

# **Risk Management Guide:**

## **Managing Risk for Better Service**

### **Delivery**

This document presents Conwy County Borough Council's risk management guide and policy for consistent risk management across council services. It is a tool for anyone who works in the council, as well as a guide for those who receive our services.

**Mae'r ddogfen hon ar gael yn Gymraeg. This document is available in Welsh. We are also happy to provide this document in large print, audio, and braille, please contact the Performance and Improvement Team.**



**Conwy - Sir flaengar sy'n creu cyfleoedd**

**Conwy - a progressive County creating opportunity**

## We want to hear your views!

We value the rich diversity of Conwy and believe it's essential for all voices to be heard and acknowledged. We want to hear from you about the things that affect you. Are our long-term goals right for your community, and are we doing the right things? For more information or to share your thoughts on anything in our Corporate Plan, please contact us.

**By email:** [countyconversation@conwy.gov.uk](mailto:countyconversation@conwy.gov.uk)

**By telephone:** 01492 57 4000

Rydym yn croesawu galwadau ffôn yn Gymraeg a Saesneg. We welcome telephone calls in English and Welsh.

BT Relay Service Customers with hearing or speech impairments can contact any Council service by dialling **18001** before the number they require.

**By Sign:** British Sign Language users can contact us using a Sign Language interpreter through the InterpretersLive! Service, provided by Sign Solutions – visit [www.conwy.gov.uk/signing](http://www.conwy.gov.uk/signing)

**By post:** People and Performance Service  
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We welcome correspondence in both English and Welsh. There will be no delay in responding to correspondence received in either language.

## Young People

Young people are the future and we want to hear your views. Services working with young people want to listen and give you the chance to speak up. Conwy Youth Council is all about giving you a voice and a choice in decisions that affect you.

If you want to get involved, visit the [Youth Council Facebook page](#), or go to our [Youth Service website](#), or contact us:

**By email:** [youthservice@conwy.gov.uk](mailto:youthservice@conwy.gov.uk)

**By telephone:** 01492 575100

Rydym yn croesawu galwadau ffôn yn Gymraeg a Saesneg. We welcome telephone calls in English and Welsh. BT Relay Service Customers with hearing or speech impairments can contact any Council service by dialling **18001** before the number they require.

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# Contents

1.0. What is Risk Management? .....	5
2.0. How to Identify Risk .....	8
3.0. How to Assess Risk .....	11
4.0. How to Manage Risk.....	14
5.0. How to Monitor and Report on Risk .....	17
6.0. Something for Everyone: Understanding Your Role in Managing Risk! .....	19
6.1. Members of the public .....	19
6.2. Elected members .....	20
6.3. Members of Staff .....	23
7.0. Glossary.....	30
Appendix 1 – Risk Appetite Framework and Statement.....	33
Appendix 2 – Characteristics of a Corporate Risk .....	40
Appendix 3 – A tool to assist in identifying the risk cause.....	41
Appendix 4 – Corporate Risk Register Template.....	42

# **1.0. What is Risk Management?**

Risk Management is how we identify, assess, control, and monitor potential threats and opportunities and the likelihood that they may occur. By managing our risks well, we can protect ourselves from possible threats, reduce time spent firefighting and having unwelcome surprises. We can then take advantage of opportunities to ensure processes run more efficiently, deliver better services, and support good decision making.

## **1.1. Why is Risk Management Important?**

We aim to deliver high-quality, value for money services, but to do this, we must understand and manage our risks in everything that we do. We want risk management to be part of everyday decision making, helping us take the right risks to achieve our priorities, while avoiding unacceptable risks that jeopardise our outcomes. Managing risk helps us avoid unexpected costs or service failures; protect our reputation and community trust; make informed decisions; and support the achievement of our goals.

### **1.1.1. Objectives:**

1. Make risk management part of how we work across the council.
2. Build a culture where risks are understood and managed wisely, applying Well-being of Future Generations Act thinking to our approach.
3. Maintain public confidence in our services.
4. Be prepared for unexpected events.
5. Follow legal and best practice standards.

### **1.1.2. Principles**

- Risk management is part of everyone's role.
- It's an ongoing process, not a one-time task.
- Risk information must be timely, accurate and useful.
- The process should be effective but not overly complex or costly.

This document forms our policy for Risk Management and explains how we consistently manage risk across the council to ensure services are delivered effectively, efficiently, and safely. The chapters in this guide will help you understand each part of the process, clearly outlining the steps that we must follow to:

1. **Identify:** Understanding what the risk is.
2. **Assess:** Understanding how serious it is.
3. **Manage:** Taking actions to manage the risk.
4. **Monitor:** Reviewing controls regularly.

For more information on regulations concerning risk management, please refer to the [Local Government and Elections \(Wales\) Act 2021](#).

## 1.2. What is risk?

Our definition of risk is **“An event that, should it occur, would impact our ability to successfully achieve our outcomes.”**

Often *issues* that have arisen are confused with risks. Our definition of an issue is **“A long-term, often unresolvable event largely out of our control and mitigation actions are underway or planned.”**

When a risk materialises and becomes an issue, we should reassess the situation to identify any new or emerging risks that may arise as a result of this. If the issue has the potential to worsen, it should remain on the risk register, clearly noting in the description that it is an ongoing issue.

## 1.3. When do I need to consider risks?

Continually identifying and assessing risks, along with taking appropriate mitigating actions is essential to successfully achieving our outcomes. As the external environment changes and new decisions are made about how the council is run, risks will need to be reviewed as the nature and level of both existing and emerging risks will continue to change.

Risk management should be embedded into day-to-day decision making. Risks and mitigating actions should be discussed regularly by teams, during one-to-one conversations with line-managers, at management meetings. In essence it should be part of our day-to-day culture.

Our Corporate Risk Register is a live document that may be updated at any time, as are Service, programme and project risk registers. Nonetheless, it is good practice that these are formally reviewed at least twice a year to assess progress and any changes in the risk status.

## 1.4. What types of risks do we manage?

There are three main types of risks that we manage.

- 1. Corporate Risks:** Significant risks that could have an impact on our ability to meet long-term corporate and service objectives, and our ability to fulfil statutory duties. The characteristics of a corporate risk can be found in [appendix 2](#).
- 2. Service Risks:** Specific to individual service areas that pose a threat to our operations and could have an impact on day-to-day service delivery. These challenges may include health and safety, information security, service continuity, partnerships, and other operational factors.
- 3. Programmes and Project Risks:** Risks that prevent the successful delivery of a project or a programme.

We record and monitor all of our risk information through our Corporate Performance Management System (CAMMS-Riskonnect).

## 1.5. Considering the Well-being of Future Generations

The Act requires the council to take a long-term view, work better with people, communities, partners, and each other, and focus on preventing problems before they arise. All decisions must be made in line with the Sustainable Development Principle – i.e. are the needs of the present being met without compromising the ability of future generations to meet their own needs?

