

Risk Management Strategy

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1. Aim

- 1.1. The Council provides a diverse range of services and this work is guided by its core priorities from its Corporate Plan, which are defined as:
 - **Sustainable Inclusive Growth**
 - **Improving Children's Lives**
 - **Tackling Inequalities**
- 1.2. Risk management is seen as a key element in the successful achievement of the Council's priorities and it is an essential dimension of the Council's Corporate Plan. Effective risk management has a number of benefits:
 - It contributes to better decision making and to the process of achieving ambitions and priorities.
 - It provides assurance to Members and management on the adequacy of arrangements for the conduct of business and the use of resources.
 - It leads to greater risk awareness and an improved control environment, which should also lead to tangible and financial benefits, enhanced reputation and better outcomes for our residents.
- 1.3. In providing its services, the Council recognises that it has a statutory and moral duty of care towards its clients, its employees and visitors to the Borough, and for the assets that it owns. It also recognises the importance of protecting and preserving its ability to continue to provide the services.
- 1.4. The Council understands that some risks will always exist, but it will take all steps to ensure that it mitigates such risk, whilst at the same time ensuring that the services it provides are maintained. The Council will reduce the possibility of injury and loss or damage by anticipating and controlling the exposure to risk.
- 1.5. Losses are often measured in monetary terms but they can also occur in other areas. However, also understanding the breadth of hazards that the Council faces will help managers to identify the potential risks attached to providing a service and prevent the provision of an unsatisfactory service.
- 1.6. Such hazards and associated risks can be strategic or operational; the categories of risk as provided on page 12 are neither prescriptive nor exhaustive. However, they provide a framework for identifying and categorising a broad range of hazards and risks facing each service.
- 1.7. These various categories cannot be considered in isolation. For example, the *physical risks* associated with the security of a Council building can have *professional* consequences for staff fulfilling their day-to-day duties and *financial* consequences for the organisation as a whole. Therefore the Council will consider the risks associated with each of the sub-categories and their inter-relationships as part of the risk assessment process.

2. Scope

- 2.1. Managing risks is a core responsibility of every manager in close liaison with elected Members and executive directors. Corporate risk assessments (risk registers) will be undertaken as part of the community, corporate and service planning process and as a key element of service reviews.
- 2.2. The Council recognises the importance of developing the use of risk management in its dealings with 3rd parties such as partnerships, contracts and major procurements and it will use risk management to mitigate risks whilst exploring the opportunities that these arrangements can make to the achievement of ambitions and priorities.
- 2.3. Finally, the Council accepts that Insurance can only be a partial answer to reducing the financial impact of risk and that the Council may not be able to obtain Insurance cover for the majority of its exposure.

3. Risk Management Definition and Objective

3.1. The Council defines risk as:

RISK

The chance of something happening that will have an impact on the achievement of the Council's objectives, mission, ambition or priorities.

3.2. and risk management as:

RISK MANAGEMENT

A planned and systematic approach to the identification, measurement, analysis, assessment, control and subsequent monitoring of risks which could have an impact on the existence, the assets, the earnings or the personnel of the organisation and the services it provides.

- 3.3. Risk management is not simply a compliance issue, but rather it is a way of viewing its operations with a significant impact on its short or long-term viability and that risk management helps to demonstrate openness, integrity and accountability in all of the Council's activities.
- 3.4. In defining risk, a risk can also be the failure to take advantage of opportunities to optimise the achievement of its ambitions and/or priorities. The Council will also pro-actively consider positive risks (opportunities) as well as negative risks (threats).
- 3.5. In addressing risk and risk management the Council will:
- develop and maintain robust systems for identifying and evaluating all significant risks and in doing so will involve the proactive participation of all those associated with planning and delivering services.
 - put in place and maintain effective risk management systems, including systems of internal control and an internal audit function. These arrangements will aim to ensure compliance with all applicable statutes, regulations and relevant statements of best practice and to ensure that public funds are properly safeguarded and are used

economically, efficiently and effectively, and in accordance with the statutory and other authorities that govern their use.

- embed risk management into service and financial planning processes by taking account of risk assessments within the Corporate Plan, linking budgets to risk assessments of material items of income and expenditure, using risk management techniques to inform budget and performance monitoring, and basing its reserves policy on a thorough understanding of the risks that it faces.
- put in place effective arrangements for an objective review of the effectiveness of risk management and internal control.

