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**CEREDIGION**  
County Council

# Ceredigion County Council: Risk Management Framework



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# 1 Risk Management Framework

## Introduction

- 1.1 The Risk Management Framework underpins the Risk Management Policy and Strategy to ensure that the objectives of the Council's Risk Management Policy are realised.

## Background

- 1.2 Good risk management is a key tool in assisting the organisation to manage uncertainty in order to enable the organisation to better achieve the outcome of its objectives. Risk management is intended to be a planned and systematic approach to the identification, assessment and management of the risks facing the organisation. It is essential that steps are taken to effectively manage those risks. Risk management supports innovative solutions as it carefully considers benefits, alongside the risks, that may occur.
- 1.3 All organisations exist to achieve their objectives. The purpose of risk management is to manage the barriers to achieving these objectives through the coordination of identification, assessment, management and reporting of risks.
- 1.4 The traditional means of protecting against the more obvious risks has been through insurance. However, there are many risks which cannot be insured against and which must be addressed in different ways. Even in the case of those risks which are insurable, action can be taken to reduce the potential risks with consequent savings of premiums and disruption of work.
- 1.5 The risk management framework aims to:
  - Clarify responsibilities for identifying and managing risks.
  - Ensure that an appropriate level of risk management is consistently applied across the Council.
  - Increase awareness and use of risk management as a normal element of service management and improvement.
  - Facilitate sharing of experience and good practice across the Council and with other bodies.

## Risk Management Approach

- 1.6 The development of a consistent, corporate approach to risk management needs to be done in a methodical and proportionate way in order to avoid the creation of a self-defeating bureaucratic burden.

1.7 To ensure that risk management is handled in the most efficient way within the Council, risk is included as:

- A required part of the Business Planning and Service Planning process
- An agenda item on all service meetings to identify emerging risks and changes.
- A required part of Corporate Project Management processes
- Part of procurement processes
- An agenda item at all Leadership Group meetings
- An agenda item at Governance and Audit Committee meetings

1.8 The effectiveness of the risk approach is evidenced through the fact that new risks are being identified via the meetings outlined above, risks are being escalated/de-escalated where appropriate, and through the Council's joined up approach to corporate planning. The Council's Internal Audit function has also developed the Assurance Mapping process to incorporate the 'Three Lines of Defence Model', obtaining assurances from management, IA and external sources of assurance e.g. regulators & inspectorates. Assurance Mapping is discussed at weekly team meetings.

## Methodology

1.9 A methodology for identifying, assessing and managing risk within the Council has been developed. This methodology has the advantage of being relatively straightforward to use and can be applied to both the strategic risks of the Council and as part of the routine service, partnership arrangements, project planning and change management processes.



- **Risk Identification** deals with the mechanisms for identifying risk by anyone within the organisation.
- **Risk Analysis** deals with how we assess risk.
- **Risk Treatment** deals with how we respond to the risk.
- **Completing the Risk Register** deals with recording the risk.
- **Risk ownership Reviewing, Monitoring, and Reporting Risks** sets out how we manage our risk.

1.10 The first phase of the risk management cycle involves the identification of existing and emerging threats and opportunities. This is carried out in all areas of the council's business, and are classified as Corporate, Service, Team, Partnership Project or Community.

## Risk Identification



1.11 The Council's Corporate Well-being Objectives should always be a primary focus when identifying risks. These are set out in the Council's new Corporate Strategy for 2022 to 2027. This contributes to the achievement of the Corporate Strategy and in particular its organisational effectiveness. Consideration should be given to what are the key barriers or threats which will prevent the Council from achieving its objectives and why do those barriers exist? What could pose a potential opportunity to have a positive effect on the achievement of objectives? Everyone has a role to play in the identification of new and emerging risks, as outlined in the Risk Management Policy and Strategy para 3.9.

1.12 Risks and issues often get confused and a useful way of remembering the difference is:

- Risks are things that might happen and stop us achieving objectives, or otherwise impact on the success of the organisation.
- Issues are things that have already happened and require management action.

1.13 Risks can be identified by anyone and in a variety of ways including:

Internally through:

- Self-assessments
- Risk Assessment carried out annually jointly with Audit Wales

- Current performance levels
- Performance Board monitoring
- User satisfaction
- Complaints
- Internal Audit reports
- Team Meetings / Staff suggestions and feedback

Externally through:

- Audit Wales reports
- Other Regulators' reports
- Our insurance provider Zurich
- The press / media
- Consultation and Citizen Engagement

The Governance and Audit Committee, Scrutiny Committees and the Council's insurers have a role to play in identification of risks. Scrutiny through the monitoring of service performance levels, Governance and Audit Committee through the ongoing review of the risk register and the Council's insurers Zurich through the provision of their public sector risk profile used in conducting gap analyses with the sector.

1.14 Once identified, it is essential the risk is clearly described to ensure it is understood by all potential audiences. The following table should be used to help identify the impact of the risk on the delivery of Council services and on Ceredigion's citizens.

