

## REPORT TO CABINET

<b>Open</b>		Would any decisions proposed :			
<b>Any especially affected Wards</b> No	Mandatory	Be entirely within Cabinet's powers to decide	NO		
	Discretionary	Need to be recommendations to Council	YES		
		Is it a Key Decision	NO		
Lead Member: Cllr Alistair Beales E-mail: <a href="mailto:cllr.alistair.beales@west-norfolk.gov.uk">cllr.alistair.beales@west-norfolk.gov.uk</a>			Other Cabinet Members consulted: All		
			Other Members consulted: Audit Committee		
Lead Officer: Debbie Ess, Senior Corporate Governance Officer E-mail: <a href="mailto:debbie.ess@west@west-norfolk.gov.uk">debbie.ess@west@west-norfolk.gov.uk</a>			Other Officers consulted: Corporate Leadership Team		
Financial Implications NO	Policy/ Personnel Implications NO	Statutory Implications YES	Equal Impact Assessment YES	Risk Management Implications YES	Environmental Considerations NO

Date of meeting: 20 January 2026

## RISK MANAGEMENT POLICY AND STRATEGY REVIEW

### Summary

The council's Risk Management Policy and Strategy were last reviewed and approved by Cabinet on 21 June 2022. The Policy and Strategy are reviewed every three years, or earlier in the light of new guidance, to ensure it remains relevant to the needs of the council.

It is the council's policy to proactively identify, understand, manage and review the risks involved in service delivery and associated with our plans and strategies, so as to encourage responsible and informed decision making.

The risk management approach described in this policy is key to identifying, assessing, mitigating, managing and reviewing risks to the achievement of the council's objectives.

Audit Committee considered the revised Policy and Strategy on 17 November 2025.

### Recommendation

Cabinet Resolves: To recommend adoption of the revised Risk Management Policy and Strategy by Full Council.

Recommendations to Full Council: To adopt the revised Risk Management Policy and Strategy.

### Reason for Decision

To ensure there is a comprehensive and up to date framework for the Council's management of risk.

## **1. Background**

- 1.1 The Council's current risk management system was reviewed in June 2022. The policy outlines the Council's approach to risk management and the strategy describes how it will be implemented.

## **2. Risk Management Policy**

- 2.1 The policy (Appendix A) states the council's commitment to managing risk in a positive manner. It is recognised that in order to achieve the council's objectives it is necessary to take risks and that these need to be identified, understood and managed accordingly.
- 2.2 The risk appetite is defined in the policy as 'open' which means that the council is prepared to consider all delivery options and select those with the highest probability of productive outcomes, even when there are elevated levels of associated risk.

## **3. Risk Management Strategy**

- 3.1 The strategy (Appendix B) describes the approach to be carried out in practice. It explains how risks will be identified, analysed, managed and monitored. The criteria to be used for deciding the potential impact of a risk are shown and the appropriate levels of action to be taken for the different risk categories.

## **4. Risk management changes**

- 4.1 A new high level summary report for strategic and operational risks is monitored by the Corporate Leadership Team on a regular basis, the report assists with identifying, assessing and mitigating risks to minimise the impact on the council.
- 4.2 Ownership and accountability for each of the risks is allocated to individual officers of the Executive Team.
- 4.3 New corporate management system to be launched in early 2026 to provide the Corporate Leadership Team and members with the latest risk information.
- 4.4 Online risk management training to be rolled out to relevant officers to ensure they have the necessary skills to identify, appraise and control the risks associated with the services they provide and projects they manage. Elected members will receive online risk training so that they can consider the implications of risk whilst engaged with council activities.

## **5. Policy Implications**

- 5.1 The Risk Management Policy and Strategy represents a refresh of the Council's existing policy and approach to risk which encourages a positive culture with respect to risk and its effective management.

## **6. Financial Implications**

- 6.1 There are no direct financial implications, however failure to manage risk effectively may have a financial impact. It is therefore essential that the Risk Management Policy and Strategy are fit for purpose.

## **7. Personnel Implications**

- 7.1 There are no personnel implications.