To demonstrate this principle in practice we must apply the five ways of working (Long-term, Prevention, Integration, Collaboration, and Involvement). These approaches help us identify and manage risks that may impact both service delivery and the communities we support both now and in the future. By framing risks through the lens of the Act's well-being goals and these five ways of working, we can take positive steps to manage them effectively in the short, medium, and long term.

For more information, take a look at the [Essentials Guide](#) online at Future Generations Wales.

## 2.0. How to Identify Risk

When identifying and assessing our risks the following should be considered:

- Scope of the activities to be assessed (e.g. corporate, service, collaboration, or project) and the associated priorities and objectives (e.g. corporate plan, project objectives).
- The impact of the changing external environment over the short, medium, and long term. This may include political, regulatory, economic, legislative and community changes – please refer to categories below.
- The impact of the changing internal environment over the short, medium, and long term. This may include changing the process, service expectations and capabilities etc.
- The level of risk the council is prepared to take in relation to the activities in the question – in other words, our risk appetite!

### 2.1. Risk Categories

To keep our approach consistent across the council, we use the following **risk categories**. These help us identify risks, understand where they come from, and what impact they might have on our goals.

#### 2.1.1. Political: Arising from the political situation

- Change of Government policy
- Political make-up
- Election cycles
- Decision-making structure
- Abuse (e.g. fraud, corruption)
- Reputation management

#### 2.1.2. Economic and Financial: Arising from the economic situation, and the financial planning framework

- Treasury – investment, reforms
- Demand predictions
- Competition and the effect on price

- General / regional economic situation, including budget restrictions and cuts to services
- Value / cost of capital assets

### **2.1.3. Community: Demographics, social trends, and meeting customer needs or expectations**

- Residential patterns and profile
- Social care
- Regeneration
- Customer care
- Quality of community consultation

### **2.1.4. Technological: Arising from the ability to deal with pace of change, and the technological situation (including software, hardware, artificial intelligence, and robotics)**

- Capacity to deal with change or advance
- State of architecture
- Obsolescence of technology
- Current performance and reliability
- Security and standards
- Failure of key system or project
- The ethical and responsible use of technology

### **2.1.5. Regulatory / Legislative: Arising from current and potential legal changes and / or possible breaches, and the organisation's regulatory information**

- New legislation and regulations
- Exposure to regulators
- Legal challenges or judicial review
- Adequacy of legal support

### **2.1.6. Environmental: Concerned with the physical environment**

- Type of environment (urban, rural, and mixed)

- Land use – green belt, brown field sites
- Waste disposal and recycling issues
- Impact of civil emergency (i.e. flood)
- Traffic problems, planning, and transport
- Pollution, emissions, noise
- Climate change and energy efficiency

#### **2.1.7. Professional or managerial: The need to be managerially and professionally competent**

- Peer reviews
- Stability of officer structure and culture
- Competency and capacity
- Management frameworks and processes
- Turnover, recruitment, and retention
- Profession-specific issues

#### **2.1.8. Physical hazards and health and safety: Physical hazards associated with people, land, buildings, vehicles and equipment**

- Health, safety and wellbeing of staff, partners, and the community
- Accident and incident record keeping
- Maintenance practices
- Security of staff, assets, buildings, equipment
- Nature and state of asset base

#### **2.1.9. Partnership or contractual: Partnerships, contracts, and collaboration**

- Key partners – public, private, and voluntary
- Accountability frameworks and partnership boundaries
- Large-scale projects with joint ventures
- Outsourced services
- Relationship management
- Change control / exit strategies
- Business continuity
- Partnerships – contractual liabilities

## 2.2. How do I describe a risk?

Finding the right words to properly describe a risk is important. It must be specific to ensure the risk is fully understood and to enable us to identify actions to manage and control the risks. It is advisable to start a description with “The risk that...” or “The risk of...” Some useful phrases when describing a risk are:

- The risk of inability to...
- The risk of inappropriate...
- The risk of exploitation...
- The risk that reduction...
- The risk of disruption...
- This risk that loss of...
- The risk that inadequate...
- The risk that damage to...

Fully understanding and accurately capturing the cause of the risk is also important.

[Appendix 3](#) provides a useful tool that can be used to identify the root cause of a risk. Risk descriptions should, however, avoid using the term “failure”. Failure to do something often overlooks the event or circumstance that could lead to a failure.

## 3.0. How to Assess Risk

Having identified the risk, it is important to assess the risk to understand how likely it would be to occur and what the impact would be. We use a simple tool used to evaluate, prioritise, and score the risks by looking at:

1. **Likelihood:** How likely is the risk to happen?
2. **Impact:** How severe the consequences would be if it were to happen?

### 3.1. Grading the Likelihood of an Event

Grade	% chance	Description
A: Almost Certain	More than 70%	Almost certain to occur in most circumstances
B: Likely	30 – 70%	Likely to occur in most circumstances
C: Possible	10 – 30%	Will possibly occur at some time

D: Unlikely	1 – 10%	Unlikely but may occur at some time
E: Rare	Less than 1%	Rare and may only occur in exceptional circumstances

### 3.2. Rating the Impact of an Event

Rating	Reputation	Performance	Financial Cost
<b>1: Very High</b>	Trust severely damaged and full recovery questionable and costly	Catastrophic Harm / incident errors or disruption is not reversible. Unable to deliver core activities. Strategic aims compromised	More than £5m
<b>2: High</b>	Trust recoverable at considerable cost and management attention	Major harm / incident, errors, or disruption. Impact reversible with major effort and management attention	£1m - £5m
<b>3: Medium</b>	Trust recovery demands cost authorisation beyond existing budgets	Moderate harm / incident, errors, or disruption. Impact reversible moderate effort	£350k - £1m
<b>4. Low</b>	Trust recoverable at modest cost with resource allocation within budgets	Minor harm / incident, errors, or disruptions. Impact reversible with minor effort	£50k - £350k
<b>5: Very Low</b>	Trust recoverable with very little effort or cost	Minimal harm / incident, errors, or disruption. Impact reversible with minimal effort	Less than £50k

Additional categories – Performance, Financial, and Reputational – are provided to help estimate the risk score. The category with the highest level of risk should be selected to help score the risk.

The diagram below presents the tables above in another format which users may find more helpful.