RISK		
RISK DESCRIPTION		POTENTIAL EFFECT
Cause	Event	Consequence
Situation or event (real or perceived), that exposes us to a risk(s)	Include the event that could or has occurred that results in a negative impact on the objectives being achieved	The negative impact How big? How bad? How much? Consider BEST worst likely scenario
<b>How and Why?</b>	<b>What and Where?</b>	<b>How big, How Bad?</b>

## Risk Analysis

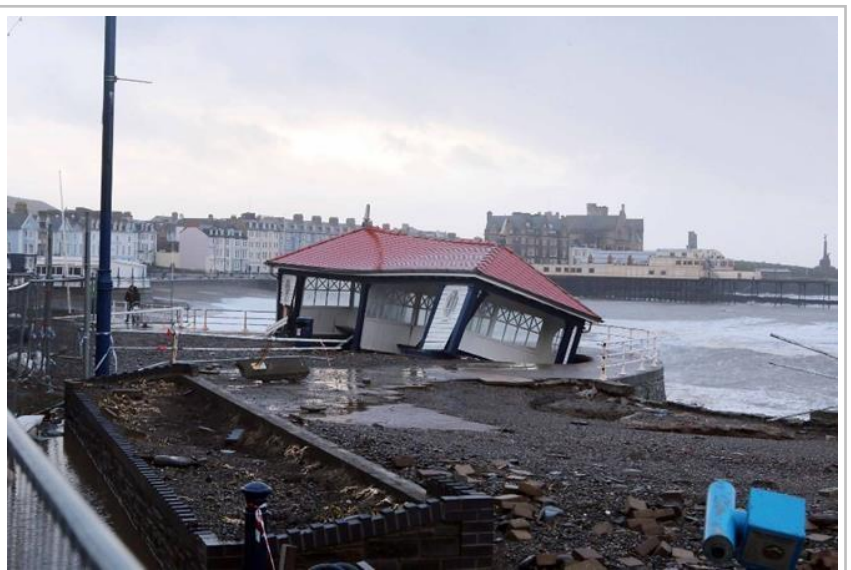


- 1.15 Risk Analysis involves categorisation, assessing how likely it is that an incident might occur and what the impact will be if it does happen. The Council's appetite for dealing with the risk is determined using the Council's Risk Rating matrix.

Category may be Strategic or Operational

How **Likely** is it that it will occur

What will be the **Impact** if it does happen





## Categorisation

1.16 Risks can be categorised as Strategic or Operational.

1.17 **Strategic Risks** will impact on the medium to long term goals and objectives of the Council and will often include external factors that could impact decisions made inside the Authority. The following table identifies the external PESTLE categories that should be considered. Appendix 1 provides further examples of the factors that could contribute to each category.

<b>Strategic</b>	<b>Political:</b>	Those associated with failure to deliver either local or central government policy, or meet the local administration's manifesto commitments.
	<b>Economic:</b>	Those affecting the ability of the Council to meet its financial commitments. These include internal budgetary pressures, the failure to purchase adequate insurance cover, external macro level economic changes or the consequences of proposed investment decisions.
	<b>Social:</b>	Those relating to the effect of changes in demographic, residential or socio-economic trends on the council's ability to deliver its objectives
	<b>Technological:</b>	Those associated with the capacity of the council to deal with the pace/scale of technological change, or its ability to use technology to address changing demands. They may also include the consequences of internal technological failures on the council's ability to deliver its objectives.
	<b>Legislative:</b>	Those associated with current or potential changes in Law (e.g. TUPE regulations).
	<b>Environmental:</b>	Those relating to the environmental consequences of progressing the Council's strategic objectives (e.g. in terms of energy efficiency, pollution, recycling, landfill requirements, emissions etc.)

1.18 Operational Risks are those that managers and staff will encounter in the daily course of their work. These may be considered as follows.

	<b>Professional:</b>	Those associated with the particular nature of each profession (e.g. housing service concerns, as to the welfare of tenants).
	<b>Financial:</b>	Those associated with financial planning and control and the adequacy of insurance cover.
	<b>Legal:</b>	Those related to possible breaches of legislation.



<b>Operational</b>	<b>Physical:</b>	Those related to fire, security, accident prevention, and health and safety (e.g. hazards, risks associated with buildings, vehicles, plant and equipment, etc.).
	<b>Contractual:</b>	Those associated with the failure of contractors to deliver services or products to the agreed cost and specification.
	<b>ICT (Operational):</b>	Those relating to reliance on operational equipment (e.g. IT systems or equipment and machinery)
	<b>Customer/Client</b>	Those relating to the identification of customer / client needs and expectations.

### Assessing Likelihood (Probability)

1.19 This requires assessing the chance or likelihood that a risk will occur. Likelihood should as far as possible be based on an objective assessment of:

- a) the likelihood of the risk occurring
- b) the strength of measures (such as contingency plans) to prevent or anticipate such an occurrence
- c) are there opportunities to make improvements and are there any barriers in the way?

1.20 The Likelihood or probability of an event occurring should be scored on a scale of one to five where one is rare and five is almost certain. Appendix 2 sets out the criteria that should be applied in assessing how likely an event is to occur.