## **8 Environmental Considerations**

- 8.1 The current corporate risk register includes several risks relating to flood management and coastal erosion and carbon emissions.

## **9. Statutory Considerations**

- 9.1 Accounts and Audit Regulations 2015 regulation 3(c) – A relevant authority must ensure it has a sound system of internal control which includes effective arrangements for the management of risk.

## **10. Equality Impact Assessment (EqIA)**

- 10.1 The policy and strategy are considered to have no equalities implications.

## **11. Risk Management Implications**

- 11.1 This report is designed to take forward and enhance the Council's effective management of risk throughout the organisation.

## **12. Declarations of Interest / Dispensations Granted**

- 12.1 None

## **13. Background Papers**

- 13.1 None



## Stage 1 - Pre-Screening Equality Impact Assessment

For equalities profile information please visit [Norfolk Insight - Demographics and Statistics - Data Observatory](#)

Name of policy/service/function	Risk Management Policy and Strategy				
Is this a new or existing policy/ service/function? <i>(tick as appropriate)</i>	New		Existing	X	
Brief summary/description of the main aims of the policy/service/function being screened.  Please state if this policy/service is rigidly constrained by statutory obligations and identify relevant legislation.	The council's risk management objectives and approach are stated in the Risk Management Policy. The strategy explains the processes required to implement the policy and provides templates designed to evaluate the effect of a risk.				
Who has been consulted as part of the development of the policy/service/function? – new only <i>(identify stakeholders consulted with)</i>	Corporate Leadership Team Cllr Alistair Beales, Leader Audit Committee				
<b>Question</b>	<b>Answer</b>				
<p><b>1.</b> Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p> <p><b><i>If potential adverse impacts are identified, then a full Equality Impact Assessment (Stage 2) will be required.</i></b></p> <p><i>*For more information on health inequalities please visit <a href="#">The King's Fund</a></i></p>		Positive	Negative	Neutral	Unsure
	Age			✓	
	Disability			✓	
	Sex			✓	
	Gender Re-assignment			✓	
	Marriage/civil partnership			✓	
	Pregnancy & maternity			✓	
	Race			✓	
	Religion or belief			✓	
	Sexual orientation			✓	
	Armed forces community			✓	
	Care leavers			✓	
	Health inequalities*			✓	
	Other (eg low income, caring responsibilities)			✓	
<p><b>Please provide a brief explanation of the answers above:</b> The policy and strategy are considered to have no equalities implications</p>					



Question	Answer	Comments		
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	<del>Yes</del> / No			
3. Could this policy/service be perceived as impacting on communities differently?	<del>Yes</del> / No			
4. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions?  If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section	Yes / No	<b>Actions:</b>		
		<b>Actions agreed by EWG member:</b> .....		
<p>If 'yes' to questions 2 - 4 a full impact assessment will be required unless comments are provided to explain why this is not felt necessary:</p> <p>Decision agreed by EWG member: .....</p>				
5. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	Yes / No	<b>Please provide brief summary:</b>		
<b>Assessment completed by:</b>	Debbie Ess			
<b>Name</b>				
<b>Job title</b>	Corporate Performance Officer			
<b>Date completed</b>	02/10/2025			
<b>Reviewed by EWG member</b>	Allison Bingham	<table border="1"> <tr> <td><b>Date</b></td> <td>14/10/2025</td> </tr> </table>	<b>Date</b>	14/10/2025
<b>Date</b>	14/10/2025			

✓ Please tick to confirm completed EIA Pre-screening Form has been shared with Corporate Policy ([corporate.policy@west-norfolk.gov.uk](mailto:corporate.policy@west-norfolk.gov.uk))



# **Risk Management Policy 2025**

Policy name	Risk Management Policy			
Policy description	To proactively identify, understand, manage and review the risks involved in service delivery and associated with our plans and strategies, so as to encourage responsible and informed decision making.			
Responsible Officer	Debbie Ess, Corporate Performance Officer			
Version number	Date formally approved	Reason for update	Author	Review date
1	March 2016	Refresh		March 2019
2	26 March 2019	Planned refresh	G Greaves	March 2022
3	26 Sept 2022	Planned refresh	G Greaves	Sept 2025
4	20 January 2026	Planned refresh	D Ess	January 2029

