contribute to every element in the framework.

The Performance Management Framework sets out to ensure:

- strong leadership at all levels which is consistent and fair and challenges blame culture
- commitment to the accountability that has been assigned to individuals
- the right information reaching the right people at the right time so that decisions are made and actions are taken
- ongoing evaluation, review and learning to help improve future performance
- the ability to identify and commitment to rectify poor performance at an early stage

Risk management is integral to corporate governance

There is a statutory requirement for the council to conduct a review of its system of internal control and prepare and publish an Annual Governance Statement (AGS) at least once every financial year. The purpose of the AGS is to demonstrate that there is a sound system of governance and show compliance with the Local Code of Governance. The AGS sets actions to strengthen governance and reviews progress of actions in the previous year.

What is corporate governance?

The [International framework: good governance in the public sector](#) published by CIPFA/IFAC in 2014, defines governance as comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

Core principles of good governance

The fundamental function of good governance in the public sector is to ensure that entities achieve their intended outcomes while acting in the public interest at all times.

There are seven principles of Good Governance, from 'Delivering Good Governance in Local Government Framework 2016', with principles A and B permeating the implementation of principles C to G.

Acting in the public interest requires:

- A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law;
- B. Ensuring openness and comprehensive stakeholder engagement;

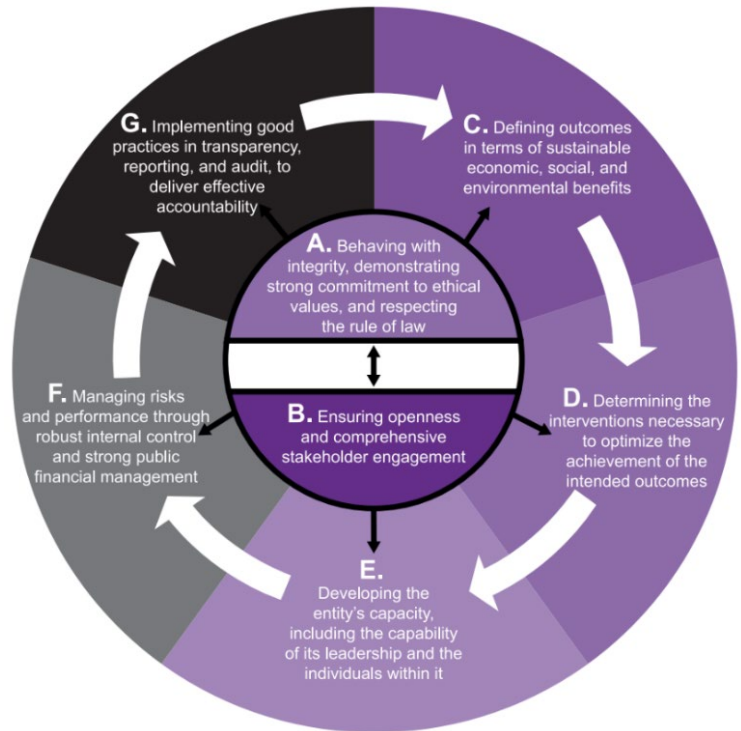


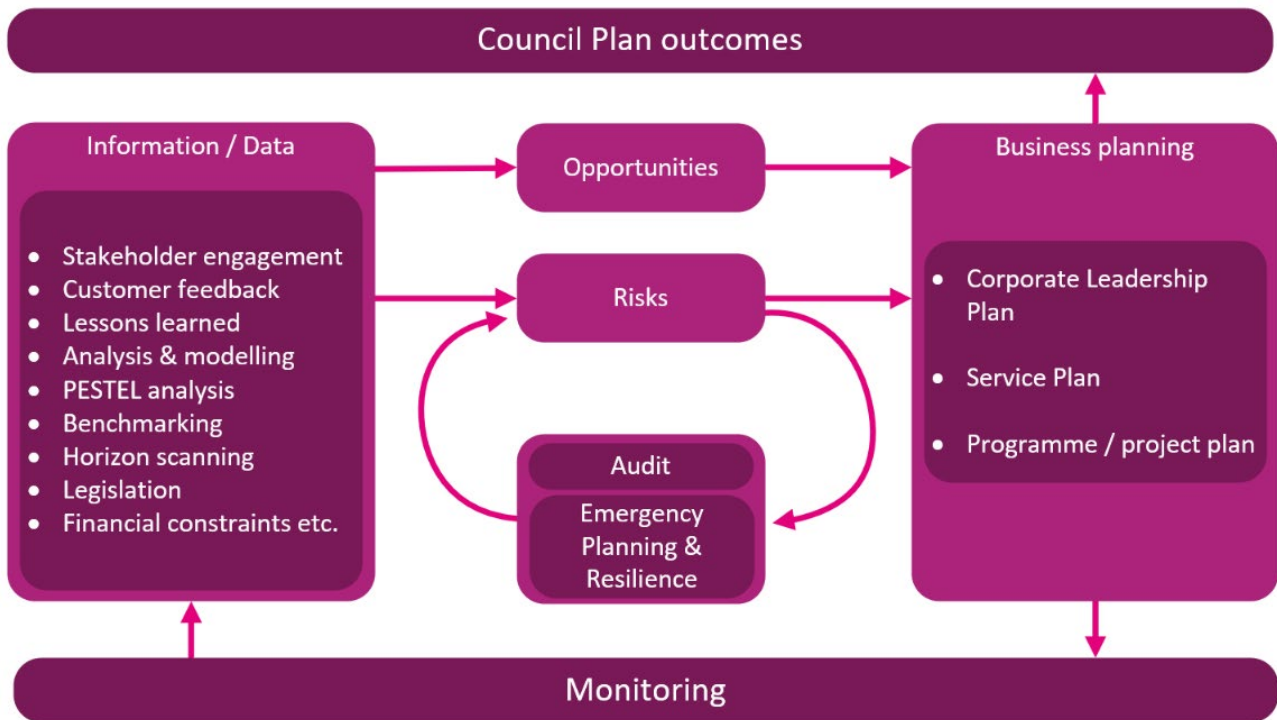
Figure 2: The relationship between the 7 core principles of good governance

In addition, achieving good governance in the public sector also requires effective arrangements for:

- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes;
- E. Developing the capacity of the entity, including the capability of its leadership and the individuals within it;
- F. Managing risks and performance through robust internal control and strong public financial management; and
- G. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Risk management is necessary for achieving our strategic objectives

This diagram shows how risks should be considered to inform our planning and audits to ensure we meet our strategic objectives with good governance.



Risk Management is part of our Behaviour Framework