### Assessing Impact

1.21 Assessing Impact or severity looks at the consequences for the Authority, service-users and others, of such an occurrence if it were to happen.

1.22 The impact of any event if it occurs should be scored on a scale of one to five, where one is negligible and five is severe. Appendix 3 provides the assessment criteria that should be applied to assess the impact that an event could have on the Authority.

### Risk Level

1.23 The Risk Level is determined by selecting a scale for both likelihood and impact and multiplying them to produce the Risk Level:



1.24 The Risk Matrix below demonstrates Risk Level and determines the Council's appetite for responding to the risk.

	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Severe (5)
Almost Certain (5)	5 Medium Risk	10 Medium Risk	15 High Risk	20 High Risk	25 Critical Risk
Likely (4)	4 Low Risk	8 Medium Risk	12 Medium Risk	16 High Risk	20 High Risk
Possible (3)	3 Low Risk	6 Medium Risk	9 Medium Risk	12 Medium Risk	15 High Risk
Unlikely (2)	2 Low Risk	4 Low Risk	6 Medium Risk	8 Medium Risk	10 Medium Risk
Rare (1)	1 Low Risk	2 Low Risk	3 Low Risk	4 Low Risk	5 Medium Risk

### Risk Appetite

1.25 The Council's appetite for responding to risk can be summarised as follows. A detailed description of the levels of Risk can be found at Appendix 4.

Risk Level	Occurrence likelihood	Risk Type	Management
Low Risk (1-4)	Either remote or possible likelihood of occurrence	Team/Service/Project Risk	Accept or manage with routine procedures
Medium Risk (5-12)	Either remote, possible or likely chance of occurrence	Corporate/Service/Project Risk	Manage with specific monitoring or response procedures
High Risk (15-20)	Is Likely to occur	Corporate Risk	Escalated for further consideration / planning
Critical Risk (25)	Almost certain to occur	Corporate Risk	Escalated with detailed contingency planning

1.26 Risk appetite can be defined as the amount of risk that the Council is willing to take in order to achieve its Corporate Well-being Objectives. The Council has built on the risk probability and impact used to determine its risk priorities to further embed the use of risk appetite. For example, each Corporate Risk Register identifies a risk appetite score

that the authority is willing to tolerate. The aim of this work is to ensure that the risk management process supports informed decision-making in line with the risk appetite along with reduced uncertainty and improved consistency.

## Risk Treatment



- 1.27 Risk Treatment will require an assessment of the appetite for risk See previous section and determining the appropriate risk treatment. Risk Treatment determines how the risk will be reacted to or managed.
- 1.28 Risk treatment is the process of assessing how the risk is to be reacted to or managed.
- 1.29 This needs to include consideration of the most cost-effective way to mitigate the risk and if the action taken will effectively reduce the risk to an acceptable level within a reasonable time span based on the severity of the risk. The following table sets out the Council’s different approaches to managing risk.

Treatment	Action
<b>Accept / tolerate</b>	Manage the risk within existing management routines. Risks should only be accepted where officers believe that the residual risk is tolerable and have no impact upon objectives (i.e. where they are in the green zone of the matrix).
<b>Retention (accept and budget)</b>	The risk is accepted and appropriate budget is allocated to meet costs resulting from the risk occurring. The risk is accepted by Leadership Group and they recommend the allocation of the budget to Cabinet, who as elected Members, ultimately approve the budget.
<b>Reduction (optimise – mitigate)</b>	Identify additional action(s) to be taken that will reduce the likelihood and / or impact if the event occurred. <ul style="list-style-type: none"> <li>• A clear plan of action is required, stating what will be done, by whom and by when.</li> <li>• A target Risk Rating should be provided (i.e. what ratings should the risk be reduced to by taking the actions identified).</li> <li>• Resources will need to be identified and a cost/benefit analysis included.</li> </ul>

<b>Sharing (transfer – outsource or insure)</b>	Transferring risk by: <ul style="list-style-type: none"> <li>• Using an insurer or other third party to cover the cost or losses should a risk materialise. However, care needs to be taken to accurately specify the risks to be covered.</li> <li>• Making arrangements with others such as joint working, partnerships or contracting out to provide services could also be used to transfer risks. However, other risks can arise from these arrangements and the responsibility of providing the service could remain with the Council. When transferring risks to other parties, ensure that risk registers give detail of where liability and accountability lie between parties involved.</li> </ul>
<b>Avoidance (eliminate, withdraw from or not become involved)</b>	Ceasing to carry out the activity because modifying it or controlling it would not reduce the risk to an acceptable level. Consequences to the successful delivery of the Objectives affected should be documented and reported to the relevant Corporate Lead Officer and Leadership Group before implementing this action.
<b>Exploiting</b>	Where an opportunity is identified, actively take advantage of risk through realisation, enhancement and exploitation to gain benefit.

## Completing the Risk Register



1.30 All risks must be recorded on a Risk Register. The Corporate and Service level Risk Registers will be held on Teifi Performance, the Council’s Corporate Performance Management System. Team, contract and partnership risks will continue to be held and monitored at local level but will promote to service level risks if deemed appropriate at the relevant monitoring review. Responsibility for maintaining the risk registers lies at each appropriate level of the Authority.