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## **1 Introduction**

- 1.1 Given the wide range of activities undertaken by the council, we face a wide variety of risks including physical risks to people or property, financial loss, failure of service delivery, corporate governance and damage to reputation.
- 1.2 Effective risk management is a key tool in assisting the council to manage uncertainty in order to enable it to better achieve its corporate strategy. Risk management is intended to be a planned and systematic approach to the identification, assessment and management of the risks facing the council. It is essential that steps are taken to effectively manage those risks. Risk management supports innovative solutions as it carefully considers the benefits, alongside the risks, that may occur.
- 1.3 Insurance is a traditional way of protecting against some risks. However, not all risks can be insured against and other approaches are needed. Insurance has a direct cost and given financial challenges facing local government action taken to reduce risks can help minimise premiums and disruption to services.

## **2 Definitions**

- 2.1 Risk can be defined as an uncertain event or set of events which, should it occur, will have an effect upon the achievement of objectives.
- 2.2 Risk management can be defined as the process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling or responding to them.
- 2.3 Risk appetite is the amount of risk that an organisation is willing to seek or accept in the pursuit of its long-term objectives.

## **3 Policy Statement**

- 3.1 It is the council's policy to proactively identify, understand, manage and review the risks involved in service delivery and associated with our plans and strategies, so as to encourage responsible and informed decision making.
- 3.2 The council's corporate strategy sets out its objectives. The risk management approach described in this policy is key to identifying, assessing, mitigating, managing and reviewing risks to the achievement of the council's objectives.
- 3.3 The policy and strategy will be reviewed every three years, or earlier in the light of new guidance, to ensure it remains relevant to the needs of the council.

## **4 Scope**

- 4.1 The policy covers risks that could prevent the achievement of the council's corporate strategy. It does not cover health, safety and general welfare related risks and responsibilities which follow from legislation such as the Health and Safety at Work Act 1974. This is covered by the council's Health, Safety and General Welfare Policy.

## **5 Aims**

- 5.1 The purpose of this Risk Management Policy is to state the council's risk management objectives and approach. The processes required to implement this policy are contained in the Risk Management Strategy.

## **6 Objectives**

- 6.1 The purpose of risk management is to:
- Improve performance
  - Promote a risk aware culture to avoid unnecessary liabilities and costs, but to encourage the taking of calculated risks in pursuit of opportunities that benefit the council
  - Promote corporate governance by integrating risk management and internal control
  - Preserve and protect the council's assets, reputation and staff.
- 6.2 To achieve these objectives, the council will develop a systematic and consistent risk management approach that will:
- Implement effective risk management as a key element of good governance and rigorous performance management
  - Consider risk is an integral part of corporate and business planning and service delivery
  - Encourage considered and responsible risk taking as a legitimate response to opportunity and uncertainty
  - Achieve better outcomes for the council through a more realistic assessment of the challenges faced, through improved decision-making and targeted risk mitigation and control
  - Engender, reinforce and replicate good practice in risk management.

## **7 Benefits of risk management**

- 7.1 Effective risk management delivers benefits to individual services and the council as a whole. The key benefits include:
- A better, more informed, decision making process
  - The ability to manage the process of achieving objectives.

- 7.2 By delivering enhanced risk management practice and adhering to the Risk Management Strategy, the following additional benefits can be realised:
- Increased likelihood of achieving the council's objectives
  - More robust assessment of opportunities
  - Improved business planning through risk based decision making
  - Improved governance and controls
  - Enhanced stakeholder confidence and trust
  - Enhanced performance through an integrated approach
  - Effective allocation and use of resources
  - Improved organisational resilience.

