



Doncaster Council

Report

Date: 31st January 2019

To the Chair and Members of the
AUDIT COMMITTEE

RISK MANAGEMENT STRATEGY

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Mayor Ros Jones	N/A	No

EXECUTIVE SUMMARY

1. Audit Committee have a role to consider the effectiveness of the council's approach to risk management and seek assurance that action is being taken in risk related issues. The purpose of this report is to represent the revised Risk Management Strategy that incorporated recommendations made at the last Audit Committee meeting. Attached as Appendix A

EXEMPT REPORT

2. Not applicable.

RECOMMENDATIONS

3. The Chair and Members of the Audit Committee are asked to note and comment on the report

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

4. The embedding of robust risk management arrangements within the Council incorporating the management of strategic risks creates an environment in which we can successfully meet our objectives to deliver Doncaster's priorities and the Mayoral Priorities Outcome Framework

BACKGROUND

5. The objective of the Risk Management Strategy is to embed risk management within the Council's planning and business processes and organisational culture, creating an environment in which objectives are successful and continuous improvement in service delivery is achieved.
6. Over the past few years the Council's approach to risk management has been developed and improved. This has resulted in a more transparent approach aligned to the Management of Risk principles, stronger governance and clearer levels of responsibility.
7. The Council's current approach to risk management has been reviewed by the Corporate Strategy & Performance Team. It has been revised to reflect the results of a Risk Management review undertaken by Internal Audit and to ensure our approach continues to be fit for purpose. The Internal Audit report stated that 'there is a clear and documented process in place for the management of strategic risks, the current process appears to be working well and is firmly embedded. For service/operational risks, the audit review did demonstrate a general lack of compliance. The revised approach sees the amalgamation of the current risk documents into one key document with a focus on:
 - streamlining and simplifying our approach to focus on the main themes within the Strategy without losing the corporate grip (merging the three documents that made up the Risk Management Framework into a Strategy document);
 - Outlining a risk appetite;
 - Ensuring risks are owned and managed within service areas;
 - Embedding the updating and reviewing of operational risks into the Resource Management process;
 - Standardising the approach to managing risks within transformational programmes/projects by utilising Pentana, the Council's electron performance management system;
 - Adding a date field to the 'target risk' profile;
8. The changes also reflect the outcomes of an informal discussion with Audit Committee during the review of the Risk Management approach. Specifically the addition of a date field to the target risk profile and the further embedding of risk management at an operational level.
9. This Risk Management Framework has already been to Audit Committee and is being represented for consideration with the recommended changes around:
 - being more specific about our 'risk appetite' (page 2 & 3);
 - Making sure the 'review and embed' element references the importance of evaluation (page 5, 9 and 10)

To make it easier to review the amendments Appendix B highlights the original text and the amended version.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

10.

Outcomes	Implications
<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future; Better access to good fulfilling work Doncaster businesses are supported to flourish Inward Investment</p>	<p>The embedding of robust risk management arrangements within the Council will contribute to the effective delivery of all the Council's key priorities</p>
<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time; The town centres are the beating heart of Doncaster More people can live in a good quality, affordable home Healthy and Vibrant Communities through Physical Activity and Sport Everyone takes responsibility for keeping Doncaster Clean Building on our cultural, artistic and sporting heritage</p>	
<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling; Every child has life-changing learning experiences within and beyond school Many more great teachers work in Doncaster Schools that are good or better Learning in Doncaster prepares young people for the world of work</p>	
<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents; Children have the best start in life Vulnerable families and individuals have support from someone they trust Older people can live well and independently in their own homes</p>	
<p>Connected Council: A modern, efficient and flexible workforce Modern, accessible customer interactions Operating within our resources and delivering value for money A co-ordinated, whole person, whole life focus on the needs and aspirations of residents Building community resilience and self-reliance by connecting community assets and strengths Working with our partners and residents to provide effective leadership and governance</p>	

RISKS AND ASSUMPTIONS

11. Consideration of the effective development and operation of risk management within the Council is an important governance and performance management process which helps reduce risks that could prevent or delay delivery of objectives.
12. Reviewing the Council's approach to risk management is a matter of good management and good governance. Failure to carry out basic management and governance processes could lead to a risk that our policies and systems are not fit for purpose and lead to a risk to the credibility of the council.