3.6. Assurance mapping is an essential factor for effective risk management in Bury Council, focussing on three key lines of defence:



1st line of defence: management is responsible for maintaining effective internal controls for the identification, assessment and mitigation of risk. Clear lines of responsibility / ownership should be in place, along with clear and accessible risk reporting and communication lines, up to date policies, procedures, guidance and training material.

2nd line of defence: supports management to help ensure that risks and controls are effectively managed.

3rd line of defence: Internal Audit's main roles are to ensure that the first two lines of defence are operating effectively and advise how they could be improved. They develop and then deliver a programme of internal audits to provide independent reasonable assurance to senior management and members that significant risks are being addressed.

4. Roles and responsibilities

- 4.1. Risk management must be part of every manager's day to day work and they should be involved in the risk management process, applying it to the functions for which they are responsible.
- 4.2. All employees must understand their role in the process, why they should be concerned with risk, and how they can play a part in promoting risk management within the council.
- 4.3. With the support of the Risk Manager, managers should:
 - Ensure that risk management remains an effective and integral part of the Council's governance and decision-making arrangements.
 - Promote a positive risk management culture and reinforce the importance of effective risk management as part of everyone's role.
 - Implement the risk management framework and approach, and continue to develop an effective infrastructure for managing and reporting risk across the Council.
 - Clearly identify objectives, roles and responsibilities for managing risk.
 - Improve co-ordination of risk management activity throughout the Council.
 - Reduce duplication and enhance consistency between departments in managing overlapping risks.
 - Provide opportunities for shared learning on risk management across the Council.
 - Enhance the risk-taking attitude of all staff in a managed, transparent and coherent way.
 - Recognise the need to include "partnership working" and that partner organisations will have different aims, objectives and management of risk, therefore joint working and shared registers are essential.

Key Roles

- 4.4. Identifying and allocating the roles and responsibilities for risk management is essential if the Risk Management Strategy is to be developed, implemented and reviewed effectively.
- 4.5. It is recognised that the three lines of defence provide the most effective and robust assurance framework for risk management.
- 4.6. It is vital that involvement and responsibility is clear at operational level, that there are clear lines of communication to enable effective management oversight of risk activity across the Council and that there is independent scrutiny of working practices taking place with clear reporting lines through to management and governing bodies.

4.7. The allocation of key roles and responsibilities is as follows:

4.7.1. Executive Leadership Team

Role:

- to ensure that the Council manages risk effectively and achieves effective risk management through the development of an all-encompassing Risk Management Strategy
- to ensure that risk management and its implementation and effective delivery across the whole Council receives a high profile, is supported and driven from the top.

Responsibilities:

- to gain an understanding of risk management and its benefits.
- to support the corporate Risk Management Strategy.
- to promote and oversee its implementation across the Council.
- to monitor and review its effectiveness.
- to determine and allocate any inputs and resources required to support the work corporately.
- to promote a 'risk aware' culture throughout the Council.
- to make arrangements for embedding risk management into the Council's business processes and throughout individual Departments.
- to assess the wider/cross cutting implications of strategic Departmental risk assessments.
- to monitor the implementation and effectiveness of Corporate Risk Management Plans, with the specific duty to reduce the impact of the highest risks.
- to provide corporate risk assurance to elected Members at each Audit Committee meeting.

4.7.2. Senior Leadership Group

Role:

- to ensure that risk is managed effectively in each departmental and service area within the agreed Strategy.

Responsibilities:

- to identify any departmental and service specific issues relating to risk management which have not been explicitly addressed in the corporate Policy or Strategy.
- to ensure that the Strategy is implemented effectively across the relevant services.
- to undertake strategic Departmental risk assessments and prepare, and monitor the effectiveness and implementation of risk management plans.
- to oversee the preparation of operational risk assessments (risk registers) within individual service areas.
- to promote a 'risk aware' culture throughout the Department.
- to make arrangements for embedding risk management into the Department's business processes.
- to negotiate departmental budget requirements for risk control projects.
- to liaise as appropriate with external agencies in identifying and managing risk.