## **8 Legal framework and relevant legislation**

- 8.1 Risk management is an integral part of internal control, and for local government a statutory requirement, defined in the Audit & Accounts Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006. Paragraph (1) of Regulation 4 (responsibility for financial management) states:

*'The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.'*

- 8.2 Regulation 6 requires relevant bodies to conduct an annual review of the effectiveness of their system of internal audit. CIPFA's guidance on the Review of the System of Internal Audit, published in January 2009, defines the system of internal audit as:

*'The framework of assurance available to satisfy a local authority that the risks to its objectives, and the risks inherent in undertaking its work, have been properly identified and are being managed by controls that are adequately designed and effective in operation.'*

- 8.3 Risk management represents a part of the governance arrangements which are required to be reported on in the annual governance statement incorporated in the council's annual statement of accounts.
- 8.4 In addition to the above requirements there are several other specific duties that the council is obliged to observe including, as examples, responsibilities arising from the Civil Contingencies Act 2004, Health and Safety at Work Act 1974 and equality impact assessments under the Equality Act 2010.

## **9 Roles and responsibilities**

- 9.1 Risk management is all inclusive and every employee and member has a role to play. Specific roles and responsibilities are defined in the Risk Management Strategy.

## **10 Risk management approach**

- 10.1 To ensure it is effective, risk management needs to be aligned with corporate aims, objectives and priorities. The council's approach to embedding risk management is to create a culture that spreads best practice, identifies and communicates lessons learnt, and uses appropriate expertise.
- 10.2 Risk management has to be proactive to ensure that corporate and operational risks are:
- Identified
  - Assessed by considering the impacts and likelihoods of their occurrence
  - Effectively managed by identifying suitable controls and countermeasures, and assessing the mitigating actions proposed
  - Reviewing progress and emerging issues.
- 10.3 Effective risk management anticipates and avoids risks rather than dealing with the consequences of events happening.

## **11 Risk appetite**

- 11.1 Risk appetite refers to the council's attitude towards risk, which in turn dictates the amount of risk that it considers acceptable.
- 11.2 The council recognises that it must take risks. By taking risks can it achieve its aims and deliver beneficial outcomes to its customers. It must, however, take risks in a controlled manner, thus reducing its exposure to a level deemed acceptable by the council and by relevant auditors, regulators and inspectors.
- 11.3 Methods of controlling risks must be balanced in order to support innovation and the imaginative use of resources, especially when it is to achieve substantial benefit. Calculated controlled risks, such as accepting new opportunities or using innovative approaches for the benefit of the council, may be taken providing the risk exposure is within the council's 'risk tolerance' levels.
- 11.4 These are defined as: Acceptable risks – the risks associated with any proposed actions and decisions need to be clearly identified, evaluated and managed to ensure that risk exposure is acceptable. Particular care is needed in considering actions that could:
- Have an adverse effect on the council's reputation and/or performance
  - Undermine the independent and objective review of activities
  - Result in censure or fines being imposed by regulatory bodies
  - Result in financial loss.

- 11.5 Any threat or opportunity that could have a significant impact on the council's reputation or its services must be closely examined, and all risks clearly evaluated and referred to the Executive Team. Where there is risk that could potentially have a corporate impact on the council, it must be considered by the Executive Team.
- 11.6 Prohibited risks – risks are not acceptable where they could result in physical harm; non-compliance with legislation or government regulations; or non-compliance with council policy, rules and procedures. Therefore, any opportunity or innovative approach that may result in such outcomes must not be pursued.
- 11.7 The organisation's current overall risk appetite is defined as 'open'. The council is prepared to consider all delivery options and select those with the highest probability of productive outcomes, even when there are elevated levels of associated risk.

## **12 Risk management training**

- 12.1 Risk management training will be provided to relevant officers with the aim of ensuring that they have the skills necessary to identify, appraise and control the risks associated with the services they provide and projects that they manage. Elected members will receive training on risk so that they can consider the implications of risk whilst engaged with council activities.

## **13 Health implications**

- 13.1 The strategy is a key part of the council's governance framework and will contribute towards wider health policies through mitigation measures.

## **14 Equalities implications**

- 14.1 The policy is considered to have no equalities implications.

## **15 Reference documents**

- 15.1 The policy provides direction to the council's Risk Management Strategy.