LEGAL IMPLICATIONS [Officer Initials SRF Date 15/10/2018]

13. There is no specific requirement for a local authority to have a Risk Management strategy but it is considered good practice to do so. Further legal advice is available to deal with arising risks on a project by project basis.

FINANCIAL IMPLICATIONS [Officer Initials AT Date 15/10/2018]

14. There are no direct financial implications arising from this report's recommendations. Should any specific initiatives or actions be required in response to the identification and management of risks, any cost implications will be considered at that time.

HUMAN RESOURCES IMPLICATIONS [Officer Initials RH Date 15/10/18]

15. There are no direct human resources implications resulting from this report.

TECHNOLOGY IMPLICATIONS [Officer Initials PW Date 15/10/2018]

16. There are no direct technology implications resulting from this report.

HEALTH IMPLICATIONS [Officer Initials RS Date 15/10/2018]

17. Good governance and risk management is crucial to improve health and wellbeing. This approach to risk management should contribute to improving health and wellbeing.

EQUALITY IMPLICATIONS [Officer Initials SW Date 09/10/2018]

18. There are no specific equality implications arising from this report. However, any activities arising from the management of risks may be the subject of separate 'due regard' assessments.

BACKGROUND PAPERS

19. The previous Risk Management Framework and a risk review report from Internal Audit and minutes from the last Audit Committee meeting.

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Risk Management Strategy

Version	Date	Author	Comments/Modification
1.0	15/10/2018	SW	Review in response to Internal Audit report
1.1	15/01/2019	SW	Additional amendments requested by Audit Committee

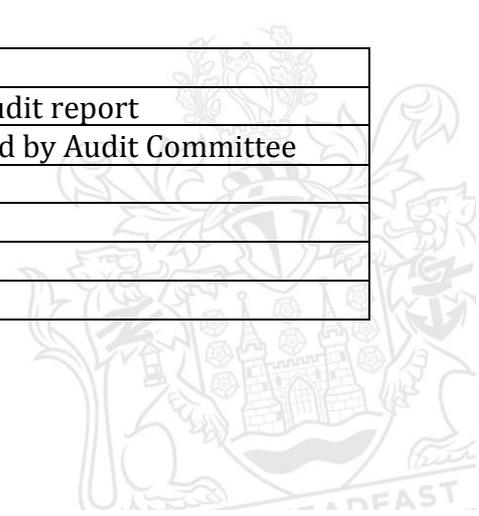


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Introduction

Doncaster Council recognises that risk management is an integral part of good governance and management practice. Managing our risks effectively contributes to the delivery of the strategic and operational objectives of the authority. We strive to embed risk management within our planning and business processes and into our organisational culture, creating an environment in which we can successfully meet our objectives and achieve continuous improvement in service delivery. Our Risk Management Strategy is designed to provide structure and guidance to support our organisation, and the individuals within it, to take positive risks in an informed way.

This Strategy forms part of a suite of documents, that when combined, make up the Corporate Performance Management Framework.

What is Risk Management?

Risk is an uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives.

Risk Management is the process by which we identify, evaluate and manage risks.

Risk Management should be viewed as a positive and enabling process that, if embraced, can help an organisation to achieve positive outcomes from the decisions it makes. All too often, risk management can become a process of identifying the negatives of why a decision, action or opportunity should not be taken; this leads to opportunities not being pursued.

Risk management is not a process of completely avoiding risk, but more a process that, if used effectively, can help The Council to pursue innovative

opportunities with higher levels of risk because exposure to risk is understood and managed down to acceptable levels.