- to disseminate the detail of the Strategy and allocate responsibilities for implementation to service managers and staff.
- to establish the training requirements of managers and staff with responsibility for Strategy implementation, and communicate the needs to the Risk Manager who will ensure that adequate training and support is delivered.
- to work with the corporate Insurance Team in assessing departmental insurance requirements.

The Senior Leadership Group should identify a senior officer within the department to act as Risk Management Champion. With the support of the Risk Manager, this individual will co-ordinate the department's overall approach to risk management and ensure risks are effectively identified and documented.

4.7.3. Operational Managers

Role:

- to share experience on risk, risk management and strategy implementation across the Council.

Responsibilities:

- to identify areas of risk that impact on all services.
- to identify areas of risk that overlap various services.
- to share good practice on all aspects of risk management.
- to monitor the implementation and effectiveness of departmental and service risk management plans.
- to promote sound risk management practices within services.
- to assist in the promotion of a 'risk aware' culture and in embedding risk management within services.
- to support the development of the Risk Management Strategy.

4.7.4. Service Managers

Role:

- to manage risk effectively in their particular service areas.

Responsibilities:

- to implement the detail of the Risk Management Strategy.
- to recommend the necessary training for employees in risk management and communicate this to the Risk Manager who will ensure adequate support is provided.
- to undertake operational risk assessments and to maintain a risk management portfolio (risk register) for their service area(s).
- to share relevant information with colleagues in other service areas.
- to feedback on their experience of strategy implementation and perceptions of strategy effectiveness to the departmental management team.

4.7.5. Risk Manager

Role:

- Shape and lead developments in Risk across the organisation, ensuring that risk management remains an effective and integral part of the Council's governance and decision-making arrangements.

Responsibilities:

- Promote a positive risk management culture within Bury, implementing the risk management framework and approach, and continuing to develop an effective infrastructure for managing and reporting risk across the Council.
- Ensure the effective implementation and development of the Risk Management Strategy, in agreement with the Head of Fraud, Audit, Insurance and Risk, and monitor and review its effectiveness.
- Develop, implement and deliver the risk management training and development programme for the Council, both of which will be in accessible formats. Assess effectiveness of training and where appropriate and tailor the training to meet the needs of the organisation.
- Ensure the ongoing maintenance of the Corporate Risk Register, the processes underpinning it, and the promotion of a culture of risk awareness.
- Identify and communicate risk management issues to departments and services.
- Work with directorates to support the ongoing process of updating and maintaining risk registers.
- Support Services in implementing Service Risk Registers when appropriate.
- Work with Internal Audit, Fraud and the Insurance Team on any related risk management matters.

4.7.6. Internal Audit

Role:

- Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

Responsibilities:

- provide assurance on the effectiveness of the internal control framework through a risk based audit plan (derived through risk registers, and audit risk indices) covering all activities and fundamental systems of the Authority.
- challenge established risk management processes, risk identification and evaluation as part of the routine audit of activities and systems.
- undertake dedicated audits of the Risk Management Process to ensure Service Managers are using the Risk Management Toolkit and Risk Register to record, manage, and review risks, actively identifying new risks and reporting high risk upwards.

4.7.7. Governance and Assurance Board

Role:

- Identify and manage risks associated with Corporate Governance and propose measures to mitigate those risks.

Responsibilities:

- Support the Council and its departments in the effective development, implementation and review of the Risk Management Strategy.
- Review and provide guidance on the Council's risk management framework, including the identification, assessment, and mitigation of risks.
- Support the Council in ensuring that appropriate systems of internal control are maintained within service areas.

4.7.8. Elected and Audit Committee Members

Role:

- To oversee the effective management of risk by officers of the Council.

Responsibilities:

- gain an understanding of risk management and its benefits.
- require officers to develop and implement an all-encompassing approach to risk management.
- review and scrutinise risks where the impact has the potential to disrupt achievement of the Council's priorities. This is achieved by regular review and their seeking assurance that appropriate controls are implemented to manage these risks.
- approve and monitor the Risk Management Strategy.

4.7.9. Employees

Role:

- to manage risk effectively in their job.