## **16 Additional information or resources**

- 16.1 The related Risk Management Strategy and Strategic and Operational Risk Register can be found on the Intranet.
- 16.2 Further information can be obtained from Corporate Governance.

## **17 Implementation/distribution**

- 17.1 The policy will be distributed to senior managers, staff and members.



# **Risk Management Strategy 2025**

Policy name	Risk Management Strategy			
Policy description	The risk management approach described in this strategy is key to identifying, assessing, mitigating, managing and reviewing risks to the achievement of the council's objectives.			
Responsible Officer	Debbie Ess, Corporate Performance Officer			
Version number	Date formally approved	Reason for update	Author	Review date
1	March 2016	Refresh		March 2019
2	26 March 2019	Planned refresh	G Greaves	March 2022
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## **1. Introduction**

- 1.1 Risk management can be defined as the process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling or responding to them.
- 1.2 The council's risk management objectives and approach are stated in the Risk Management Policy. This strategy explains the processes required to implement the policy and provides templates designed to evaluate the effect of a risk.
- 1.3 The purpose of risk management is to:
- Improve performance
  - Promote a risk aware culture to avoid unnecessary liabilities and costs, but to encourage the taking of calculated risks in pursuit of opportunities that benefit the council
  - Promote corporate governance by integrating risk management and internal control
  - Preserve and protect the council's assets, reputation and staff.
- 1.4 The policy and strategy will be reviewed every three years, or earlier in the light of new guidance, to ensure it remains relevant to the needs of the council. The next review will take place no later than January 2029.

## **2. Legal framework and relevant legislation**

- 2.1 Risk management is an integral part of internal control, and for local government a statutory requirement, defined in the Audit & Accounts Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006. Paragraph (1) of Regulation 4 (responsibility for financial management) states:

*'The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.'*

- 2.2 Regulation 6 requires relevant bodies to conduct an annual review of the effectiveness of their system of internal audit. CIPFA's guidance on the Review of the System of Internal Audit, published in January 2009, defines the system of internal audit as:

*'The framework of assurance available to satisfy a local authority that the risks to its objectives, and the risks inherent in undertaking its work, have been properly identified and are being managed by controls that are adequately designed and effective in operation.'*

- 2.3 Risk management represents a part of the governance arrangements which are required to be reported on in the annual governance statement incorporated in the council's annual statement of accounts.

- 2.4 In addition to the above requirements there are several other specific duties that the council is obliged to observe including, as examples, responsibilities arising from the Civil Contingencies Act 2004, Health and Safety at Work Act 1974 and equality impact assessments under the Equality Act 2010.

### **3. Risk management overview**

- 3.1 Risk management consists of initially defining the risk appetite and then applying four basic processes:

1. Identifying risks
2. Evaluating
3. Minimising, controlling and responding
4. Monitoring and reporting

### **3.2 Risk appetite**

This is the amount of risk that an organisation is willing to seek or accept in the pursuit of its long-term objectives. The council's risk appetite is defined in the Risk Management Policy as 'open', which means that the council is prepared to consider all delivery options and select those with the highest probability of productive outcomes, even when there are elevated levels of associated risk.

### **3.3 Identify the risk**

The purpose of this stage is to identify anything that might affect the achievement of the council's objectives and assess what that effect might be. The question to ask is 'What might possibly present itself in the course of delivering the objectives, which has the capacity to threaten or improve the success?' Once identified, the extent to which it might affect the objectives needs to be considered.

A number of approaches are taken to identify risks to the council at the earliest opportunity and ensure that they are managed from a very early stage. These include:

- Regular monitoring of the Corporate Strategy
- Regular monitoring of committee and performance monitoring reports
- Regular reviews by Executive Team to ensure all strategic and operational risks have been recorded on the Corporate Risk Register and accurately assessed
- Robust processes at the commencement of projects, particularly major ones, and ongoing monitoring
- Use of Internal Audit and peer reviews
- Horizon scanning informed by professional and advisory bodies such as the Local Government Association.

### **3.4 Evaluate the risk**

This stage develops a greater understanding of each risk, its impact and the likelihood of those consequences. It provides an input to risk evaluation and to decisions on how risk will be managed.