Every organisation manages risk but not always in a way that is visible, repeatable and consistently applied throughout the organisation. A risk management process tries to ensure that the organisation undertakes cost-effective actions to manage and control risk to acceptable levels, through everyone following a well-defined and structured process. The aim of risk management is to enable better decision making, by having the best understanding of the potential problems before they happen and to enable pre-emptive action to be taken.

Risk Management is also an essential part of the CIPFA/SOLACE framework 'Delivering Good Governance in Local Government' recommended as good practice for all Local Authorities.

Risk Appetite

In order for The Council to achieve its objectives some amount of risk taking is inevitable. By being 'risk aware' The Council can identify and avoid threats and take advantage of opportunities.

Risk appetite can be defined as 'the amount and type of risk that an organisation is willing to take in order to meet their strategic objectives.'

Our risk appetite reflects our current position; encouraging managed risk taking for minor to moderate level risks, but controlling more closely those risks that come further up the scale. Our appetite for risk will vary over time depending on our ambitions and priorities and the environment we work in.

The chart below shows the Corporate Risk Matrix that the Council has adopted. Typically those risk that, when mitigated, lie in the green or yellow zone lie within the accepted appetite. Those that are red zone fall outside of our risk appetite and must be a priority for immediate management action.

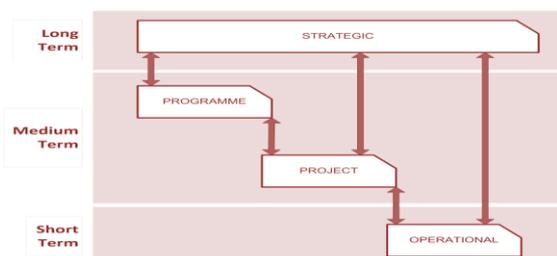
		Impact on objectives					
		<i>slight</i>	<i>moderate</i>	<i>significant</i>	<i>major</i>	<i>critical</i>	
		1	2	3	4	5	
Likelihood	Very Likely	5	L	M	M	H	H
	Likely	4	L	M	M	H	H
	Possible	3	L	M	M	M	M
	Unlikely	2	L	L	M	M	M
	Very unlikely	1	L	L	L	L	L

To ensure a consistent application of the risk appetite all relevant information is recorded on Pentana, The Councils performance management system, and is subject to regular review as part of the 'Resource Management' process

The risk appetite is reviewed periodically or when there are significant changes to the organisation.

When to Implement Risk Management

Risk Management should be most rigorously applied where critical decisions are being made. Decisions about risk will vary depending on whether the risk relates to long, medium or short-term goals. Strategic decisions are primarily concerned with long-term goals, medium-term goals are usually addressed through programmes and projects to bring about business change and short-term goals usually ensure on-going continuity of business services. This approach is shown in the diagram below.



Roles and Responsibilities

Clear roles and responsibilities have been established to ensure the successful implementation of The Councils Risk Management Strategy and ensure Officers and Members are aware of the part they will play to introduce, embed and own the risk management process.

Chief Executive:

- Ultimate officer responsible for embedding risk management throughout The Council.

Elected Members:

- Receive reports outlining strategic risks;
- Attend awareness training where relevant;
- Adopt the Risk Management Strategy;
- They should also have due regard to the risks facing the authority in determining its policy and ensure a balance between managed risk taking in order to enable improved services and the achievement of objectives and risk control to protect the reputation and assets of the Authority.

Cabinet:

- Consider and approve the Risk Management Strategy;
- Monitor the Strategic Risk Register.

Audit Committee:

- Consider the effectiveness of the risk management arrangements within The Council;
- Seek assurance that action being taken in risk related issues determined by Auditors and Inspectors;
- Be satisfied that the Annual Governance Statement properly reflects the risk environment and actions to improve it;

Directors:

- Monitor performance to ensure the effective management of critical risks and the implementation of the Risk Management Policy and Process Guide, for the quarterly performance reporting process.