Our behaviour framework provides us with a common language for how we go about our daily work alongside our PDP objectives that describe what we do; helping us to manage and improve our performance to build a better, more effective organisation with better outcomes for our customers and stakeholders. The following sections are particularly relevant to risk management:

Efficiency

- I scrutinise evidence, data and risks before I make a decision or a recommendation.
- I speak to the right person if there are any problems I can't solve myself.
- I am willing to take considered risks to deliver better results.

Leadership & management

- I take advantage of social, cultural, environmental and technological change to establish the most effective and efficient delivery of our service.



- I look ahead to anticipate change and take time to plan for the future.
- I take accountability to ensure sound governance of our organisation.
- I consider potential risks and opportunities before I make any decisions.

Risk Management Approach

Risk Management Process

Our risk management process is structured to include:

Step 1 – Risk Identification & Assessment

Risk identification and assessment helps us to determine and prioritise how risks should be managed.

You should consider emerging risks and incidents, accurately describe the risk, including the causes and potential consequences and use the Three Lines of Defence to describe Existing Controls.

Use the Risk Matrix to score the Likelihood and Impact of a risk on the achievement of your objective, taking into account existing controls.

Step 2 – Risk Treatment

Selecting and implementing the appropriate treatment (Treat, Tolerate, Terminate or Transfer) supports the achievement of intended outcomes and ensures risks are managed to an acceptable level.

Where appropriate, risk treatments will further prevent the risk from occurring and/or mitigate the impact of the risk if it does occur.

Assess the risk again, on the assumption that all planned treatments are completed to provide a Target Risk Score. This should be reflective of the organisations risk appetite for that risk area.

Step 3 – Risk Monitoring

The effective monitoring of risks ensures that timely and insightful action can be taken.

Implement effective monitoring of the causes, progress of actions and effectiveness of controls to understand current risk exposure level and potential impact on the achievement of objectives.

Step 4 - Review & Report

Risk reporting enhances the quality of decision-making and supports management, and oversight bodies, in meeting their responsibilities.

Regularly review the risk descriptions, scores, controls, and actions in light of any new information or changes in circumstance.



Figure 3: The risk management process cycle, as shown in [The Orange Book](#)

Risk Levels

When identifying and assessing the risk, it needs to be prioritised and managed at the right level within the organisation. This could be at a strategic (corporate), directorate, service/team or programme/project level.