## Risk Registers

1.31 The Council will maintain a number of Risk Register Types. The following table provides a definition of the current risk types and the required ownership.

Risk Level	Definition	Owner
<b>Corporate Risks</b>	Risks that could have an effect on the successful achievement of our long term vision, priorities and outcomes. These are: <ul style="list-style-type: none"> <li>• Risks that could potentially have a council-wide impact and/or</li> <li>• Risks that cannot be managed solely at a business unit level because higher level support is needed.</li> </ul>	Leadership Group
<b>Service Risks</b>	Risks at a service area level that could have an effect on the successful achievement of the group and business unit outcomes / objectives. Potentially these risks could have a significant financial, reputational and/or service delivery impact on the council as a whole if the risk is not well managed.	Corporate Lead Officer
<b>Team Risks</b>	Risks at a Team level that could have an effect on the successful achievement of the team's outcomes / objectives.	Corporate Manager
<b>Contract risks</b>	Risks that could have an effect on the successful achievement of the contract's outcomes / objectives in terms of delivery, outcomes and value for money. Contract risks are managed throughout the contracting process including contract management/business as usual.	Corporate Manager
<b>Programme/Project/ Partnership risks</b>	Risks that could have an effect on the successful achievement of the programme, project or partnership's outcomes / objectives in terms of service delivery, benefits realisation and engagement with key stakeholders (service users, third parties, partners etc.).	Project Manager

1.32 On identification and assessment of a risk and completion of a risk proposal, an owner must be assigned and the risk recognised and approved by Leadership Group before being recorded on the appropriate Risk Register.

1.33 On acceptance, a signed copy of the Risk Proposal (Appendix 5) must be sent to [TeifiPerformanceSupport@ceredigion.gov.uk](mailto:TeifiPerformanceSupport@ceredigion.gov.uk) for it and the mitigating tasks to be uploaded to the Corporate Performance Management System, Teifi Performance.

1.34 Once uploaded to the risk register, the risk owner will be responsible for assessing and updating the risk rating at least every quarter in accordance with the Teifi Performance Guidance notes.

### **Escalating a Risk**

1.35 This is a key process by which risks identified and managed within one level of the Council can be raised to the next level should it be considered appropriate or necessary.

1.36 Risks should be escalated: either

- To the Corporate Risk Register if the risk is rated as 15 or higher and the prospects for immediate reduction are poor or
- To the Corporate Risk Register for a cross service risk or the appropriate Service Risk Register if the risk is rated as 5 or higher and the prospects for immediate reduction are poor

#### **And/or if**

- Control of the risk has failed/been lost (i.e. risk level continues to rise despite controls having been applied)
- The risk identified is beyond the scope/remit of the Service/Team
- An incident/number of incidents of the risk has occurred.

### **De-Escalating a Risk**

1.37 A risk should be de-escalated either:

- From the Corporate Risk Register if the Risk Rating has reduced to 14 or less and the risk is a single service risk or
- From the Service Risk Register if the Risk Rating has reduced to 4 or less

#### **And/or if**

- The Risk is no-longer considered as far-reaching as previously thought.

### **Candidate Risks**

1.38 Each quarter, once the risks have been updated on the Teifi Performance Management system, a report will be presented to Leadership Group highlighting any risks that require review to either escalate or de-escalate between the Corporate Risk Register and the Service Risk Register. These are known as 'Candidate Risks'.

1.39 Leadership Group are responsible for deciding if risks should be escalated or de-escalated.

1.40 There are instances where risk scores exceed 15 and remain a service risk, and conversely where scores are lower than 15 but remain on the Corporate Risk Register. In these instances, Leadership Group are responsible for making the final decision regarding escalation and de-escalation. Some examples of these instances include:

- A risk that scores 15 or above but is deemed to be best managed at service level because the risk is well understood, is resourced adequately and has strong mitigating actions in place which are being delivered.
- A risk that scores 15 or above that is clearly within the definition of operational risks, i.e. those risks that managers and staff will encounter in the daily course of their work.
- A risk that is considered to need a greater level of oversight may score below 15 but remain on the Corporate Risk Register. Once a risk is added to the Corporate Risk Register it will receive greater scrutiny and monitoring from Leadership Group, Governance and Audit Committee, Internal Audit and Performance. For example, this might be where there are issues outside of the service's control which make it difficult for the service to mitigate the risk and reduce its impact and/or likelihood of occurring.
- A risk could also be escalated to the Corporate Risk Register to ensure the resources required are available to effectively respond to, and mitigate, the risk, such as financial resources or people.
- Some risks could remain on the Corporate Risk Register if they score lower than 15, such as a corporate risk that has recently been reduced in score, but where additional monitoring is required to ensure it remains below the threshold of 15.

### **Archiving a Risk**

1.41 A risk may be archived if:

- The Risk Rating has reduced to 4 or less and
- The Risk is no longer considered to be a priority for the Council or service

1.42 An archived risk may be brought back to an appropriate risk register if the risk re-emerges as a priority in the future.