Directorate Management Teams:

- Apply the Risk Management Strategy and Process Guide within the service area they manage following the current guidance;
- Identify risks for major projects and contracts;
- Assess & prioritise risks;
- Ensure Pentana is updated in line with the quarterly performance reporting process.

Service Managers:

- Manage risks in their service areas;
- Identify and develop staff competencies in risk management through the staff appraisal process.

Employees

- Assess risks in their service area in association with service managers;
- Recognise and accept responsibility for risk management for self and others.

Corporate Strategy & Performance Unit:

- Develop the Risk Management Strategy (including an annual review);
- Corporate advisor of risk at strategic and operational level;
- Promote a positive culture of risk awareness within the organisation and to all partners;
- Continual development and maintenance of the corporate risk registers;
- Regular reporting of strategic risks;
- Design and implement risk management training;

- Provision of corporate and service based risk management advice and support as required.

Internal Audit

- Challenge established process, risk identification and evaluation and provide assurance to officers and members, when appropriate, on the effectiveness of controls;
- Feed the results of risk analysis onto its annual audit plan;

Monitoring, Reviewing & Reporting Risks

The Pentana Performance Management System is used to record, monitor and report on all risk registers and progress against all mitigating actions.

Reviewing the progress and mitigating actions against the operational and strategic risk registers is embedded in the quarterly Resource Management process. The Resource Management process informs the contents of reports to Director, Executive Board, Cabinet and Overview and Scrutiny Management Committee. The quarterly Strategic Risk update will also be presented at Audit Committee.

Strategic risks will be monitored at corporate level and operational risks will be monitored and reviewed at directorate level. Risks may be promoted and demoted as part of the quarterly Resource Management process or at any Directors Meeting. This will allow The Council to effectively react to changes in priorities.

Review

The Risk Management Strategy will be reviewed on an annual basis to incorporate lessons learned and to

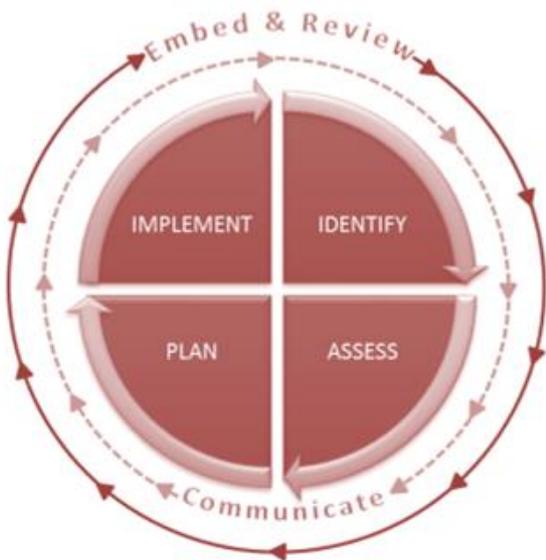
continually improve our risk management arrangements.

Risk Management Process Guide

This section outlines the detailed process required to introduce and embed risk management. The risk management process is based on good practice and can be applied at all levels of the organisation and beyond.

The management of risk process is divided into four primary elements:

- Identify
- Assess
- Plan
- Implement



Additionally, the 'Communicate' and 'Review and Embed' activities operate through each stage. This is to ensure activity is constantly evaluated throughout the life cycle of the risk.



Identify

The primary goal of the 'Identify' step is to identify the risks to The Council that would reduce or remove the likelihood of The Council achieving its objectives, whilst

maximising opportunities that could lead to improved performance.

A risk is defined as: 'An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives'.

An opportunity is defined as 'an uncertain event that could have a favorable impact on objectives or benefits'.

The starting point to identifying risks and/or opportunities is therefore clarity on what the objectives are. The Council's Priorities and key objectives are identified in the Corporate Plan. Objectives in Projects and/or Partnerships are identified in the initiation documents.

When describing a risk it is good practice to consider 3 key terms, **cause, event and effect**. The following prompts may be used to ensure risks are effectively identified and described.