### 3.3. Risk Matrix Diagram

Likelihood	Almost certain to occur in most circumstances	>70%	A - Almost Certain	Yellow	Orange	Red	Red
	Likely to occur in most circumstances	30-70%	B - Likely	Yellow	Yellow	Orange	Red
	Will possibly occur at some time	10-30%	C - Possible	Green	Yellow	Yellow	Red
	Unlikely but may occur at some time	1-10%	D - Unlikely	Green	Green	Yellow	Orange
	Rare & may only occur in exceptional circumstances	<1%	E - Rare	Green	Green	Yellow	Orange
			5 – Very low	4- Low	3 - Medium	2- High	1 – Very high
Reputation		Trust recoverable with little effort or cost.	Trust recoverable at modest cost with resource allocation within budgets.	Trust recovery demands cost authorisation beyond existing budgets.	Trust recoverable at considerable cost and management attention.	Trust severely damaged and full recovery questionable and costly.	
Performance		Minimal harm / Incident, errors or disruption. Impact reversible with minimal effort.	Minor harm/ Incident, errors or disruptions. Impact reversible with minor effort.	Moderate harm /, Incident, errors or disruption. Impact reversible with moderate effort.	Major harm / Incident, errors or disruption. Impact reversible with major effort and management attention	Catastrophic Harm/ Incident, errors or disruption is not reversible. Unable to deliver core activities. Strategic aims compromised.	
Financial Cost		<£50k	£50 - £350k	£350k - £1m	£1m - £5m	>£5m	
Impact							

The level of risk is worked out by looking at how likely it is to happen and how big the impact would be. The risk is then categorised as critical, major, moderate, or minor – please refer to the table below. This helps us decide if any further action is needed and whether the risk should be escalated.

### 3.4. Risk Severity and Escalation Criteria

Risk Severity	Escalation Criteria
Minor:	Risk easily managed locally – no need to involve management
Moderate:	Risk containable at service level – senior management and Strategic Leadership Team may need to be kept informed
Major:	Intervention by Strategic Leadership Team with Cabinet involvement
Critical:	Significant Strategic Leadership Team and Cabinet intervention

### 3.5. Inherent and Residual Risk

All risks should be scored on an inherent as well as a residual basis. The **Inherent Risk** is the score given before any action has been taken to manage it. The **Residual Risk** is the risk evaluation as it currently stands when controls have been put in place.

The inherent risk score should never be worse than the residual risk score. Where the scores are the same, controls are either ineffectual or are barely holding off a worsening situation. Ideally, the residual score would show an improvement after controls have been put in place.

## 4.0. How to Manage Risk

Putting in place the right level of control is important, but in order to understand how much effort to put into mitigation, it is useful to have some organisational context about how much risk we're willing to put up with in the first place.

### 4.1. Risk Appetite

Risk appetite is the level of risk we are prepared to tolerate or accept as a council in pursuit of our long-term, strategic objectives. Determining and articulating our risk appetite allows us to consider all options to respond to risk and make informed decisions that are most likely to result in successful delivery, whilst also providing an acceptable level of value for money. Risk appetite is useful for sense checking our appetite to take risks (are we risk averse or risk innovative?) with our corporate priorities, programmes, projects, corporate or service risks, etc. However, regardless of our appetite, risks must always be managed with appropriate controls in place. We use the following classification and description for Risk Appetite:

Classification	Description	Tolerated Risk Severity
<b>Innovative</b>	The eagerness to be innovative and to choose options offering potentially higher business rewards despite greater inherent risk. However, this does not mean that the risk we accept is unrestrained – it is still a managed risk with controls in place.	<b>Minor (Green)</b> <b>Moderate (Yellow)</b> <b>Major (Orange)</b> <b>Critical (Red)</b>
<b>Open</b>	The willingness to consider all delivery options and choose one that is most likely to result in successful delivery with an acceptable level of reward (and value for money).	<b>Minor (Green)</b> <b>Moderate (Yellow)</b> <b>Major (Orange)</b>
<b>Cautious</b>	The preference for safe options that have a medium degree of inherent risk and may have some potential for rewards.	<b>Minor (Green)</b> <b>Moderate (Yellow)</b>

<b>Minimalist</b>	The preference for ultra-safe options that have a low degree of inherent risk and have a potential for only limited reward.	<b>Minor (Green)</b>
<b>Adverse</b>	The avoidance of risk and uncertainty.	<b>No risk tolerated</b>

The table below summarises the tolerances that we have set within our Risk Appetite Statement. Our full Risk Appetite Framework and Statement can be found in [Appendix 1](#) of this document.

Risk Appetite Category	Risk Appetite	Tolerated Risk Severity
<b>Reputation and Credibility</b>	<b>Open:</b> Willing to consider all options and choose one that is most likely to result in successful delivery with an acceptable level of reward (and value for money).	<b>Minor (Green)</b> <b>Moderate (Yellow)</b> <b>Major (Orange)</b>
<b>Operational and Policy Delivery</b>	<b>Open:</b> Willing to consider all options and choose one that is most likely to result in successful delivery with an acceptable level of reward (and value for money).	<b>Minor (Green)</b> <b>Moderate (Yellow)</b> <b>Major (Orange)</b>
<b>Financial – Projects</b>	<b>Cautious:</b> Preference for safe options that have a medium degree of inherent risk and may have some potential for rewards.	<b>Minor (Green)</b> <b>Moderate (Yellow)</b>
<b>Financial – Treasury Management</b>	<b>Cautious:</b> Preference for safe options that have a medium degree of inherent risk and may have some potential for rewards.	<b>Minor (Green)</b> <b>Moderate (Yellow)</b>
<b>Compliance and Regulation – Safeguarding</b>	<b>Minimalist:</b> Preference for ultra-safe options where the well-being of individuals is concerned, with a low degree of inherent risk and have a potential for only limited (safe) reward.	<b>Minor (Green)</b>
<b>Compliance and Regulation – Other</b>	<b>Cautious:</b> Preference for safe options that have a medium degree of inherent risk and may have some potential for rewards.	<b>Minor (Green)</b> <b>Moderate (Yellow)</b>
<b>People – Learning and Development</b>	<b>Cautious:</b> Preference for safe options that have a medium degree of inherent risk and may have some potential for rewards.	<b>Minor (Green)</b> <b>Moderate (Yellow)</b>
<b>People – Whole Workforce</b>	<b>Cautious:</b> Preference for safe options that have a medium degree of inherent	<b>Minor (Green)</b>

	risk and may have some potential for rewards.	<b>Moderate (Yellow)</b>
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## 4.2. Controls and Mitigating Actions

We need to determine existing controls and any additional actions that are needed to manage the risk. Generally, where the risk is **Major** or **Critical** then further action is necessary. Where the risk is **Moderate**, careful consideration should be given to the need for further action. Where the risk is **Minor**, generally no action is required and it is assumed that the existing controls in place are sufficient and working well.

There is a tool to help us decide the most appropriate actions to take when responding to a risk – the 4 T's! This stands for Treat, Tolerate, Transfer and Terminate:

- **Treat:** The most frequent course of action will be to treat the risk; that is, to take actions to reduce the likelihood or the impact of the risk. All actions should be assigned to a responsible officer, with clear and realistic timescales put in place for completion.
- **Tolerate:** There will be some risks that are minor or unavoidable and the cost of reducing the risk exceeds the benefits. Therefore, we accept the risk and monitor it in case things change.
- **Transfer:** This involves transferring or sharing the risk with another party through such actions as outsourcing or insurance.
- **Terminate:** Removing the activity that is causing the risk.