1.43 Again, each quarter, once the risks have been updated on the Teifi Performance Management system, service risks that are 4 or below will appear on the relevant CLO's Teifi desktop requesting them to either archive or retain the service risk.



## Risk, Review, Monitoring and Reporting



1.44 Teifi Performance is used as the mechanism for:

- Recording all corporate and service risks
- Reviewing the identified corporate and service risks
- Review of the mitigating tasks
- Monitoring the impact of mitigating tasks on corporate and service risks
- Reporting corporate and service Risks to the appropriate forum

### Reviewing Risk

1.45 Risk scores, controls and tasks should be reviewed regularly by risk owners, to ensure they are current and that there is full accountability.

1.46 If a risk is no longer current, it should be removed from the risk register.

1.47 Risk registers should be taken regularly to the Governance and Audit Committee, Leadership Group and Management Teams for review and to horizon scan for any new emerging risks.

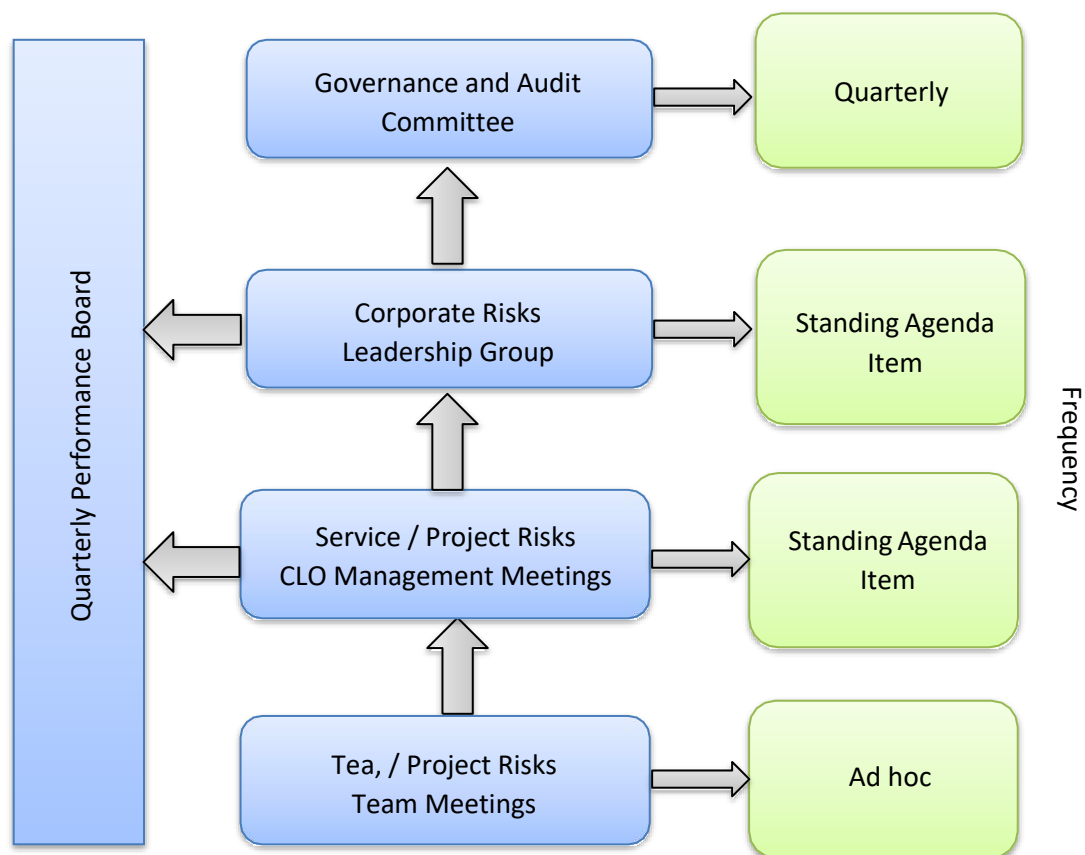
### Monitoring Risk

1.48 Monitoring of risk is a key stage of the risk management process. There needs to be a continual and regular assessment of the effectiveness of the tasks put in place to reduce the likelihood/impact of adverse risk events occurring.

1.49 Risks should also be monitored regularly at service, team or group meetings as part of the performance management within all services. Group discussion and review of risks is actively encouraged to aid not only the monitoring of risks, but also the identification of new risks. This includes assessing whether the mitigating actions are still adequate or need revising and or replacing.

## Reporting Risk

1.50 Risk reporting should always be a two-way communication process, to ensure risk management becomes fully embedded as a day-to-day management tool. The risk reporting structure is shown below.



## Evaluation / Assurance

1.51 Internal Audit will assess and evaluate the effectiveness of actions in place to mitigate risk and provide objective assurance that risks are being managed appropriately. Additionally, Internal Audit will also provide objective assurance to Leadership Group, Governance & Audit Committee and Council on the robustness and effectiveness of the risk management procedures by including periodic reviews of the Corporate Risk Register, Service Risk Register and Corporate Risk Management procedures.