The level of a risk will depend on the scope, scale of potential impact and the type of response required. Risks can be escalated or de-escalated between levels through reviews.

Level & Risk Owner	What makes this type of risk?	Oversight
<u>Strategic Risk (SR)</u> A member of the Corporate Leadership Team (CLT)	Impacts on the achievement of Council Plan outcomes Affects multiple directorates/ organisations Requires cross-directorate response	Cabinet Audit, Standards & General Purpose Committee External & Internal Audit Corporate Leadership Team
<u>Directorate Risk (DR)</u> A member of a Directorate Management Team (DMT)	Impacts on the achievement of the Directorate Plan Affects multiple services/ departments Requires directorate level response	Directorate Management Team
<u>Service/Team Risks</u> Head of Service or Team Leader	Limited to individual team/ service Impacts on achievement of the service's plan and objectives Response can be managed within service	Heads of Service
<u>Programme/Project Risks</u> A member of the Programme/Project Board	Impacts on achievement of the Programme/Project's objectives Response can be managed within Programme/Project	Programme/Project Board

Our framework uses the 'three lines of defence model' to assess the effectiveness of how we manage organisational risks. Audit, Standards & General Purpose Committee have oversight of the risk management framework.

Strategic risks are owned by a Corporate Leadership Team (CLT) lead. CLT leads are responsible for discussing strategic risks with the Cabinet portfolio lead with a view to mitigating these as appropriate. Strategic risks are reviewed regularly by CLT.

Directorate and strategic risks are reviewed regularly by Directorate Management Teams (DMTs); risk registers are live documents. Newly identified risks, suggested amendments to strategic risks and the Directorate Risk Registers (DRR) are reported to CLT as part of their risk review.

All officers are expected to escalate risks to the relevant DMT lead. Risk management training is available to all officers.

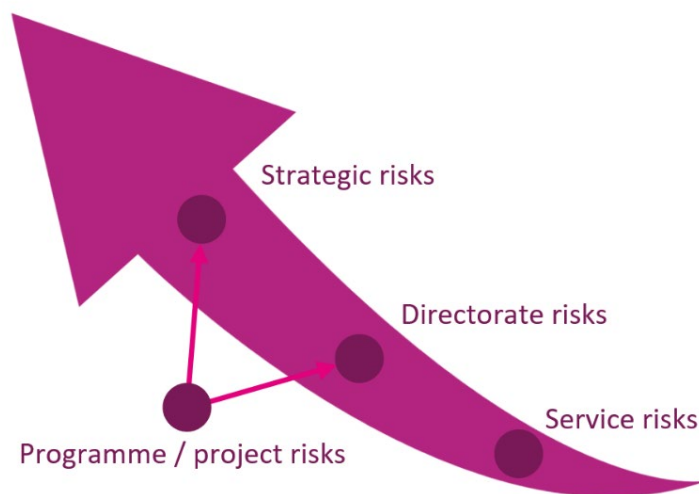


Figure 4: illustration of the levels of risk management

Risk Appetite

Risk Appetite is the amount of risk the council is willing to be exposed to, in order to achieve its objectives.

Each strategic risk has a risk appetite statement that defines the level of risk the council is prepared to accept for that particular scenario at any given point in time and in the context of our strategic objectives, current priorities, and our power to directly influence any given situation.

The risk appetite statements inform how we approach decisions within each risk area and to ensure the council remains within its preferred level of risk exposure.

Risk appetite enables the council to be more considered when making decisions with potential impacts on objectives, by creating improved awareness of the tolerance for risk exposure.

Risk Owners, in consultation with Risk Action Leads, must consider all contextual information when determining the council's level of risk appetite for each scenario and reflect this when setting the target score for each risk.

Strategic risks are presented to Cabinet at least annually. Cabinet, and the relevant Cabinet Lead, take account of the risk appetite when considering whether the target score is appropriate and provide support and challenge to the risk owner. For example, where cabinet believes that the risk appetite should be lower than what the risk owner has proposed they will recommend further mitigating actions to reduce the risk exposure, by reducing the likelihood or impact.

Similarly, where Cabinet, or the relevant Cabinet Lead, believe that the risk appetite should be higher than what the risk owner has proposed they can recommend removing some of the mitigating actions.

The below table provides a general description of each appetite level.