As a result of
(cause)
There is a threat/opportunity.....
(event)
That could lead to
(effect)

When creating a list of potential risks it is sometimes easier to focus on categories of risks. The categories of risk that have been adopted by Doncaster Council can be viewed in Appendix A.

For effective risk management, it is critical that each risk has an 'owner' who is responsible for dealing with the risk, ensuring that all internal controls are working and that relevant mitigating actions are taken. The role involves regularly monitoring the risk status and adjusting risk ratings accordingly, based on current information and knowledge.

Some risks identified will already have measures in place to control the impact or likelihood of the risk occurring. To be effective these internal controls should be demonstrated by policy, procedure or practice. Controls can be classified in four ways:

- **Directive controls:** these controls are designed to ensure that a particular outcome is achieved. They are particularly important when it is critical that an undesired event should be avoided. An example of directive controls would be training staff with required skills before allowing them to work unsupervised.
- **Preventive controls:** these controls are designed to limit the possibility of an undesirable outcome being realised. The more important it is that an undesirable outcome should not arise; the more important it becomes to implement appropriate preventive controls. An example of preventive control is separation of duties (e.g. the person who authorises payment of an invoice is separate from the person who ordered the goods, thus preventing one person securing goods at public expense for their own benefit).
- **Detective controls:** These controls are designed to identify occasions when undesirable outcomes have been realised. These types of control, by definition, occur 'after the event'. An example of detective control is an asset check (this might identify assets that have been removed without authorisation).
- **Corrective control:** These controls are designed to correct undesirable outcomes, which have been realised. They provide a route of recourse to achieve some sort of recovery against

loss or damage. An example of a corrective control is 'claw back' for staff who have been overpaid.

A key question is whether the existing controls are adequate or whether further controls / solutions are required to effectively manage the risk.

Assess



The primary goal in the 'Assess' step is to understand the effect of the identified threats and opportunities on the activity. In order to decide which risks are most important and merit most attention, there needs to be some way of comparing risks relative to each other. Using a score to rate risks provides a quantitative basis for comparison and can be achieved by assessing the risk along two dimensions:

- The **likelihood** (or probability) that the risk will occur.
- The **impact** (or severity) that the risk will have if it occurs.

The first evaluation should be undertaken on the 'inherent risk' i.e. the risk before any controls have been put in place. This is to ensure that all significant risks are highlighted and assurance provided that these risks are being managed. If you only assess the risk after controls have been put in place, 'residual risk', then you are assuming that the controls will always be there. The inherent and residual risk scores are calculated using the following equation:

Likelihood score x Impact score

The impact of a risk is often considered in terms of the level of severity. Establishing a consistent approach for scoring the risk impact is more complex than likelihood as it will vary by risk category. For consistency a table that outlines elements

Risks rated Low – Entered onto Pentana, linked to the relevant actions and reviewed annually.

Risks rated Medium - Entered onto Pentana, linked to the relevant actions, controls and mitigating actions recorded and reviewed quarterly as part of the Resource Management process

Risks rated High– Entered onto Pentana, linked to relevant actions, additional controls and mitigating actions recorded, reviewed quarterly as part of the Resource Management Overview meetings and the Resource Management process

to consider in terms of their impact from a number of perspectives can be viewed at Appendix B. The criterion against each score are to be used as a guide and is not exhaustive. This table can be personalised by service areas to take account of their own perspectives. When using this approach if more than one perspective applies choose the column containing the more serious outcome.

Likelihood is often considered in the context of ‘what timescale the risk might occur within, or what frequency’. A table that contains descriptions for the risk event with an associated score for each descriptor can be viewed at Appendix C.

A target profile is input onto Pentana. This is to demonstrate where the risk will be managed down to and by what date the target profile is expected to be achieved.

The Council uses the 5 x 5 risk matrix to display its risk profiles. This allows us to align with partner organisations, improve the scope for a flexible risk appetite and

distinguish between serious and critical events.