# Appendix 1: Assessment Criteria for PESTLE Categories

POLITICAL	ECONOMIC	SOCIAL	TECHNOLOGICAL	LEGAL	ENVIRONMENTAL
<ul style="list-style-type: none"> <li>• Government stability.</li> <li>• Freedom of speech, corruption, party in control</li> <li>• Regulation trends.</li> <li>• Tax policy, and trade controls.</li> <li>• War</li> <li>• Government policy</li> <li>• Elections</li> <li>• Terrorism</li> <li>• Likely changes to the political environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Stage of business cycle.</li> <li>• Current and projected economic growth.</li> <li>• International trends</li> <li>• Job growth</li> <li>• Inflation and interest rates</li> <li>• Unemployment and labour supply.</li> <li>• Levels of disposable income across economy and income distribution.</li> <li>• Globalization.</li> <li>• Likely changes to the economic environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Population growth and demographics.</li> <li>• Health, education and social mobility of the population</li> <li>• Consumer attitudes</li> <li>• Advertising and media</li> <li>• National and regional culture</li> <li>• Lifestyle choices and attitudes to these.</li> <li>• Levels of health and education</li> <li>• Major events</li> <li>• Socio-cultural changes.</li> </ul>	<ul style="list-style-type: none"> <li>• Impact of new technologies.</li> <li>• Inventions and innovations</li> <li>• The internet and how it affects working and business.</li> <li>• Licensing and patents</li> <li>• Research funding and Development.</li> </ul>	<ul style="list-style-type: none"> <li>• Home legislation</li> <li>• International legislation</li> <li>• Employment law</li> <li>• New laws</li> <li>• Regulatory bodies</li> <li>• Environmental regulation</li> <li>• Industry-specific regulations</li> <li>• Consumer protection.</li> </ul>	<ul style="list-style-type: none"> <li>• Ecology</li> <li>• International environmental issues</li> <li>• National environmental issues</li> <li>• Local environmental issues</li> <li>• Environmental regulations</li> <li>• Organizational culture</li> <li>• Staff morale and attitudes.</li> </ul>

## Appendix 2: Risk Assessment Criteria for Likelihood of an Event Happening

SCORE 1: RARE	SCORE 2: UNLIKELY	SCORE 3: POSSIBLE	SCORE 4: LIKELY	SCORE 5: ALMOST CERTAIN
Previous experience at this and other similar councils makes this outcome highly unlikely to occur.	Previous experience discounts this risk as being likely to occur, but other councils have experienced problems in this area.	The council has in the past experienced problems in this area but not in the last three years.	The council has experienced problems in this area in the last three years.	The council is experiencing problems in this area or expects to in the next 12 months.
There are effective, tested, and verifiable controls in place that prevent occurrence of this risk.	There are controls in place that whilst not tested appear to be effective.	Some controls are in place and generally work but there have been occasions when they have failed and problems have arisen.	Controls may be in place but are generally ignored or ineffective.	No controls are in place.

Where the probability and timing score differently, a judgement should be made as to the correct likelihood score.

## Appendix 3: Risk Assessment Criteria for the Impact that an Event Would Have

ASPECT	SCORE 1: NEGLIGIBLE	SCORE 2: MINOR	SCORE 3: MODERATE	SCORE 4: MAJOR	SCORE 5: SEVERE
Financial	Little or no financial impact (less than £5,000)	The financial impact would be losses or lost income of no greater than £25,000	The financial impact would result in losses or lost income of no greater than £100,000.	The financial impact would result in losses or lost income of no greater than £500,000	The financial impact would be greater than £500,000.
Service	Council Services are not disrupted	Some temporary disruption to the activities of one council service but not beyond this.	Regular disruption to the activities for one or more council service.	Severe service disruption on a departmental level or regular disruption affecting more than one department.	Severe disruption to the activities of all council departments. Long term suspension of a service or statutory duties not delivered
Project	Projects experience minor delay (days)	A few project milestones missed	Significant project milestones missed / delayed	A major project milestone missed	Project does not achieve objectives and misses majority of milestones
Health and Safety	One Injury or illness requiring First Aid Treatment  No lost time injury days	Injury or illness requiring medical treatment  Lost time injury <10 days	Serious injury or illness  Lost time injury >10 days	Significant / extensive injury or illness  Permanent or partial disability	Multiple Loss of Life / Large scale major illness  Permanent total disability
Corporate Well-being Objective delivery	No impact on the delivery of the Council's Corporate Well-being Objectives.	It may cost more or there may be delay in delivering one of the Council's Corporate Well-Being Objectives	A number of Corporate Well-being objectives would be delayed or not delivered	Many corporate objectives delayed or not delivered.	Unable to deliver most objectives.