Appetite Level	General description (for guidance only)
Averse	We are unwilling to take risks in this area Will always select the lowest risk option Avoidance of risk is key to organisation objective Close to zero tolerance for uncertainty
Minimal	We will take the lowest possible risks in this area Preference for ultra-safe, low risk actions Only when essential, with strong governance in place and limited possibility or impact of failure
Cautious	We will consider taking risks within this area Limited risk taking Willing to consider acting where benefits outweigh the risks Prefer to avoid
Open	Willing to take risks in the right conditions Expect a level of uncertainty Will take risks but manage impact
Eager	Will take reasonable risks Accept uncertainty Will choose action with highest return, and innovation, accepting some possibility of failure

Roles & Responsibilities

Role	Responsibilities
Audit, Standards & General Purpose Committee	Oversight of the risk management framework and recommend improvements to strengthen risk management
Cabinet Portfolio Leads	Oversight of relevant risks
Corporate Leadership Team (CLT)	Accountable for the Strategic Risk Register Review the strategic risk register, ensuring it contains appropriate risks and they are managed effectively Agree recommendations in changes to strategic risks Promote culture of risk management Each CLT member is responsible for their Directorate Risk Register
Directorate Management Team (DMT)	Management of the directorate risk register, ensuring it contains appropriate risks and they are managed effectively Escalation/de-escalation of risks between service, directorate and strategic levels
Risk Owner	Accountable for the management of assigned risks, ensuring descriptions, assessments and risk scores are accurate, and suitable controls and actions are in place to mitigate the risk Provide updates on the risk, including any emerging information which may impact the risk
Risk Action Lead	Responsible for delivering the action assigned Provide progress updates

	Support the risk owner to describe and mitigate the risk
Programme Manager responsible for risk	Maintain the Strategic Risk Register through regular reviews with DMTs and CLT Support DMTs to review their Directorate Risk Registers Implement and review the risk management framework

Risk Management Process

Step 1 – Risk Identification & Assessment

Identifying risks is the first stage of the risk management process. Risks can be identified by anyone, but they need to be carefully described so that the organisation is fully aware of the causes and potential consequences to ensure the right controls and actions can be put in place and the risk mitigated.

Risk Description

The risk description (or risk title) is a short summary that clearly explains the risk event. The risk title often begins with terms such as:

- Loss of ...
- Uncertainty of ...
- Ineffective Partnership with ...
- Slow Development of ...
- Unable to take up Opportunity to ...
- Threat of ...
- Failure to ...
- Lack of...

Causes are the reasons why the risk event could occur and potential consequences are the potential outcomes if the risk event does occur. It is important to consider equality and sustainability implications, as well as legal and reputational.

Describing risks is best done in groups of stakeholders who are responsible for delivering or impacted by the objectives that the risk may impact. It is important to identify risks when:

- Setting strategic aims
- Setting business objectives
- Writing directorate or service plans
- Project planning
- Appraising options
- Making changes to business set up or service provision
- Reviewing audits
- Learning from incidents

The risk categories below can be useful to help prompt areas where risks could be identified.

Risk Categories Checklist

Risk category	Category description
Strategy risks	Risks from poorly defined strategy, flawed data, or failure to support commitments due to changing macro-environment.
Governance risks	Risks from unclear plans, priorities, authorities, and ineffective oversight of decision-making and performance.
Operations risks	Risks from inadequate internal processes causing fraud, error, impaired service, non-compliance, and poor value for money.
Legal risks	Risks from defective transactions, claims, or legal events causing liability or failure to meet legal requirements.
Property risks	Risks from property deficiencies or ineffective safety management causing non-compliance and harm to individuals.
Financial risks	Risks from poor financial management causing poor returns, asset/liability mismanagement, and non-compliant reporting.
Commercial risks	Risks from weak management of partnerships, supply chains, and contracts causing poor performance and fraud.
People risks	Risks from ineffective leadership, suboptimal culture, and non-compliance with employment legislation impacting performance.
Technology risks	Risks from technology not delivering expected services due to deficient system development and performance.
Information risks	Risks from failure to produce and exploit suitable data/information effectively.
Information Security risks	Risks from failure to prevent unauthorized access to key systems and assets, including cyber security.
Project/Programme risks	Risks from misaligned projects that do not deliver requirements and benefits to time, cost, and quality.
Equality	
Reputational risks	Risks from adverse events causing damage to reputation and trust.

Existing Controls

Controls are measures that are embedded to either prevent the risk event from occurring or reduce the impact of the risk if it does occur.