Once we have identified suitable controls to put in place, we need to have confidence that they are working effectively. We choose from one of the following assurance ratings to assess how effective our controls are to manage the risk:

- **Substantial Assurance:** A sound system of control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives.
- **Reasonable Assurance:** There is a generally sound system of control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives.
- **Limited Assurance:** Significant gaps, weaknesses, or non-compliance were identified. Improvement is required to the system of control to effectively manage risks to the achievement of objectives.

- **No Assurance:** Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of control is inadequate to effectively manage risks to the achievement of objectives.

### 4.3. Risk Ownership

The owner of the risk would typically be someone who is in a position to influence (most of) the controls and actions identified. They would have strategic oversight of the risk but are not necessarily an action owner. For example, at a programme or project level, the risk owner would likely be the programme or project manager; at a Service level, the Head of Service would take responsibility; and for the Corporate Risk Register, the collection of our most serious organisational risks, it is appropriate that Strategic Directors and Cabinet Members are the identified owners. Ideally a single risk owner would be identified, but for more complex risks it may be appropriate to identify multiple owners. In the case of the Corporate Risk Register, although Strategic Directors are ultimately responsible, all Heads of Service have a role to play in its management, and where appropriate, some have been identified as being in a support role.

## 5.0. How to Monitor and Report on Risk

Monitoring risks is a normal management activity and should be integrated as part of normal line management responsibilities. Formal monitoring and reporting of risks will take place at least twice yearly so that losses are minimised and intended actions are achieved. All changes made to the risks should be fully explained to ensure transparency and strengthen our audit trail. This will include changes to the content of the risks, changes in scores, new risks, and escalation or de-escalation of risks between versions of the register. Our approach will be as follows:

### 5.1. Corporate Risks

Corporate Risks will be continually monitored, but formal reviews by the Strategic Directors and Cabinet members (as risk owners) will take place at least every six-months, with input from the wider strategic leadership and senior management teams. The Governance and Audit Committee will then consider the content of the register and recommend any changes for Cabinet approval. Additional 'deep-dive' reviews on selected risks will also take place with the Strategic Leadership Team on a quarterly basis. The content of our

Corporate Risk Register is regularly reviewed by our Improvement and Audit Group, Internal Audit, and external regulators, being used to inform annual audit plans.

## **5.2. Service Risks**

Service risk registers will be continually monitored, but formal reviews by the Head of Service and relevant Cabinet members (as risk owners) will take place at least every six-months, in consultation with service managers and staff as appropriate. Service risk registers will also be monitored through the Service Performance Review process.

Service risks that require consideration for escalation to the Corporate Risk Register should be raised with the relevant Strategic Director and the Performance and Improvement Team. The Improvement and Audit Group will consider these prior to making recommendations for changes to the Strategic Leadership Team and Cabinet.

Additional reviews will take place with the Performance and Improvement Team as necessary on selected services to conduct an in-depth review of service risks. Internal Audit will also review service risks registers to inform their annual plan.

## **5.3. Programme and Project Risks**

Programme and projects risks should be continually monitored, but formal reviews by the Programme / Project Executive and Programme / Project Manager will take place at least every month, involving relevant teams and staff. Programme / project risk registers will also be monitored through project and programme board meetings.

Programme and project risks that require escalation to either a Service Risk Register or the Corporate Risk Register should be raised with the relevant Head of Service and Business Manager, or Strategic Director and the Performance and Improvement Team as appropriate. The Improvement and Audit Group will consider requests for inclusion within the Corporate Risk Register prior to making recommendations for changes to the Strategic Leadership Team and Cabinet.

The programme and project dashboard is also reported to SLT, Informal Cabinet and FROSC every 3 months.

## 6.0. Something for Everyone: Understanding Your Role in Managing Risk!

It is important that everyone understands their duties and responsibilities in managing risk. Above all, however, we must recognise sensitivities around performance and risk matters and treat everyone with respect and kindness. Performance and risk conversations should always be about constructive support and not seeking to lay blame.

- **Fair:** We respect, we include, we stand equal
- **Care:** We invest, we communicate, we support
- **Team Player:** We collaborate, we empower, we develop
- **Innovative:** We listen, we learn, we grow

The following sections provide a summary of what you can expect in your role with the council and what you are responsible for.

### 6.1. Members of the public

**As a member of the public, I expect:**

- **Transparency and Honesty:** I want clear and truthful information about the risks that affect me. I appreciate being kept in the loop and having access to all relevant details.
- **Respect and Dignity:** I expect to be treated with respect and dignity in all interactions. My opinions and experiences should be valued and considered.
- **Active Participation:** I want opportunities to actively participate in the decision-making process around risk. My voice should also be heard, and my contributions should make a significant difference in determining how risks are managed.
- **Support and Guidance:** I need support and guidance to help me navigate how risks are managed. Clear instructions and helpful, up-to-date information and resources that are easy to understand are essential for me to make informed choices.
- **Accountability:** I expect risks to be well managed to support community needs, with those in charge being accountable for their actions and decisions. There should be mechanisms in place to address any concerns or issues that arise.

## I am responsible for:

- **Engaging Actively:** I will actively engage in risk processes and provide my input. My participation is crucial for the success of our collective efforts.
- **Staying Informed:** I will stay informed about the risks and decisions that affect me.
- **Respecting Others:** I will treat others with respect and dignity, just as I expect to be treated.
- **Providing Constructive Feedback:** I will provide constructive feedback to help improve the council's risk management. My insights can lead to positive changes.
- **Taking Initiative:** I will take the initiative to seek out information, ask questions, and get involved. My proactive approach will contribute to the mitigation of risk and the betterment of services and our community.

## How do I do this?

- You can view the council's current progress with regards to performance and risk management through our Performance Self-Assessment reports, which are published at [www.conwy.gov.uk/performance](http://www.conwy.gov.uk/performance).
- Council meetings, including Cabinet and Scrutiny are public and you are welcome to attend. You can also view meetings online through our web casts, accessible through our [committee webpages](#).
- Information on how to contact us is [available here](#).

## 6.2. Elected Members

### As an elected member, I expect:

- **Transparency and Honesty:** I want clear and truthful information about risks that affect my constituents. I appreciate being kept in the loop and having access to all relevant details to make informed decisions.
- **Respect and Dignity:** I expect to be treated with respect and dignity in all interactions. My role and responsibilities should be valued and supported.
- **Active Participation:** I want opportunities to actively participate in the decision-making process around risk. My voice should also be heard, and my contributions should make a significant difference in determining how risks are managed.
- **Support and Guidance:** I need support and guidance to help me navigate how risks are managed. Clear instructions and helpful, up-to-date information and

resources that are easy to understand are essential for me to make informed decisions and effectively serve my community.

- **Accountability:** I expect risks to be well managed to support community needs, with those in charge being accountable for their actions and decisions. There should be mechanisms in place to address any concerns or issues that arise, ensuring that we uphold the trust of the public.