ASPECT	SCORE 1: NEGLIGIBLE	SCORE 2: MINOR	SCORE 3: MODERATE	SCORE 4: MAJOR	SCORE 5: SEVERE
	Morale: No effect	Morale: Some hostile relationships and minor non-cooperation	Morale: Hostile relationships and major non-cooperation across the organisation	Morale: Industrial Action	Morale: Mass Staff leaving / unable to attract staff
Reputation	No media attention / minor letters	Adverse local media Leader	One off national media exposure	Reputation: Prolonged Adverse National exposure	Extensive coverage in National Press and on TV. Requires resignation of Senior Officer / Member
Government Objectives	No effect	Poor Assessments(s)	Service taken over temporarily	Service taken over temporarily	Service taken over permanently
Statutory / Legal Obligations	No impact / breach	Warning received	Breach Challenging Improvement Notice	Enforcement Action Improvement Notice	Prosecution Fine
Community Risk	Insignificant impact to health, persons displaced disruption to community services, economy and environment	Minor impact to health, persons displaced disruption to community services, economy and environment	Damage to specific location or number of locations, fatalities and some casualties, displacement of > 100 people for 1 – 3 days, Limited impact on	Significant damage, 100 to 500 people displaced for longer than 1-week, significant impact on community services and environment	Significant of fatalities and injuries, extensive damage to property, displacement of >500 people for prolonged duration, serious damage to
Confidence	No loss of confidence and trust in the council	Some loss of confidence and trust in the council felt by a certain group or within a small	A general loss of confidence and trust in the council within the local community.	A major loss of confidence and trust in the council within the local community.	A disastrous loss of confidence and trust in the council both locally and nationally.

Identify the impact most relevant to the risk being evaluated (it is not necessary for all points in each category to apply).

# Appendix 4: Levels of Risk

<p><b>Low Risk</b> (1-4)</p>	<p>Either a remote or possible likelihood of occurrence</p> <ul style="list-style-type: none"> <li>• Slight inconvenience/difficulty in operational performance of function/activity area.</li> <li>• Some accountability implications for the function/activity area, but would not affect the Authority/Service/Team ability to meet key reporting requirements.</li> <li>• Recovery from such consequences would be handled quickly without the need to divert resources from core activity areas.</li> <li>• Some minor effects on ability of stakeholders to pursue rights and entitlements. For example, other sources or avenues would be available to stakeholders.</li> <li>• Public perceptions of the Authority/Service/Team would alter slightly, but no significant damage or disruption occurs.</li> </ul>	<p><b>Team / Service Risk</b> Accept or manage by routine procedures</p>
<p><b>Medium Risk</b> (5-12)</p>	<p>Either a remote likelihood, a possible likelihood of occurrence or is likely to occur</p> <ul style="list-style-type: none"> <li>• Operational performance of Authority/Service/Team would be compromised to the extent that revised planning would be required to overcome difficulties experienced by function/activity area</li> <li>• The Authority/Service/Team would experience difficulty in complying with key reporting requirements, which would jeopardise some Council interests.</li> <li>• Recovery would be more gradual and require detailed corporate planning with resources being diverted from core activity areas.</li> <li>• Stakeholders would experience considerable difficulty in pursuing rights and entitlements.</li> <li>• Considerable adverse public reaction would result in some damage and disruption to the Authority/Service/Team</li> </ul>	<p><b>Corporate or Service Risk</b> Manage by specific monitoring or response procedures, with responsibilities identified</p>
<p><b>High Risk</b> (15-20)</p>	<p>Is likely to occur</p> <ul style="list-style-type: none"> <li>• Operational performance would be compromised to the extent that the Authority/Service/Team is unable to meet obligations and liabilities in core activity areas.</li> <li>• Severe accountability implications would result in the organisation being unable to meet key reporting requirements.</li> <li>• The Authority/Service/Team would incur significant financial losses.</li> <li>• Major adverse repercussions would affect large sectors of the Council and its clients, including the general public.</li> <li>• Stakeholders could face life-threatening consequences.</li> <li>• The Authority/Service/Team would have difficulty in recovering from such consequences.</li> </ul>	<p><b>Corporate Risk</b> Must be considered for escalation for further review, planning and management</p>
<p><b>Critical Risk</b> (25)</p>	<ul style="list-style-type: none"> <li>• The Authority/Service/Team would be unable to recover from such consequences.</li> <li>• Stakeholders would face life-threatening consequences.</li> <li>• Severe adverse repercussions would affect large sectors of the Council and its clients, including the general public</li> <li>• The Authority/Service/Team would cease to operate.</li> </ul>	<p><b>Corporate Risk</b> As above and Detailed contingency action plan required.</p>