The Three Lines of Defence model has been practiced for a number of years, particularly within financial services, central government and the NHS and our Corporate Risk Assurance Framework (CRAF) uses the 'three lines of defence model' to assess the effectiveness of how we manage organisational risks.

The Three Lines of Defence model outlines three levels of assurance. Using the Three Lines of Defence for Existing Controls for each risk provides an 'assurance map' so that we can clearly see the sources of assurance and existing processes specific to that risk.

The use of the Three Lines of Defence model demonstrates:

- your plan to ensure that proper controls are in place
- that checks are in place for all areas of control
- that you are making best use of the assurance process, i.e. all areas are checked by someone and duplication is avoided.



Assess – Current Risk Score

Risks are prioritised by assigning risk scores 1-5 to the likelihood (L) of the risk occurring, and the potential impact (I) if it should occur. These L and I scores are multiplied; the higher the result of L x I, the greater the risk. e.g. L4xI4 which denotes a Likelihood score of 4 (Likely) x Impact score of 4 (Major), which gives a total risk score of 16.

A colour coded system, similar to the traffic light system, is used to distinguish risks that require intervention. Red risks are the highest (15-25), amber risks are significant (8-14), yellow risks are moderate (4-7), and then green risks are lowest (1-3).

Likelihood	Almost certain (5)	5	10	15	20	25
	Likely (4)	4	8	12	16	20
	Possible (3)	3	6	9	12	15
	Unlikely (2)	2	4	6	8	10
	Almost impossible (1)	1	2	3	4	5
		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
		Impact				

The purpose of scoring is to prioritise risks to ensure resources are allocated to the most significant risks. Heat maps are a helpful way to see how risk scoring compares.

The Strategic Risk Register mostly includes high (red) and significant (amber) risks. Directorate Risk Registers are likely to include high, significant, moderate (yellow) and low (green) risks.

The current risk score considers existing controls that are already embedded.

Scoring should be a realistic assessment without optimism bias. The risk scoring guidance below can support you to assess the risk score by providing examples of what the impact may be in relation to specific impact areas. If the risk has the potential to impact multiple areas, this should be taken into consideration when determining the overall impact score for the risk, as the overall impact to the organisation may be higher as a result. For example, if the risk has a moderate impact in 3 separate areas, you may wish to score the overall impact as major.

It should be noted that the below tables, and definitions, are to provide guidance and support when considering how to score risks. They are not intended to provide specific instruction when scoring the level of impact, and as such should be amended appropriately based on the risk being scored.

Likelihood Risk Score

Risk Score	Likelihood Descriptor	Guidance
1	Almost Impossible	Difficult to see how this could occur. Has happened very rarely before or never Is a highly unlikely climate scenario, even at the extremes of climate projections
2	Unlikely	Do not expect occurrence but it is possible. Less than 10% chance of occurrence May have happened in the past; unlikely to happen in the next three years
3	Possible	May occur occasionally. Only likely to happen once in 3 or more years

Risk Score	Likelihood Descriptor	Guidance
		Has happened in the past; reasonable possibility it will happen as part of climate change scenarios
4	Likely	Will occur persistently but is not an everyday occurrence. Likely to happen at some point within the next 1-2 years Circumstances occasionally encountered within likely climate change scenarios
5	Almost Certain	High probability of situation occurring Regular occurrence, Circumstances frequently encountered, daily/weekly/monthly

Impact Risk Score

The below tables provide guidance on how to score the impact of the risk within specific areas.

Impact Area	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
Health & Safety	minor injury, basic first aid required, 1 person affected, no days absence, no delay	non-permanent harm, short-term injury, resulting in absence of up to 3 days. 1 – 2 persons affected	causing semi-permanent disability, injury, disease, or harm which could interrupt attendance at work for 3-28 days AND/OR affects 3 - 50 people	causing death, permanent disability, serious injury or harm, e.g. loss of function or body part(s), serious disability, single death of any person. 51-200 people affected. Long term absence from work (28-84 days), extended medical attention required, e.g. up to a month in hospital	multiple deaths involving any persons, greater than 200 people affected, more than 84 days absence, more than 30 days extended hospital stay
City & community	insignificant disruption to community services, including transport services and infrastructure	minor localised disruption to community services or infrastructure less than 24 hours	damage that is confined to a specific location, or to a number of locations, but requires additional resources. Localised disruption to infrastructure and community services	significant damage that impacts on and possible breakdown of some local community services. Requires support for local responders with external resources	extensive damage to properties and built environment in affected areas. General & widespread displacement of more than 500 people for prolonged duration. Community unable to function without significant support