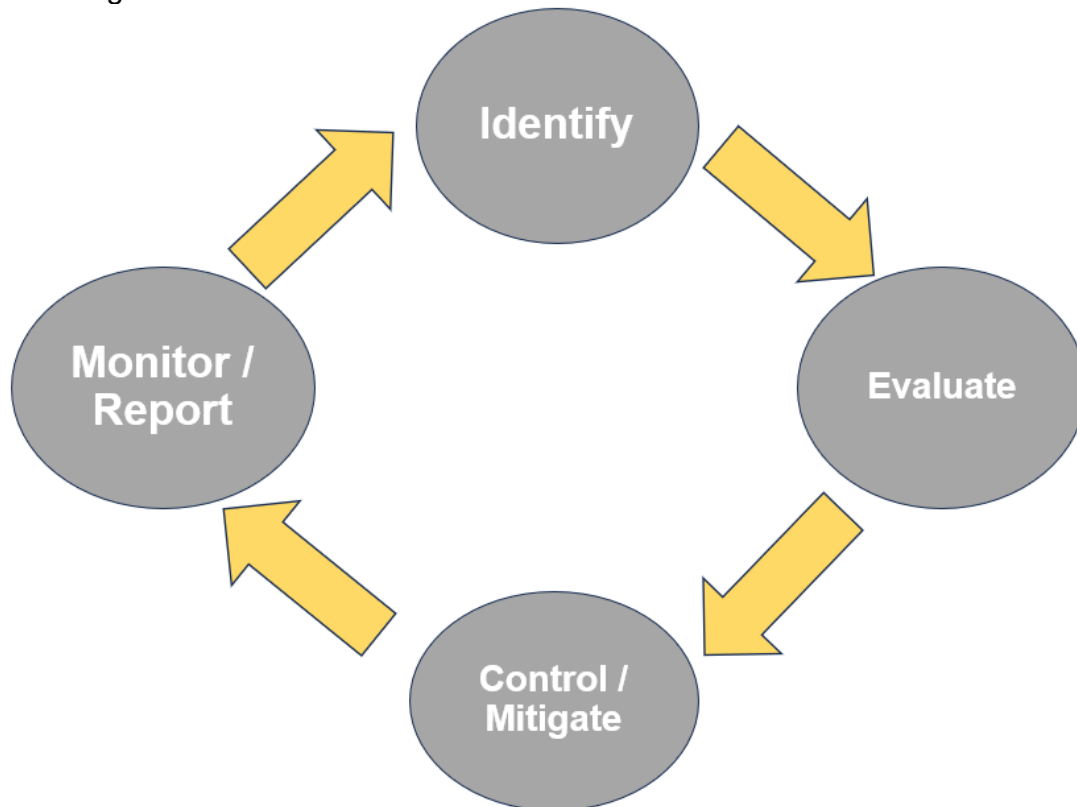
Responsibilities:

- to liaise with their line manager to assess areas of risk in their job.
- to identify new or changing risks in their job and feed these back to their line manager
- to undertake their job within the risk management guidelines set down for them by their manager.
- to ensure that the skills and knowledge passed to them are used effectively.

5. Risk Management Toolkit

The Risk Management Cycle

- 5.1. Implementing the strategy involves identifying, analysing, prioritising, managing and monitoring risks.



- 5.2. The methodology adopted by the Council is structured and systematic, and one that identifies, evaluates, prioritises and manages risk at corporate, strategic departmental and operational levels. It provides a consistent approach making best use of the risk management tools available and key aspects of the process are explained in detail below.

Engagement

- 5.3. To ensure that the Council's risk management strategy becomes a living reality, it is essential to begin its implementation by securing buy-in for the process before it starts.
- 5.4. This will be done through an on-going series of awareness sessions and engaging the Council's Members and Officers on the benefits of risk management to the organisation, to Services and to individuals.