# Appendix 5: Risk Proposal Template

<b>CYFEIRNOD RISG: RISK ID:</b>	<i>Cynhyrchwyd gan y System System Generated</i>	<b>TEITL TITLE</b>	<i>Teitl Byr Short Title</i>		
<b>PERCHENNOG/SWYDDOG DIWEDDARU OWNER/UDATING OFFICER</b>			<b>SWYDDOG ARWEINIOL CORFFORAETHOL SY'N GYFRIFOL RESPONSIBLE CLO</b>		
<b>RHANDDEILIAID STAKEHOLDERS</b>	<i>Enwch eraill a all fod â diddordeb/ a all gael effaith ar y risg Name others who may have an interest/impact on the risk</i>				
<b>DISGRIFIAD O'R RISG RISK DESCRIPTION</b>	<i>Beth yw'r Risg What is the Risk Mae yna risg o X, oherwydd Y, There's a risk of X, due to Y,</i>				
<b>CANLYNIADAU POSIBL I'r Gwasanaeth ac I'r Cyngor POTENTIAL CONSEQUENCES To Service and To Council</b>	<i>Gwnewch yn glir Make clear a allai arwain at Z ac a fydd yn effeithio ar y Gwasanaeth/Cyngor drwy... which may result in Z' and will impact on the Service/Council by...</i>				
<b>TYSTIOLAETH O RISG Engbreiffiau o'r Risg yn digwydd dros amser EVIDENCE OF RISK Incidences of the Risk Occurring overtime</b>	<i>Rhowch enghreifftiau a/neu wybodaeth i ddarlunio'r risg. Cyfeiriwch at y matrices tebygolrwydd Provide examples and/or information to illustrate the risk. Relate to the likelihood matrix</i>				
<b>Dadansoddiad RISG RISK Analysis</b>	<b>Math o risg</b>	<b>Risk Type</b>	<b>Prif GATEGORI</b>	<b>Main CATEGORY</b>	
	<b>Dewiswch eitem.</b>	Choose an item.	<b>Dewiswch eitem.</b>	Choose an item.	
<b>Asesiad Risg Cychwynnol</b>	<b>Posibilirwydd Dewiswch eitem.</b>	<b>EFFAITH Dewiswch eitem.</b>	<b>SGÔR (Tebygolrwydd x Effaith)Dewiswch eitem.</b>		
<b>Initial Risk Assessment</b>	<b>Probability</b> Choose an item.	<b>IMPACT</b> Choose an item.	<b>SCORE (Probability x Impact)</b> Choose an item.		
<b>Mesur Measure</b> <i>Cofiwch gynnwys mesur ar gyfer y risg Include a measure for the risk</i>	<b>Disgrifiad Description</b>		<b>Lefel Bresennol Current Level</b>	<b>Lefel Darged Target Level</b>	
<b>Sut y bwriedir trin y risg Risk Treatment</b>	<b>Dewiswch eitem.</b>				
	Choose an item.				

Continued overleaf

<b>CAMAU I LINIARU'R RISG</b> <b>ACTIONS TO MITIGATE RISK</b> <i>Teitl byr</i> <i>Brief Title</i>	<b>CAM I'W GYMRYD</b> <b>ACTION</b> <i>Disgrifiwch y cam a gymerir i</i> <i>liniaru'r risg</i>	<b>EFFAITH DDISGWYLIEDIG Y CAM</b> <b>EXPECTED IMPACT OF THE ACTION</b> <i>Sut bydd y cam gweithredu hwn yn</i> <i>lleihau/lliniaru'r risg</i> <i>How will this action</i> <i>reduce/mitigate the risk or exploit</i> <i>the risk.</i>	
1			
2			
<b>ADNODDAU</b> <b>ANGENRHEIDIOL AR GYFER</b> <b>LLINIARU'R RISG</b> <b>RESOURCES REQUIRED TO</b> <b>MITIGATE THE RISK</b>	<i>Amlinellwch yr adnoddau y mae eu hangen er mwyn cyflawni'r camau</i> <i>gweithredu uchod, gan gynnwys unrhyw adnoddau ariannol y bydd eu</i> <i>hangen</i> <i>Outline the resources that are required to deliver the actions above</i> <i>include any financial resources that may be required</i>		
<b>ASESIAD RISG NEWYDD</b> <b>NEW RISK ASSESSMENT</b>			
<b>Asesiad Risg newydd gyda</b> <b>chamau gweithredu lliniarol</b> <b>yn eu lle</b>	<b>Posibilirwydd</b> <b>Dewiswch eitem.</b>	<b>EFFAITH</b> <b>Dewiswch eitem.</b>	<b>SGÔR (TebygolrwyddxEffaith)</b> <b>Dewiswch eitem.</b>
<b>New Risk Assessment with</b> <b>mitigating actions in place</b>	<b>Probability</b> <i>Choose an item.</i>	<b>IMPACT</b> <i>Choose an item.</i>	<b>SCORE (Probability x Impact)</b> <i>Choose an item.</i>
<b>DYDDIAD CYCHWYN</b> <b>START DATE</b>		<b>DYDDIAD GORFFEN</b> <b>END DATE</b>	
<b>Risg yn cael ei dderbyn gan</b> <b>Acceptance of Risk By</b>	<b>Reolwr y Tîm/Swyddog Arweiniol Corfforaethol/Grŵp</b> <b>Arweiniol/Gadeirydd y Bartneriaeth/Y Gymuned</b> <b>Team Manager / CLO / Leadership Group / Partnership Chair /</b> <b>Community</b>		
<b>Llofnodwyd</b> <b>Signed</b>		<b>Dyddiad</b> <b>Date</b>	
<b>Cyfeiriwyd at y Pwyllgor</b> <b>Craffu</b>	<b>Dyddiau</b> <b>Date</b>	<b>Pwyllgor Craffu</b> <b>Scrutiny Committee</b>	
<b>Referred to Scrutiny</b>			