Service Delivery	No or marginal service disruption No noticeable drop in service performance	service disruption or partial closure for 1 or 2 days Drop in service performance	service disruption or total closure for 1-3 days Poor service performance Slight impact on Council Plan outcomes	service disruption or total closure for 3-7 days Repeated poor service performance Impact to delivery of Council Plan outcomes	Service disruption or total closure for 7+ days Ongoing failure to provide an adequate service Failure to deliver on Council Plan outcomes
Economic	none/minimal financial burden (less than £100, can be resolved at local service / department level), minor interruption to income generation, no permanent loss	minimal financial burden or disruption to income generation (less than £1,000 but greater than £100). Can be resolved at line manager/ service manager level through usual budgetary measures	moderate financial burden (less than £10,000 but greater than £1,000). Interruption to income generation lasting less than 14 days, majority of income recoverable but at additional cost	major financial burden (less than £100,000 but greater than £10,000). Can include significant extra clean up and recovery costs.	catastrophic financial burden (greater than £100,000). Extensive clean up and recovery costs
Environment	insignificant impact on environment	minor impact on environment with no lasting effects	limited impact on environment with short-term or long-term effects	significant impact on environment with medium to long term effects	serious long-term impact on environment and/or permanent change.
Reputation	organisation(s) reputation remains intact	minimal impact on organisation(s) reputation	moderate impact on organisation(s) reputation	major impact on organisation (s) reputation / National adverse publicity	catastrophic impact on organisation(s) reputation. International adverse publicity

Personal Privacy Infringement	No personal details compromised/ revealed	Isolated individual personal detail compromised/ revealed	All personal details compromised/ revealed	Many individual personal details compromised/ revealed	Personal Data revealed which leads to serious incident and lack of credibility in organisation's ability to manage data, fine
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Project Delivery	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
<i>Project Status</i>	Project on schedule to deliver the planned works on time and to budget	Project on schedule to deliver the planned works on time and to budget	The project has encountered some issues which could affect the delivery of the planned works within agreed time, costs, and resources	The project has encountered some issues which could affect the delivery of the planned works within agreed time, costs, and resources	Delivery of the planned works within agreed time, costs and resources is presently threatened
<i>Timescales</i>	No delays anticipated	The project is delayed by 1 week or under	The project is delayed by 1 week – 2 weeks	The project is delayed by 2 weeks or over	The project is delayed for an indefinite period
<i>Resources</i>	The project is fully resourced	The project is fully resourced	A lack of human resources which could impact overall delivery and require Programme Board attention	Lack of human resource is impacting successful delivery and needs to be addressed immediately	Lack of human resource is impacting successful delivery and needs to be addressed immediately
<i>Issues</i>	All issues under control and no outstanding issues requiring Programme Board attention	All issues under control and no outstanding issues requiring Programme Board attention	Outstanding issues which could impact overall delivery and require Programme Board attention	Outstanding issues which could impact overall delivery and require Programme Board attention	Outstanding issues which will impact the overall delivery require URGENT Programme Board attention
<i>Risks</i>	All risks under control and no outstanding issues requiring	All risks under control and no outstanding issues requiring	Risks that have a medium probability of occurring and will have a medium impact on the programme and require Programme Board attention if	Risks that have high or medium probability and impact if they occur and	Risks that have high or medium probability and impact if they occur require the

	Programme Board attention	Programme Board attention	there is no change or is increasing	require the Programme Board attention	Programme Board attention
<i>Budget</i>	Predicted costs are on track and within the cash limit budget	Predicted costs are on track and within the cash limit budget	Predicted costs are under 10% of budget	Predicted costs are up to 10% over budget	Predicted costs are higher than 10% over budget

Risk Appetite

Determine the risk appetite level for the risk, taking into consideration the current risk exposure based on the identification and analysis, and what effect the potential impacts may have on the council's ability to achieve its objectives. The risk appetite statement will support you in determining the Risk Treatment.

Step 2 – Risk Treatment

Based on the Current Risk Score, the Risk Matrix provides a colour rating to help you choose one or more of the Risk Treatments - the four T's and record the reason for your choice.