### I am responsible for:

- **Engaging Actively:** I will actively engage in risk processes to understand our risks and how they are being managed. I will inform risk registers, identifying gaps and giving voice to what's important to the well-being of residents.
- **Staying Informed:** I will stay informed about risks and decisions that affect my community to make informed choices and advocate effectively.
- **Respecting Others:** I will treat others with respect and dignity, just as I expect to be treated.
- **Providing Constructive Feedback:** I will provide constructive feedback to help improve service and corporate risk management. My insights can lead to positive changes and better outcomes for the community.
- **Taking Initiative:** I will take the initiative to seek out information, ask questions, and get involved. My proactive approach will contribute to the mitigation of risk and the betterment of services and our community.

### How do I do this?

- Participate in meetings, representing the voice of the citizen.
- Raise issues and concerns with relevant managers.
- Engage with and scrutinise the information available to help inform decisions and identify ways to make improvements.

#### 6.2.1. Cabinet Members

##### In addition to my role as an Elected Member, as a Cabinet Member I expect:

- Accurate and timely information regarding risks to help inform decisions and identify areas for improvement.

### **I am responsible for:**

- Monitoring the delivery of service plans and the management of service risk registers with Heads of Service on a regular basis.
- Monitoring and driving forward the delivery of our corporate goals.
- Monitoring and managing risks on the Corporate Risk Register.

### **Have I:**

- Met with the relevant Head of Service in my portfolio to give input and agree the content of the Service Plan and Risk Register?
- Reviewed performance and risk information for the council and the services I represent on a regular basis?
- Discussed Corporate Risks in my ownership with the supporting Strategic Director or Head of Service?
- Reviewed the council's risk appetite on an annual basis?

### **6.2.2. Scrutiny Members (including co-optees)**

**In addition to my role as an Elected Member (does not apply to co-optees), as a Scrutiny Member I expect:**

- Accurate and timely information regarding risks to help inform decisions and identify areas for improvement.

### **I am responsible for:**

- Scrutinising the delivery of service plans and the management of risk registers.
- Scrutinising the delivery of the council's goals.
- Scrutinising the management of our Corporate Risk Register.

### **Have I:**

- Reviewed service and corporate risk registers on a regular basis?
- Attended Service Performance Review meetings?

### **6.2.3. Governance and Audit Committee Members (including lay members)**

**In addition to my role as an Elected Member (does not apply to lay members), as a member of the Governance and Audit Committee I expect:**

- Assurance that our risk management processes are robust and being consistently applied across the council.

**I am responsible for:**

- Reviewing and giving endorsement to the risk management guide and policy (including risk appetite).
- Monitoring the application of our risk management processes.
- Identifying governance and audit related risks that warrant further scrutiny.

**Have I:**

- Reviewed the council's risk information on a regular basis? This includes the Corporate Risk Register, but may also include, when necessary, service risk registers, programme, or project risk registers.
- Given input to the council's risk appetite statement.
- Identified any further risks that warrant further scrutiny (either by the committee or Scrutiny) to be assured that the council's risk processes work as they should at all levels. The committee will have a particular interest in risk pertaining to governance.

### **6.3. Members of Staff**

**As a member of staff, I expect:**

- **Transparency and Honesty:** I want clear and accurate information about the risks that affect my work and the communities I serve. I appreciate being kept in the loop and having access to all relevant details to perform my duties effectively.
- **Respect and Dignity:** I expect to be treated with respect and dignity in all interactions. My role and contributions should be valued and supported, ensuring that I can effectively serve communities.

- **Active Participation:** I want to understand the council's risks and the contribution my work makes towards them. My voice should also be heard, and my contributions should make a significant difference in determining how risks are managed.
- **Support and Guidance:** I need support and guidance to help me navigate how risks are managed. Helpful tools and systems with up-to-date information will support the development, communication, and monitoring of our risk information, helping me to perform my duties effectively.
- **Accountability:** I expect risks to be well managed to support community needs, with those in charge being accountable for their actions and decisions. There should be mechanisms in place to address any concerns or issues that arise, ensuring that we uphold the trust of the public.

### I am responsible for:

- **Engaging Actively:** I will actively engage in risk processes to understand our risks and how they are being managed. I will inform risk registers, identifying gaps and giving voice to what's important to the well-being of residents.
- **Staying Informed:** I will stay informed about the risks and decisions that affect our community and proactively review my own learning and training needs to continually improve performance.
- **Respecting Others:** I will treat others with respect and dignity, just as I expect to be treated.
- **Providing Constructive Feedback:** I will provide constructive feedback to help improve service and corporate risk management. My insights can lead to positive changes and better outcomes for the community.
- **Taking Initiative:** I will take the initiative to seek out information, ask questions, and get involved. My proactive approach will contribute to the mitigation of risk and the betterment of services and our community.

### How do I do this?

- Ask questions, contribute ideas, and challenge the way we do things.
- Raise any risks or concerns with managers or trade unions.
- Get involved in the service planning process and give your input to the Service Plan and Service Risk Register.
- Stay up-to-date with the council's risk management processes.

- Provide honest and easy to understand updates on the progress of work and any issues being experienced.

### **6.3.1. Chief Executive / Strategic Directors**

**In addition to my role as a Member of Staff, as the Chief Executive / Strategic Director I expect:**

- Staff to be engaged with our Risk Management process and understand their contribution.

**I am responsible for:**

- Ensuring that risk management processes remain fit for purpose and are effectively implemented.
- Championing a culture of risk management within the council.
- Monitoring the Corporate Risk Register.
- Keeping elected members informed of issues relevant to them.
- Reviewing service risks with Heads of Service as part of regular one-to-one meetings.

**Have I:**

- Provided input to service plans and risk registers?
- Reviewed risk data on a regular basis with Heads of Service?
- Engaged in the Service Performance Review process?
- Reviewed the council's Corporate Risk Register at least six-monthly?
- Reviewed the council's risk appetite on an annual basis?
- Provided input to the council's Well-being Assessment, and ongoing Self-Assessment process, using their intelligence to shape service planning, risk management and delivery?

### **6.3.2. Heads of Service**

**In addition to my role as a Member of Staff, as a Head of Service I expect:**

- Guidance from Corporate Directors, Cabinet Members, and the Performance and Improvement Team on Risk Management.

- Scrutiny members and staff to also be engaged in the development and delivery of the Service, including risk management.

### **I am responsible for:**

- Monitoring the Corporate Risk Register.
- Keeping elected members informed of issues relevant to them.
- The development, communication and delivery of the Service Plan and risks with key stakeholders, which includes keeping elected members informed of issues relevant to them.
- Managing service risk with input from staff, ensuring that risks are escalated as required.
- Ensuring the risk management processes remains fit for purpose and effectively implemented, championing a culture of risk management within the council.