Identification

- 5.5. An essential part of risk identification is linking them to your objectives and establish what you are trying to achieve first. Corporate, Departmental and Service Plans will cover those key objectives.
- 5.6. Once you have clear objectives, thought should be dedicated to any risks that will impact their achievement. Areas for consideration could include:
- What are the barriers in delivering Council services and objectives?
 - Consider past events and what you can learn from.
 - Look at the world around you and what's currently happening to impact objectives.
 - "Horizon scan" the immediate and long-term future; what could or might happen that will impact the Council, Department or Service?
 - Sources of risk:
 - Has anything been identified from an Internal Audit carried out?
 - Analyse complaint themes.
 - Check incident reporting themes.
 - Analyse financial and performance information.
 - Brainstorming with all stakeholders to ensure that all risks have been identified.
- 5.7. The following categories of possible risk areas can be used to act as a prompt and trigger for officers involved in the process. They ensure that a holistic approach to risk identification is taken and that the risk process does not just concentrate on operational, financial or legal risks:
- Political
 - Economic
 - Social
 - Technological
 - Legislative / Regulatory
 - Environmental
 - Competitive
 - Customer / Citizen
 - Managerial / Professional
 - Financial
 - Legal
 - Partnership / Contractual
 - Physical
- 5.8. Risks will be assessed at three distinct levels:
- **Corporate** – those risks that may prevent the Council from achieving its strategic ambitions and priorities.
 - **Departmental** - those risks that may prevent the individual Departments from meeting their objectives or from achieving their contribution to the corporate ambitions and priorities.
 - **Operational/Service** – those risks that may impact on the success of specific services.

Risk articulation

- 5.9. The information gathered from the processes above will be documented on a Risk Register template, assessed and analysed, and risk scenarios developed for the key concerns.
- 5.10. A consistent approach will be taken to assessing risks, examining for each risk identified a scenario involving a Risk (Event), Cause and Effect/Impact/Consequence. An effective risk scenario should illustrate the possible consequences of the risk if it occurs, so that its full impact can be assessed.
- 5.11. To take a holistic approach to the articulation of all risks and to ensure they are captured correctly, a key statement to use is:

“There is a risk of....as a result of....which could lead to.... “

- 5.12. An example risk scenario is provided below:

Risk (There is a risk of)	Cause (As a result of)	Effect / Impact / Consequence (Which could lead to)
An under resourced project	Failing to assign sufficient resource to a project	• Project delays/failure • An inadequate outcome • Performance adversely impacted • Additional stress for staff • Member and user criticism • Adverse publicity • Other projects jeopardised

Scoring and assessment

- 5.13. The Council operates a 5 by 5 risk matrix, where the likelihood of the risk occurring is multiplied by the impact the risk will have, to reach its overall score. **Appendix A Risk Matrix** represents an essential risk measure to enable an accurate score that reflects the impact and likelihood of the risk occurring. 3 levels of scoring should be used:
- **Original (inherent) score** – if no mitigating controls are in place (which usually remains static).
 - **Current score** – the score of the risk with all mitigating controls in place (this will/may fluctuate at each interval)
 - **Target score** – once all controls are in place and your desired level of risk (risk tolerance)

Management

- 5.14. This aspect of the risk management cycle involves:
- Deciding what level of risk is tolerable by determining the risk appetite and the acceptable risk score.

- Assessing whether to accept, control, modify, transfer or eliminate the risk.
- Documenting the rationale behind the chosen appetite/approach (mitigating controls and planned actions).
- Implementing the decision.
- Assigning ownership to manage the risk.

5.15. In coming to a view on the appropriate action the following definitions will apply:

- Accepting risks means that they will be managed within existing management routines. This should normally apply only to tolerable risks.
- Controlling risks means that additional actions are identified that will reduce the likelihood and/or impact of the relevant risk. Controls can be preventative (e.g. physical access controls), detective (e.g. alarms) and/or directive (e.g. guidance notes).
- Modifying risks means that activities, and/or the way they are carried out, are changed, because additional controls would not have the required impact.
- Transferring risk means that a third party takes responsibility for the risk e.g. by taking insurance cover.
- Eliminating risk means ceasing to carry out the activity because modifying it or controlling it would not achieve the desired risk appetite.

5.16. The potential for controlling or modifying the risks identified will be documented through the addition of the risk to Risk Registers (Corporate, Departmental and Operational/Service). Details within the register will:

- describe the risk.
- set out the potential causes and impacts/effects/consequences.
- show the risk scores (original, current, target).
- describe current and proposed mitigation actions/controls.
- identify the resources required to deliver improvements, the officer(s) and Member(s) accountable for delivering the improvements and achieving the target risk, key dates, deadlines and critical success factors/KPIs.

Monitoring and Reporting

5.17. Risk management is an on-going process and requires review and monitoring. This process will examine:

- the implementation of agreed actions.
- the effectiveness of the controls that have been put in place.
- how the risk has changed.