The likelihood and impact criteria should be considered during the evaluation of the risk by the risk owner and with wider insight from Corporate Leadership Team. The scoring is based upon officer judgements and may be informed through external independent sources for example from professional services.

## Likelihood

Score/Criteria Definition	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost certain
<b>Description</b>	The likelihood of the risk has been minimised to a negligible possibility	The risk is technically possible but an occurrence is not foreseeable in the medium-long term	The risk is a real possibility but the likelihood of an occurrence in the short-medium term is small	The risk is probably going to occur at some point in the medium term, possibly sooner	The risk is probably going to occur imminently
<b>Timeframe</b>	Will occur at some point in the next 50 years	Will occur at some point in the next 25 years	Will occur at some point in the next 10 years	Will occur at some point in the next 5 years	Will occur at some point in the next year
<b>Probability</b>	10% or less	Between 10-30%	Between 30-50%	Between 50-85%	85% or more

## Impact

Score/Criteria Definition	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Extreme
<b>Impact on service</b>	Little	Some	Significant	Service not available for 2-7 days	Service not Available for >7 days
<b>Personal safety</b>	No injury	Minor injury	Violence or threat of serious injury	Extensive or multiple injuries	Fatality
<b>Financial loss</b>	<£25,000 or 1% of budget	>£25,000 or >2.5% of budget	>£175,000 or >5% of budget	>£500,000 or >10% of budget	>£1m or >15% of budget
<b>Legal &amp; Regulatory</b>	Minor civil litigation or regulatory criticism	Minor regulatory enforcement	Major civil litigation and/or public enquiry	Major civil litigation and/or national public enquiry.	Section 151 or government intervention or criminal charges
<b>Corporate objective</b>	No effect on delivery	Little effect on delivery	Possible impact on delivery	Significant impact on delivery	Non delivery
<b>Environmental impact</b>	None or insignificant	Minor damage	Moderate damage	Major damage	Significant damage locally or nationally
<b>Reputation</b>	No damage	Minimal damage (minimal coverage in local press)	Significant coverage in local press	Coverage in national press	Requires resignation of Chief Executive or Leader
<b>Climate change</b>	No negative impact upon CO2 emissions	Minor negative Impact upon CO2 emissions	Major negative impact upon CO2 emissions	Significant negative impact upon CO2 emissions	Critical negative impact upon CO2 emissions

The assessments for each impact criteria should inform ongoing mitigation measures and risk actions. An overall score is arrived at and “sense checked” by Corporate Leadership Team.

Apply the definitions of likelihood and impact to establish the risk score and rating using the following risk matrix. This will determine what level of action is required and who by. The categories for likelihood and impact are shown below.

### Risk matrix

Risk Scoring Matrix		IMPACT				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Extreme
LIKELIHOOD	5 Almost Certain	(5) G	(10) A	(15) R	(20) R	(25) R
	4 Likely		(8) G	(12) A	(16) R	(20) R
	3 Possible		(6) G	(9) G	(12) A	(15) R
	2 Unlikely			(6) G	(8) G	(10) A
	1 Rare					(5) G

For example, a risk that is ‘likely’ to occur, and has a ‘minor’ impact will score  $4 \times 2 = 8$  which is a ‘low’ risk.

<b>High 15-25</b>	Risks scored at this level represent a high threat to the delivery of council objectives and service delivery and should be treated as a priority, action is required to reduce the rating to a score within tolerance or removed. Reporting on progress will be required to CLT/ Audit Committee/Cabinet until risk level is reduced to tolerance.
<b>Medium 10-12</b>	Risks scored at this level represent a medium threat to the delivery of council objectives and service delivery, proportionate mitigation and regular monitoring required. These risks can be managed at operational/ service level but regular management review of assurance on control effectiveness should occur. Routine reviews should also be carried out to ensure there is no change.
<b>Low 5-9</b>	Risks scored at this level represent a low threat to the delivery of council objectives and service delivery. Review required to ensure risk score does not change/increase, however these risks can be managed operational/ service level.
<b>Very Low 0-4</b>	Risks scored at this level represent an insignificant threat to the delivery of council objectives and service delivery. No further action is required.