### **Have I:**

- Considered the implications of plans and potential risks?
- Reviewed risk data on a regular basis, having consulted and engaged with key stakeholders, including managers, staff and Cabinet members, and customers?
- Considered all applicable legislative duties?
- Engaged in the Service Performance Review process?
- Reviewed the council's risk appetite on an annual basis?
- Communicated key messages to staff (good and bad)?
- Provided input to the council's Well-being Assessment, and ongoing Self-Assessment process, using their intelligence to shape service planning, risk management and delivery?

### **6.3.3. Service Managers**

#### **In addition to my role as a Member of Staff, as a Service Manager I expect:**

- Clear direction from the council and senior leaders.
- Staff to be engaged in the delivery of the Service Plan, aware of the Service Risk Register, and understand their contribution towards successful service delivery.

## **I am responsible for:**

- Helping Heads of Service communicate the strategic vision of the council and involving staff in the development and delivery of the Service Plan and risks, which includes keeping elected members informed of issues relevant to them.
- Ensuring staff engage and commit to activity within the Service Plan and risk registers.
- Supporting the Head of Service with the monitoring of the Service Risk Register, also engaging with team members.
- Identifying potential risks in service delivery and discussing with the Head of Service.

## **Have I:**

- Consulted and engaged with key stakeholders during the development of the Service Plan and Risk Register?
- Addressed any new legislative duties?
- Evaluated the implications of the plan and potential risks?
- Set realistic expectations for projects and activities?
- Reviewed risk data on a regular basis to inform the Service's own improvement?
- Communicated key messages to staff, good and bad?
- Provided input to the council's Well-being Assessment, and ongoing Self-Assessment process, using their intelligence to shape service planning, risk management and delivery?

### **6.3.4. Business Managers / Performance Officers**

#### **In addition to my role as a Member of Staff, as a Business Manager / Performance Officer I expect:**

- To have a clear understanding of the council's risk management process.
- Service Plans and Risk Registers to have input and ongoing challenge from stakeholders, including Corporate Directors(s), Cabinet Member(s), staff, and the public.

## I am responsible for:

- Supporting the Head of Service in the completion and communication of a clear and easy to follow Service Plan (by March 31st) and Service Risk Register, ensuring the involvement of the right people, and making sure that staff understand their commitments.
- Keeping the Service Plan and Service Risk Register up-to-date, which are live documents and should be updated with any new activity / developments during the year.
- Ensuring that accurate and easy to understand risk updates have been provided in the CAMMS-Riskonnect Performance Management system at least twice a year.
- Ensuring all comments provided are written in plain English, avoiding acronyms.
- Ensuring all changes to the risks are explained.

## Have I:

- Consulted with and involved the Performance and Improvement Team to ensure that there is consistency in the approach taken?
- Ensured that customer needs are taken into account, as well as any legislative duties that apply?
- Analysed the implications of the Service Plan and potential risks?
- Used the CAMMS-Riskonnect system to help collate the detail of the Service Plan and maintain the Service Risk Register?

### **6.3.5. Corporate Performance and Improvement Officers**

**In addition to my role as a Member of Staff, as a Corporate Performance and Improvement Officer I expect:**

- Service risk registers to be maintained and up-to-date.
- Accurate updates to be submitted upon request to inform reports to members with clear and understandable comments where applicable.
- Risks to be challenged by stakeholders, in particular by Cabinet, the Governance and Audit Committee, Cabinet, and the public.

## **I am responsible for:**

- Maintaining the integrity of the data collection, monitoring, and reporting process within the council.
- Supporting services in their service planning and risk management, ensuring consistency of approach, and giving due regard to important legislative considerations such as the Equality Act, the Well-being of Future Generations Act, the Social Services and Well-being Act, and other council and partnership commitments.
- Producing accurate information and reports as required by senior managers, the Council, Cabinet, Scrutiny, and the Governance and Audit Committee.

## **Have I:**

- Regularly monitored risk updates from services?
- Supported services in the ongoing monitoring of risk as required?
- Engaged in the Service Performance Review programme?
- Liaised with services and senior management to ensure risks are properly recorded and escalated as required?

## 7.0. Glossary

Below is a list of key words in this guide to help readers understand important terms. A fuller glossary may be found in our accompanying [\*Performance Management Guide: Managing Performance for Better Service Delivery\*](#).

**Consequence** – The consequence of a risk that is not treated and would result if the risk were to occur.

**Control** – An existing process, policy, practice, or other action that acts to minimize negative risk or enhance positive opportunities. The word ‘control’ may also be applied to a process designed to provide reasonable assurance regarding the achievement of outcomes.

**Corporate Plan** – The overarching strategic plan for the council and responds to the Public Services Board’s Well-being Plan. It sets out our main priorities for the term of council. This sits above Service Plans.

**Corporate Risk Register** – The Corporate Risk Register is owned by Cabinet and Senior Leadership Team. It is monitored by them and Governance and Audit Committee on a regular (at least six-monthly) basis. It takes the most severe and common risks from service risk registers and Corporate Director portfolios, and is stored on the CAMMS-Riskonnect system.

**Event** – The occurrence of a particular set of circumstances that would trigger or cause a risk to materialise into an issue. A risk event can be certain or uncertain. An event can be a single occurrence or a series of occurrences.

**Impact** – Outcome or impact of an event. There can be more than one impact from one event. Impacts can range from positive to negative. Impacts can be expressed qualitatively or quantitatively. Impacts are considered in relation to the achievement of outcomes.

**Inherent Risk Score (gross)** – The risk evaluation score before any controls have been identified to help mitigate the risk; the risk before consideration of existing controls and their effectiveness.

**Issue** – Refers to the consequences of a risk that are already with us and management mitigation actions are underway or planned. In a project environment an issue is a point or

matter in question or in dispute, or a point or matter that is not settled but is under discussion or over which there are opposing views or disagreements.

**Likelihood** – Describes the extent to which an event is likely to occur. Can be expressed qualitatively or quantitatively. Probability or frequency may be used in describing a risk.

**Mitigate** – The intervention to reduce potential impact of risk.

**Residual Risk Score (net)** – The risk evaluation as it currently stands with existing controls in place.

**Risk** – An event that, should it occur, would impact our ability to successfully achieve our business outcomes. Risk is a measure used to describe the uncertainty surrounding an event and its potential impact.

**Risk Appetite** – The level of risk we are prepared to tolerate or accept in the pursuit of our long term, strategic objectives.

**Risk Appetite Framework** – The framework describes the behaviours for each of the risk appetite classifications. This helps the council assess its appetite to take risks.

**Risk Appetite Statement** – The statement sets out the council's approach to risk taking by defining its risk appetite thresholds.

**Risk Assessment** - the overall process of risk identification, analysis, action planning and reviewing.

**Performance Self-Assessment** - The Local Government and Elections (Wales) Act 2021 established a new legislative framework for local government elections, democracy, governance, and performance. The Act places a duty to publish a report setting out the conclusions of our Self-Assessment once in respect of every financial This is the overall analysis of the council's performance against its Strategic Plans – primarily the Corporate Plan – for the financial year. Our Annual Self-Assessment also includes an analysis of our corporate risk management approach during the year.