5.18. Where changes have occurred, the cycle will be revisited taking into account the changes and their impact on the service. The effectiveness of any control action will be judged on the basis of its success in either reducing the frequency and/or the severity of an incident/event.

5.19. Risk should be reviewed at the stage of each planned action date and when there are any changes to the risk. This could be as often as daily, but it is recommended that risks are reviewed at least every quarter and added to Corporate/Departmental/Service meeting

agendas to keep the culture and benefits of risk management flowing and ensure that new risks are identified and documented.

- 5.20. Reporting of risks will vary, depending on requirements. Corporate, Departmental, and Service/Operational Risk Registers should be analysed, and reported appropriately to Service Managers, Head of Service, Directors, Exec Directors, Corporate Governance Group and the Audit Committee respectively. The latter two areas will be undertaken by the Risk Manager, and it is expected that Service and Departmental risks are effectively monitored and reported (with the support of the Risk Manager when needed) within their own Service and Departmental arrangements. When risks reach a particular level, consideration should be given to the escalation of the risk – see **Escalation of Risks**.
- 5.21. Any risks that impact the strategic objectives of the Council should be added to the Corporate Risk Register – see **Escalation of Risks**, where this is taken to each Audit Committee meeting. The Audit Committee are tasked with the responsibility of reviewing and scrutinising risks where the impact has the potential to disrupt achievement of the Council's priorities. This is achieved by regular review and their seeking assurance that appropriate controls are implemented to manage these risks.

Escalation of Risks

- 5.22. Consideration should be given to the escalation of risks from the Service/Operational Risk Registers to either the Departmental and/or Corporate Risk Register. The high-risk scores (15-25) should be discussed at Service/Operational and/or Departmental level first, before considering if they need to be present on the next tier of register:
- **Service/Operational to Departmental Risk Register:**
 - does the particular risk impact the whole of the Department and its objectives?
 - is the service risk crosscutting to other services within that department?
 - Although the score may be high, is it appropriate to be monitored/reviewed at a departmental level, or agreed that it should be left at service level, with the necessary arrangements in place for close monitoring?
 - discuss/agree at senior management level before any escalation.
 - **Departmental to Corporate Risk Register:**
 - does the particular risk impact the whole of the Council and its objectives?
 - is the departmental risk crosscutting to other departments within the Council?
 - will the risk stop the Council from achieving its priorities?
 - although the score may be high, is it appropriate to be monitored/reviewed at a corporate level, or agreed that it should be left at departmental level, with the necessary arrangements in place for close monitoring?
 - complete Corporate Risk Register addition document – see Appendix B
 - discuss/agree at executive level before any escalation.

Training

- 5.23. The Council recognises that it is essential that staff at all levels are aware of the importance of Risk Management and that all staff:
- Understand what risk management is and how the Council aims to manage risk effectively.
 - Understand their responsibilities for managing risk.
 - Have the necessary skills and knowledge to meet their responsibilities.
 - Maintain a holistic approach to risk management.
- 5.24. Training will be provided on a structured and tailored basis by the Risk Manager and will be offered in accessible formats. It will recognise the roles and responsibilities that individuals play in the process, and for those who are directly responsible for or can influence the management of significant risk.
- 5.25. For any training needs and requirements, please contact the Risk Manager at riskmanagement@bury.gov.uk.

APPENDIX A – Risk Matrix

Quantitative Measure of Risk – Impact / Consequence Score

	Impact / Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
AT RISK	Very Low	Minor	Moderate	High	Severe
EXAMPLES : NEW POLITICAL ARRANGEMENTS, POLITICAL PERSONALITIES, POLITICAL MAKE-UP					
POLITICAL Associated with the failure to deliver either local or central government policy or meet the local administrations manifest commitment	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.
EXAMPLES : COST OF LIVING, CHANGES IN INTEREST RATES, INFLATION, POVERTY INDICATORS					
ECONOMICAL Affecting the ability to meet financial commitments. These include budgetary pressures, the failure to purchase adequate insurance cover, external macro level economic changes or proposed investment decisions	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.
EXAMPLES : STAFF LEVELS FROM AVAILABLE WORKFORCE, AGEING POPULATION, HEALTH STATISTICS					
SOCIAL Relating to the effects of changes in demographic, residential or social economic trends on council's ability to meet its objectives	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.