### 3.5 Minimising, controlling and responding

When deciding how to manage risks, the cost effectiveness of implementing proposed controls needs to be considered. There is little benefit to be gained from pursuing a course of action if the cost of controlling a risk outweighs the benefits to be gained.

There are four basic ways of responding to risk:

Avoidance	Deciding not to continue or proceed with the activity in view of the level of risk involved. This may be as a result of the cost of mitigating the risk being too high, or the consequences being too adverse. (Note: statutory requirements cannot be avoided).
Transfer	Involves another party bearing or sharing the risk, a typical example being the use of insurance. (Note: ultimate responsibility to undertake statutory requirements remains with the Council even if third party provision is engaged).
Mitigate	Ensuring existing controls are effective by periodic review and testing, and implementing additional controls where necessary.
Acceptance	Certain risks cannot be adequately treated by any of the above. In such cases, there is no alternative but for the Council to accept the residual risks concerned. Details of how these risks and their possible effects are to be managed must be recorded in the risk register at corporate, directorate or project level as appropriate, and subject to regular review.

### 3.6 Monitoring and reporting

Corporate Leadership Team reviews the strategic and operational risk register at regular intervals to assess if any risk has increased, reduced or stopped altogether, or if new risks need to be added.

The Terms of Reference for the Audit Committee state that the purpose of an audit committee is to provide independent assurance of the adequacy of the risk management framework, and as such one of its functions is to consider the effectiveness of the council's risk management arrangements.

The committee will therefore receive regular updates on the strategic and operational risk register and will consider the effectiveness of the Risk Management Strategy.

Reports to committees will include an appraisal of all associated risks and their implications. This is specified in the mandatory report template.

Where officers have concerns about risks, they should be reported to the relevant director or the Governance team. These concerns may for example include:

- Operational risks that have identified a potential strategic risk
- Risks that have not been controlled within the pre-agreed timescales
- Risks that have increased since initial evaluation
- An identified risk occurs and results in failure/loss due to inadequate controls

- Risks that may need to be moved to a new owner
- Risks that become too unwieldy to manage at the current level
- Risks that remain very high even after mitigations are implemented
- Risks that impact on more than one service/project or function if the risk event materialises
- Risks that move outside the appetite boundaries.

Corporate Leadership Team will determine whether risks move from the operational level to the strategic level.

#### **4. Strategic and operational risk register**

- 4.1 The strategic and operational risk register records high level risks that pose a threat or opportunity to the council's ability to operate and deliver services that could have an adverse effect on public wellbeing and affect our ability to provide important public services or corporate strategy objectives.
- 4.2 Executive Team are responsible for identifying risks that have a strategic and corporate impact. The Governance team should be notified of any such risk so that it can be added to the strategic and operational risk register and included in the next review by Corporate Leadership Team.
- 4.3 The register is reviewed by the Corporate Leadership Team on a regular basis. Any existing entries on the register are considered for changes to the nature of the risk, progress to be reported and any adjustments to the risk scores. Risks that are no longer relevant are removed and new risks considered in the context of current circumstances are added.
- 4.4 Following each review, an overview of changes to the register is provided to the Audit Committee.

#### **5. Major project risks**

- 5.1 A risk register will be maintained for each project on the list of approved major projects. Oversight of risk will be provided via the Officer Major Project Board and Member Major Project Board.
- 5.2 For projects at concept stage and not on the approved list of major projects risk oversight will be via the officer Project Development Group.

#### **6. Roles and responsibilities**

- 6.1 Risk management is the responsibility of everyone. It is important that risk management becomes part of daily routines to ensure achievement of the council's objectives is not jeopardised by unrecognised risks.

All council employees and members are responsible for ensuring there are robust and fit-for-purpose systems of internal control and risk management in place; and they are aware of the risks that:

- they are empowered to take
- must be avoided or reported upwards.

## 6.2 **Members**

The Leader is responsible for acting as lead councillor for risk management.