**Service Plan** – The foundation of the council's Performance Management. It contains all indicators / performance measures and improvement activity relating to the key outcomes that services consider important. Service Plans feed up into the council's Corporate Plan and the Public Services Board's Well-being Plan and are signed-off by the relevant

Cabinet Lead Member by March 31. Some services also have operational plans beneath their service plans, but these are not monitored corporately.

**Service Planning** – The activity that usually takes place between January and March to agree the content of service plans for the following financial year. Corporate Performance and Improvement Officers work with Business Managers / Performance Lead Officers and Heads of Service to develop these in CAMMS-Riskonnect. They should be kept up-to-date throughout the year. For further guidance on how to build a service plan, speak to the Performance and Improvement Team.

**Service Risk Register** – The Service Risk Register captures risks within a Head of Service's portfolio. Like the Corporate Risk Register, these are monitored through the CAMMS-Riskonnect Performance Management system.

# **Appendix 1 – Risk Appetite Framework and Statement**

## **1.0. Introduction**

Conwy County Borough Council's risk appetite statement sets out our approach to risk taking by defining our risk appetite thresholds. It is a statement that will be reviewed and modified annually, so that any changes to the organisation's strategies, objectives, or its capacity to manage risk, are properly reflected. It will be communicated throughout the organisation in order to drive robust risk management and to ensure risks are properly identified and actively managed.

### **1.1. So, What is Risk Appetite?**

Risk Appetite is the level of risk that we are prepared to tolerate or accept in the pursuit of our long-term, strategic goals. Our aim is to consider all options to respond to risk appropriately and make informed decisions that are most likely to result in successful delivery, whilst also providing an acceptable level of value for money.

The acceptance of risk is subject to ensuring that all potential benefits and risks are fully understood and that appropriate measures to mitigate risk are established before decisions are made. We recognise that the appetite for risk will vary according to the activity undertaken, and hence different appetites and tolerances to risk apply. However, at all times, risks must remain managed with appropriate controls in place.

Risk appetite does not replace the escalation process defined within the risk management guide and policy. Risks continue to be managed at the lowest and most appropriate level in the organisation and only escalated when action is required outside the control of the current risk owner.

In terms of our Corporate Risk Register, we may find that many of the risks it captures fall outside of our risk appetite tolerances – i.e. they have exceeded the level of risk that we deem acceptable. This is fine and to be expected with the Corporate Risk Register – the register articulates the most serious risks facing the organisation that warrant special attention and intervention by senior management and Cabinet. In fact, where corporate risks fall within our risk appetite tolerance, then further consideration should be given as to whether there is a justifiable need for them to continue to be monitored on the Corporate Risk Register. Risk Appetite is a helpful decision-making tool in that regard.

The council's appetite for risk across its activities is classified against the following scale, which is derived from the UK Government's Orange Book on Risk Management.

## 1.2. Classification and Description

Classification	Description	Tolerated Risk Severity
<b>Innovative</b>	The eagerness to be innovative and to choose options offering potentially higher business rewards despite greater inherent risk. However, this does not mean that the risk we accept is unrestrained – it is still a managed risk with controls in place.	<b>Minor (Green)</b> <b>Moderate (Yellow)</b> <b>Major (Orange)</b> <b>Critical (Red)</b>
<b>Open</b>	The willingness to consider all delivery options and choose one that is most likely to result in successful delivery with an acceptable level of reward (and value for money).	<b>Minor (Green)</b> <b>Moderate (Yellow)</b> <b>Major (Orange)</b>
<b>Cautious</b>	The preference for safe options that have a medium degree of inherent risk and may have some potential for rewards.	<b>Minor (Green)</b> <b>Moderate (Yellow)</b>
<b>Minimalist</b>	The preference for ultra-safe options that have a low degree of inherent risk and have a potential for only limited reward.	<b>Minor (Green)</b>
<b>Adverse</b>	The avoidance of risk and uncertainty.	<b>No risk tolerated</b>

## 1.3. Risk Appetite Categories

Using this Risk Appetite Classification, the consequences of risk and example behaviours when taking key decisions are as follows:

### 1.3.1. Reputation and Credibility:

- **Averse:** No tolerance for taking risks where there is a chance of any negative repercussion for the council (locally or further afield).
- **Minimalist:** Tolerance for risk taking limited to those events where significant repercussion for the council is extremely unlikely.
- **Cautious:** Consider activities which could result in minor scrutiny and reputational repercussions but only where steps can be taken to minimise any exposure to an acceptable level.

- **Open:** Comfortable to take risks that could expose the council but only where appropriate steps have been taken to proactively manage community relations and media and coverage.
- **Innovative:** Keen to take decisions that are likely to result in significant or national scrutiny of the council, with reputational repercussions, where the benefits are considered to be great. However, managed risk remains important with controls in place.

### 1.3.2. Operational and Policy Delivery:

- **Averse:** Aim to maintain or protect, rather than to create or innovate. Priority for tight management controls and oversight. General avoidance of systems / technological developments.
- **Minimalist:** Innovations avoided unless essential. Decision making authority held by senior management. Only essential systems / technology developments are considered.
- **Cautious:** Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Systems technological developments limited to improvements to protect current operations.
- **Open:** Innovation supported, where measurable improvements anticipated. New systems / technological developments considered. Responsibility for non-critical decisions may be devolved.
- **Innovative:** Innovation pursued. Desire to 'break the mould' and challenge current working practices. New technologies viewed as a key enabler of operational delivery. High levels of devolved authority – management by trust rather than tight control. Nonetheless, the risk is controlled and managed.

### 1.3.3. Financial / Value for Money (VfM):

- **Averse:** Avoidance of financial loss is a key objective. Only willing to accept the low cost / most secure option. Resources withdrawn from non-essential activities.
- **Minimalist:** Only prepared to accept the possibility of very limited financial loss, if absolutely unavoidable. VfM is the primary concern.
- **Cautious:** Prepared to accept the possibility of some limited financial loss. VfM still the primary concern but also willing to consider wider benefits.

- **Open:** Prepared to invest where there is a high reward and risks of financial loss can be managed to a tolerable level. Value and benefits considered (not just cheapest price). Resources allocated in order to capitalise on potential opportunities.
- **Innovative:** Prepared to invest for the best possible reward and accept the possibility of financial loss (although controls may be in place). Resources allocated without firm guarantee of return. Risk is still managed, however, with controls in place.

#### **1.3.4. Compliance – Legal and Regulatory:**

- **Averse:** ‘Play it safe’ with no deviation from legal or regulatory requirements. Avoid anything which could be challenged.
- **Minimalist:** Consider only activities that could deviate in a very minor way from compliance expectations.
- **Cautious:** Only willing to ‘stick our neck out’ when the risk of challenge is very low.
- **Open:** Some appetite to deviate where challenge is likely, but only if we are likely to win it and where the gain will outweigh the adverse consequences.
- **Innovative:** Chances of losing are high and consequences serious, but a win could be seen as a great coup. Controls remain important though and the risk is managed.