- Treat - take further action to reduce the likelihood or impact.
- Tolerate - decide the risk level is tolerable and that no extra resources will be applied due to a cost-benefit analysis or elements being outside of our control.
- Terminate - stop undertaking the activity which leads to the risk.
- Transfer - pass to another party or organisation to deal with mitigations to reduce the council's liability and exposure, for example, through insurance. We would still own the risk. Often this is not possible due to costs or legal duty.

Risk Rating	Risk Score	Recommended action
High	15-25	Immediate action and escalation required. Mitigating actions must be taken.
Significant	8-14	Review and ensure effective controls. Mitigating actions should be taken.
Moderate	4-7	Monitor in case the risk levels increase.
Low	1-3	Monitor periodically.

Mitigating Actions

If you have decided that the risk should be treated, then mitigating actions should be taken to reduce the likelihood and/or impact of the risk. When developing mitigating actions, Risk Owners are strongly encouraged to work with all key stakeholders, including external partners to ensure the right actions are identified and stakeholder buy in into the delivery of these actions. The actions should be SMART (Specific, Measurable, Achievable, Realistic and Timebound) and agreed by the Risk Action Lead who is named responsible for delivering the action. Mitigating actions should have a start and end date and progress should be regularly tracked.

It is important to ensure that mitigating risk actions map to directorate or service plan actions, so that they are planned and resourced adequately to be completed within the timeframe indicated.

Target Risk Score

The target risk score is scored similarly to the current risk score but is based on the assumption that the mitigating risk actions are completed at the stated time and reflects the council's risk appetite for that scenario. This shows the level of risk the council is willing to operate at but the score needs to be realistic and take into account the

uncertainty of the situation and resources available to deliver actions so the target risk score can sometimes remain as a high 'red' score regardless of mitigation.

Step 3 – Risk Monitoring

Risks need to be regularly monitored to support understanding of whether the level of risk exposure is changing and to what extent the existing controls, or mitigating actions, are impacting the risk.

A monitoring structure should be agreed that identifies key indicators to show progress or effect of controls and actions at suitable intervals.

Consideration should be given to whether the costs, efforts or disadvantages of the controls and action being taken balances against potential benefit of achieving the objective.

Step 4 – Review and Report

Risk Register

Risk Registers are a tool to help manage risk. The Strategic Risk Register is recorded on the Camms Risk system and the Directorate, Service, Programme and Project Risk Registers use the Excel/Word Risk Register template.

The risk register should contain:

- Risk code i.e. SR1 'Strategic Risk 1' or EEC DR1 'Environment, Economy & Culture Directorate Risk 1'
- Risk title – clearly and succinctly describing the risk
- Risk Owner
- Causes
- Potential Consequences
- Existing Controls – 'Three lines of defence'
- Current Risk Score – Likelihood, Impact and Total
- Mitigating Actions (if risk is treated, or rationale for risk to be terminated, tolerated or transferred)
- Target date to complete actions
- Risk Action Lead
- Target Risk Score – Likelihood, Impact and Total
- Last reviewed date
- Risk Status – Open or Closed

RISK REGISTER: OBJECTIVE (Clearly record this and in the fields below record risks with potential to impact on achievement of this objective)

Date:

Name(s) of Assessor(s):

Risk No	Risk Description What could prevent achievement of your objective and when could it materialise?	Potential Consequences	Existing Controls These must be in place and are operating well. Use the 'Three Lines of Defence': 1) Management Controls, 2) Corporate Oversight, 3) Independent Assurance	Current Likelihood (L) Risk Score	Current Impact (I) Risk Score	Current Risk Score (L x I)	Mitigating Actions 4 Risk Treatments – Treat/ Tolerate/ Terminate/ Transfer. If you decide to 'Treat' add actions to reduce likelihood and impact scores.	Target Date for Future Actions	Responsible Officer	Target Likelihood (L) Risk Score	Target Impact (I) Risk Score	Target Risk Score (L x I)	Risk Status – Active or Closed (give date when Closed)

MATRIX and Key to Risk Scores:

Likelihood (L): 1 – Almost Impossible, 2 – Unlikely, 3 – Possible, 4 – Likely, 5 – Almost Certain

Impact (I): 1 – Insignificant, 2 – Minor, 3 – Moderate, 4 – Major, 5 – Catastrophic

Risk Score: multiply Likelihood (L) x Impact (I)

15 -25 RED	High. Immediate action required. Escalate to management level above	8 -14 AMBER	Significant Review & ensure effective controls	4 -7 YELLOW	Moderate (option to TOLERATE) Monitor if risk levels increase.	1 -3 GREEN	Low (option to TOLERATE) Monitor Periodically
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Risk Reviews

It is important to regularly review risks, especially if there is new information or changing circumstances that may relate to certain risks.