	Impact / Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
AT RISK	Very Low	Minor	Moderate	High	Severe
TECHNOLOGICAL 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. May also include consequences of internal technological failures on the Council's ability to deliver its objectives	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.
EXAMPLES : HUMAN RIGHTS, TUPE REGULATIONS, DATA PROTECTION					
LEGISLATIVE/LEGAL Associated with current or potential changes in national or European law	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.
EXAMPLES : LAND USE, RECYCLING, POLLUTION, WASTE MANAGEMENT					
ENVIRONMENTAL Relating to the environmental consequences of progressing the council's strategic objectives	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.

	Impact / Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
AT RISK	Very Low	Minor	Moderate	High	Severe
EXAMPLES : STAFF RESTRUCTURE, CAPACITY, TRAINING, WORKFORCE NEEDS					
PROFESSIONAL / MANAGERIAL Associated with the particular nature of each profession, internal protocols	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.
EXAMPLES : BUDGET OVERSPENDS, LEVEL OF COUNCIL TAX, LEVEL OF RESERVES					
FINANCIAL Associated with financial planning and control	Small Loss>£100 The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	Loss>£1,000 The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	Loss>£10,000 The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	Loss>£100,000 The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	Loss>£1,000,000 The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.
EXAMPLES : SECURITY, ACCIDENTS, HEALTH & SAFETY, HAZARDS, FIRE					
PHYSICAL Related to fire, security, accident prevention and health and safety	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.

	Impact / Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
AT RISK	Very Low	Minor	Moderate	High	Severe
EXAMPLES : CONTRACTOR FAILS TO DELIVER, PARTNERSHIP AGENCIES WITH CONFLICTING GOALS					
PARTNERSHIP/CONTACTUAL Associated with failure of contractors and partnership arrangements to deliver services or products to the agreed costs and specification	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.
EXAMPLES : STANDARDS NOT MET, ACCREDITATION,					
COMPETITIVE Affecting the competitiveness of the service (in terms of cost or quality) and /or its ability to deliver best value	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.
EXAMPLES : MANAGING EXPECTATIONS, COMPLAINTS, CONSULTATION, COMMUNICATION EXTERNALLY					
CUSTOMER/CITIZEN Associated with failure to meet the current and changing needs and expectations of customers and citizens	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.

Qualitative measure of risk – Likelihood Score

Descriptor	1	2	3	4	5
	Rare	Unlikely	Possible	Likely	Almost certain
Frequency Time framed descriptors	Not expected to occur for years	Expected to occur annually	Expected to occur monthly	Expected to occur weekly	Expected to occur daily
Frequency Broad descriptors	Will only occur in exceptional circumstances	Unlikely to occur	Reasonable chance of occurring	Likely to occur	More likely to occur than not occur
Probability	1-9% chance	10-24% chance	25-50% chance	51-80% chance	81% or higher

Quantification of the Risk – Risk Rating Matrix

			Likelihood				
			1	2	3	4	5
			Rare	Unlikely	Possible	Likely	Almost certain
Impact / Consequence	5	Severe	5	10	15	20	25
	4	High	4	8	12	16	20
	3	Moderate	3	6	9	12	15
	2	Minor	2	4	6	8	10
	1	Very Low	1	2	3	4	5

APPENDIX B – Corporate Risk Register Addition

Corporate Risks are events and circumstances which have the potential to disrupt the Council's ability to meet its strategic and operational objectives.

New and emerging Risks should be identified through effective risk management processes, and this form has been prepared to escalate these risks to the Corporate Risk Register.

Please liaise with the Risk Manager for support and guidance and return the form to riskmanagement@bury.gov.uk.

Risk Title	
Risk Description	

Risk Owner	
Department	

Responsible Officer	Risk Action Status	Trend
		New

Original Score (no controls)			Current Score (with controls)			Target Score		
Likelihood	Impact	Score L x I	Likelihood	Impact	Score L x I	Likelihood	Impact	Score L x I

Key Potential Impacts	Current Controls	Planned Actions
•	•	•

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To be completed by the Risk Manager:

For Exec approval	To be presented to Audit Committee	Next Risk Review