#### **1.3.5. People:**

- **Averse:** No transformational approaches are considered. Maintenance of status quo is considered the priority. Preference for tight management controls and oversight.
- **Minimalist:** Willing to consider tried and tested approaches that do not threaten staff morale or terms and conditions.
- **Cautious:** Will weigh up the potential rewards of new / untested approaches but only where the risk is low and can be managed.
- **Open:** Likely to choose an option that results in changes to staff morale or terms and conditions where that option results in value for money.
- **Innovative:** Innovative in taking risks in relation to our workforce that will offer benefits to staff and the organisation. Expectation that staff are highly self-motivated and self-supportive. Nonetheless, oversight and controls are in place to manage the risk.

## 1.4. Risk Appetite Statement

Using the framework above, we have agreed the following position with regards to risk appetite for Conwy County Borough Council. This should be considered by all services across the organisation when identifying, assessing, managing, and monitoring risk.

### 1.4.1. Reputation and Credibility (*risks about the trust / confidence people have in the council*)

It is considered essential that the council preserves its reputation. However, the council is willing to accept an **Open Risk Appetite** in the conduct of any of its activities that could put its reputation at risk, but only where there is confidence that the likely outcome is anticipated to be successful.

### 1.4.2. Operational and Policy Delivery (*risks which focus on long-term goals and the service which our customers receive*)

The environment the council works in is continually changing through both its internal operations, the services it provides and the external environment. We want Conwy to be a progressive county creating opportunity. As a council we always aim for continuous improvement, being innovative and openly exploring new approaches. Therefore, the council is willing to accept an **Open Risk Appetite**.

### 1.4.3. Financial (*risks about financial loss and value for money*)

The council aims to maintain its long-term financial viability and its overall financial strength whilst aiming to achieve its strategic and financial objectives. Although the approach to risk is detailed in a number of key documents, such as the Medium-Term Financial Plan and the Treasury Management Strategy that are approved on an annual basis, the following key points are important:

The council is required to set a balanced overall revenue budget by early March every year, and Heads of Service must then contain net expenditure within approved service totals.

In accordance with its reserves strategy, a minimum General Fund unallocated reserves balance of £7 million will be retained.

The council's Treasury Management Strategy sets out in detail the council's approach to risk around borrowing and investment, the approach is summarised below:

- a. Both the Chartered Institute of Public Finance and Accountancy (CIPFA) Code and the Welsh Government Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- b. The council monitors its cash position and interest rate levels on a daily basis to ensure that further long-term borrowing is undertaken at the optimal time to ensure that ongoing capital commitments are fully funded.

Therefore, the council is willing to accept a **Cautious Risk Appetite** in relation to treasury management. Historically the council was willing to accept a more open risk appetite for projects, reflecting the risk and reward that can be inherent to large-scale projects. However, in response to worsening public finances, a **Cautious Risk Appetite** for projects is also appropriate.

#### **1.4.4. Compliance and Regulation** (*risks about adherence to law, regulations, and statutory guidelines*)

The council places high importance on safeguarding the well-being of individuals and will only accept a **Minimalist Risk Appetite** in this area. For other important areas of compliance, regulation, and public protection the council adopts a **Cautious Risk Appetite** for breaches in statute, regulation, professional standards, ethics, bribery, or fraud.

#### **1.4.5. People** (*risks relating to our workforce*)

The council recognises that its employees are critical to the achievement of its objectives and that staff support and development is key to making the council a place of work that inspires good performance. It places importance on inclusion, dignity and respect, and the well-being and safety of staff. In recent times, to support wider efforts to tackle challenges in recruiting staff, we are making some recruitment processes more flexible – in a safe way – to alleviate difficulties in filling roles. Therefore, the council has a **Cautious Risk**

**Appetite** in relation to standards in terms and conditions and learning and development, where, particularly in the pursuit of the latter, riskier approaches may be considered.

## Appendix 2 – Characteristics of a Corporate Risk

A corporate risk is likely to have one or more of the following characteristics:

- Strategic and cross-cutting, with the potential to impact on a range of different areas or statutory functions.
- Related to the organisation's ability to successfully deliver one or more high priority corporate goals, objectives, or outcomes (there needs to be a significant link to the outcome at risk).
- Affects the outcomes sought from one of the organisation's major programmes.
- Operates typically over the medium or long-term. However, short-term risks may be added where significant costs or reputational impact requires Strategic Leadership Team and Cabinet intervention.
- Has the potential to seriously impact upon the organisation's capacity, for example, by limiting, reducing, or failing to maximise financial, physical assets or human resources.
- Linked to the organisation's ability to successfully deliver transformational change and major initiatives, while continuing with business-as-usual.
- Concerned with the well-being of the residents, businesses, the public and staff.
- May impact significantly and broadly on the organisation's reputation.
- The speed of the impact(s) if the risk occurred on the organisation.

## Appendix 3 – A tool to assist in identifying the risk cause

### 5-Why's

1. Identify problem.
2. Identify the causes of the problem by asking, "Why did this happen?"
3. Note them down in a table or a diagram.
4. For each of the causes you identified, once again ask, "why did this happen?" to identify their causes.
5. Have you asked "why" to each problem 5 times, or enough times to identify logical root causes?
6. If you have not, ask "why" until the root causes are found.
7. Find solutions to the root causes identified.

### Example

#### **1. Why did the project fail?**

**Answer:** Workstreams were too complex to reasonably be delivered on time.

#### **2. Why were the workstreams too complex?**

**Answer:** They were not sufficiently scoped or broken down into smaller work packages.

#### **3. Why was the project not sufficiently scoped?**

**Answer:** There was limited capacity to undertake the activity.

#### **4. Why was there limited capacity?**

**Answer:** There was no dedicated project manager.

#### **5. Why was there no project manager?**

**Answer:** The available funding did not allow for this role.

## Appendix 4 – Risk Register Template

### Risk 01: [Enter Risk Title]

**Lead Member(s):** [Enter name(s)]

**Lead Officer:** [Enter name(s)]

**Update:** [Enter text detailing most recent changes]

#### **Description:**

[Enter a brief description of the risk to describe its scope]

#### **Impact / Consequences:**

- [Enter list of consequences]

**Inherent Risk:** [Enter inherent score and amend colour (refer to scoring matrix)]

#### **Controls to Manage Risk (In Place):**

- [Enter controls in place]

**Assessment of Controls:** [Enter assessment of controls (refer to scoring matrix)]

**Residual Risk:** [Enter residual score and amend colour (refer to scoring matrix)]

#### **Within the Council's Risk Appetite?**

- [Yes / No]

#### **Mitigating Actions:**

1. [Enter the further action needed to mitigate the risk]

**(Action Owner:** [Enter name(s)]).