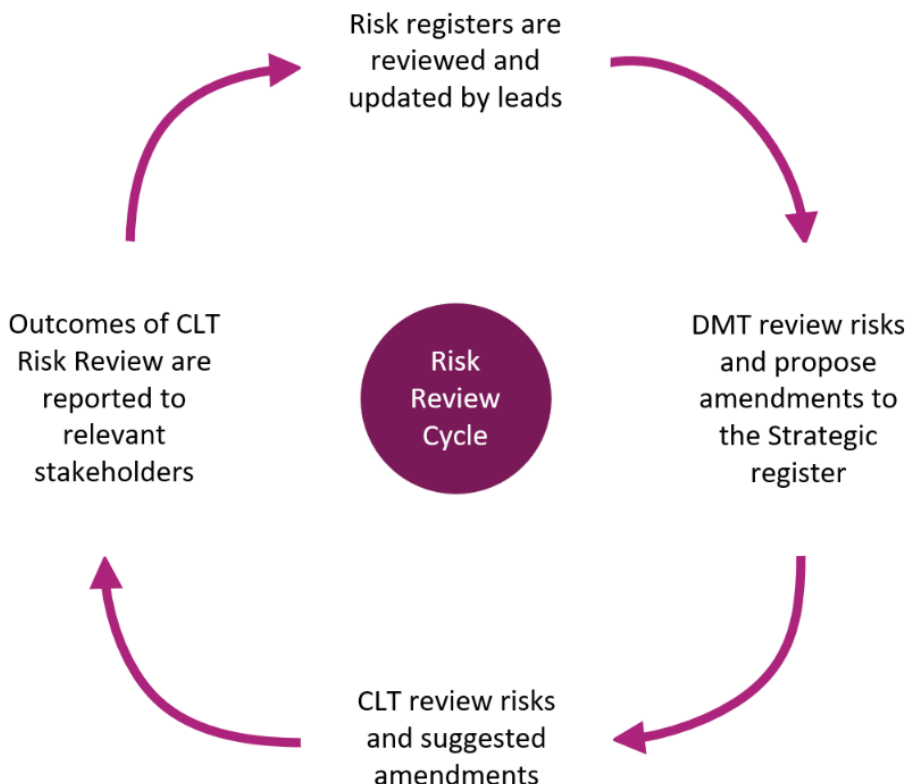
Strategic risks are reviewed regularly by the Corporate Leadership Team (CLT). Directorate and strategic risks are reviewed regularly by Directorate Management Teams (DMTs), but it is important to note that risk registers are live documents. Newly identified risks suggested amendments to strategic risks and the Directorate Risk Registers are reported to CLT as part of their risk review. All officers are expected to escalate risks to the relevant DMT lead. Risk management training is available to all officers and resources can be found on the intranet.

Standing agenda for DMT Risk Review

- Strategic Risk Register – review and recommend amendments to CLT
- Upcoming dates in the Risk Reporting Timetable
- Reminders of the risk management approach
- Directorate Risk Register – review risks and mitigating actions

Standing agenda for CLT Risk Review

- Strategic Risk Register – review and agree recommendations from Risk Owners & DMTs
- Strategic Risk Register – emerging risks and requests from members
- Upcoming dates in the Risk Reporting Timetable
- Focus area of the risk management approach
- Directorate Risk Registers – to note



The diagram below shows the risk review cycle. Risk reviews occur quarterly at DMTs and CLT as a minimum, but it is also recommended for risk owners and services to take deep dives into risks where risk scores are not reducing or where circumstances impacting the risk significantly change.

Risk Reporting

The Risk Reporting Timetable sets out the quarterly reporting dates. Risk reviews are the best time to ensure risks are considered, although risks should be escalated at any time there is a change to the level of risk exposure. The timetable informs Risk Action Leads and Risk Owners the dates by which they should update on the progress of their risk action and review the description of the risk, as well as the dates of Risk Reviews.

Cabinet and the Audit, Standards & General Purpose Committee have oversight of the risk management process. The Risk Management Framework is reviewed annually.

The Annual Governance Statement (AGS) is published each year alongside the council's accounts and is largely based on our risk management approach, strategic risks and internal audit.

With all reports, it is important to ensure they are written considering the audience and purpose of the report.