The Audit Committee has specific responsibility for the scrutiny of risk management. The committee receives the triennial review of the Risk Management Policy and Strategy and periodic reports on the update of the Corporate Risk Register. It is the committee's responsibility to ensure that risks are being actively managed.

The risk management policy and strategy are approved by Cabinet.

## 6.3 **Executive Team**

Ultimately the Executive Team is responsible for managing risk. The responsibility cannot be devolved down, although actions to mitigate risk can be assigned to officers.

Corporate Leadership Team must inform the Section 151 Officer of any financial viability or resilience issues as soon as they emerge so that any appropriate action that may be required can be taken.

In addition, Executive Team should:

- Nominate a member of Executive Team with overall responsibility for risk management, currently the Chief Executive Officer
- Identify risks within their respective directorates through section and project meetings.
- Take ownership of risks within their respective directorates and assign a responsible officer to all significant service risks
- Receive regular updates on identified and any new significant emerging risks within their directorate
- Ensure that the risk management process is reviewed on a regular basis.

## 6.4 **Section 151 Officer**

The Section 151 Officer has a responsibility to monitor the viability and resilience of the council's finances and take appropriate action if required to ensure the ongoing financial sustainability of the council. The officer must be informed of any potential financial risk arising from project or service activities as it emerges.

## 6.5 **Service managers**

Service managers are responsible for raising awareness of the risk management strategy in their own service area and notifying the Executive Team of any significant risks.

Service managers, in conjunction with their assistant director, should:

- Lead reviews of the operational risks relating to their services
- Ensure a responsible officer is assigned to manage significant risks
- Identify resources to address the highest priority risks
- Monitor progress on a regular basis

- Review the risks on an annual basis and when new situations arise
- Ensure committee reports include an appraisal of all associated risks and their implications.

## **6.6 Project managers**

Managers of major and capital projects are responsible for raising awareness of the strategy in their own projects and should monitor the project risk register on a regular basis. Any significant risks should be notified to the Executive Team.

Project managers, in conjunction with their assistant director, should:

- Lead reviews of the operational risks relating to their projects
- Ensure a responsible officer is assigned to manage significant risks
- Identify resources to address the highest priority risks
- Monitor progress on a regular basis
- Review the risks on an annual basis and when new situations arise.

## **6.7 Directors of council owned companies**

Councillors and senior council officers are appointed as company directors on council owned companies such as West Norfolk Housing Company Ltd. There is a responsibility upon board directors to consider the risk management arrangements in place for these types of company.

## **6.8 Governance team**

This team has responsibility for coordinating the implementation of the risk management strategy and reviewing the policy and strategy. This will include updating the corporate risk register, reporting where required to Corporate Leadership Team, Audit Committee and Cabinet and supporting ongoing communication and development.

## **6.9 Internal Audit**

Audit of the risk management process is independently reviewed by Internal Audit to avoid a conflict of interest. Internal Audit can provide the Audit Committee with independent assurance as to the robustness of the council's risk management arrangements.

Internal auditors will consider any potential unidentified risks during their audit work and bring any issues to the attention of management where necessary.

The council's Fraud and Corruption Risk Register is maintained by Internal Audit. This forms part of the internal control environment and mitigation measures.

## **6.10 Health and safety risk management**

The ongoing management of these types of risks is covered by the council's Health, Safety and Welfare General Policy.

Each directorate is responsible for undertaking their own annual risk assessments with support from the Corporate Health and Safety Group.



## **7. Risk management training**

Risk management training is provided to relevant officers with the aim of ensuring that they have the skills necessary to identify, appraise and control the risks associated with the services they provide and projects that they manage. Elected members will receive training on risk so that they can consider the implications of risk whilst engaged with council activities.

## **8. Health implications**

The strategy is a key part of the council's governance framework and will contribute towards wider health policies through mitigation measures.

## **9. Equalities implications**

The strategy is considered to have no equalities implications.

## **10. Reference documents**

The strategy supports the council's Risk Management Policy.

## **11. Additional information or resources**

The related Risk Management Policy and Strategic and Operational Risk Register can be found on the intranet. Further information can be obtained from the Governance team.