The risk rating corresponds to the traffic light status below.

Plan

The primary goal of the ‘Plan’ step is to prepare specific management responses to the threats and opportunities identified, to remove or reduce these threats, and to maximise the opportunities.

Once the risks have been identified and assessed, appropriate management action needs to be taken. The ‘Four Ts’ is the generic approach that can be used when planning how to manage a risk or opportunity:

Tolerate: The risk is accepted making limited, if any, efforts to mitigate it or reduce its likelihood/impact. This may be because the cost of mitigation exceeds the consequence of the risk.



Transfer: The risk rating is reduced by transferring the risk to a third party by changing contractual terms. Typically this would mean The Council discontinuing the activity that gives rise to the risk, and sub-contracting/outsourcing that activity to another organisation. Other alternatives include insurance or private finance initiatives.

Treat: Actions will be taken to reduce the risk, possibly by putting in additional controls.

Terminate: The activity that gives rise to the risk will cease, be avoided or altered, thus eliminating the risk.

With the exception of taking a ‘tolerate’ approach, mitigating actions will need to be developed and monitored in order to effectively manage the risk.

The risk, the risk profile and the mitigating action against each activity are recorded collectively in the form of risk registers. All corporate risk registers within The Council are recorded on Pentana, and monitored and reviewed in line with this Risk Management Strategy.

Programme and Project risks must be managed in line with this Risk Management Strategy but may contain bespoke elements to meet the needs of the programme/project, for example a tailored impact or likelihood guide or a reporting cycle. This approach compliments the principles in ‘Managing Successful Programmes’ (MSP).

Risk Registers are structured under the following headings on Pentana:

Operational Risk Register: All risks identified with the delivery of the Service.

Strategic Risk Register: Any risk from the operational risk register that may prevent or delay the delivery of The Council’s shared priorities, or that may prevent or delay the delivery of the internal cross-cutting actions needed by The Council to improve performance and underpin the Borough Strategy may be elevated to a Strategic Risk. In addition new or emerging risks may be added directly to the strategic risk register either through the Resource Management process or from the weekly Directors Meeting.

Programme & Project Register: All risks associated with the delivery of high level programmes and projects.

Fraud Risk Register: The Fraud Risk Register is a specific register dedicated to the assessment, monitoring and treatment of the risks relating to fraud and corruption. It is an integral part of the Risk Management strategy designed to focus attention on minimising the damage caused by fraud and corruption and on upholding The Council’s principles of zero tolerance to fraudulent and corrupt activity. The fraud risk register will be used by both management and Internal Audit Services to focus anti-fraud and corruption resources and training on raising the awareness of fraud and corruption and its associated effects.



Implement

The primary goal of the ‘Implement’ step is to ensure that the planned risk management actions are implemented and monitored as to their effectiveness, and corrective action is taken where responses do not match expectations.

Pentana is used to record, monitor and report on all corporate risk registers and progress against all mitigating actions.

- Operational risks will be reviewed at directorate level as part of the Resource Management process.
- Strategic risks will initially be reviewed as part of the Resource Management process and then as part of the Resource Management Overview meeting. These risks will then be reported to Executive Board, Cabinet and Audit Committee.
- Fraud Risk will be regularly reviewed and reported upon by The Council’s Internal Audit function.
- Programme and Project risks will be directly managed within the

governance of the programme or project. If the programme or project is part of The Council's transformation approach these will also be reviewed as part of the Resource management process



Communicate

'Communicate' is not a distinct step in the management of risk process, it is an activity that is carried out throughout the whole process. Doncaster Council's exposure to risk is never static: effective communication is key to the identification of new threats and opportunities, or changes in existing risks.

The implementation of risk management is dependent on participation, and participation, in turn, is dependent on communication. It is important for managers to engage with staff across The Council to ensure that:

- Everyone understands The Council's Risk Management Strategy in a way that is appropriate to their role. If this is not achieved, effective and consistent embedding of risk management will not be realised and risk priorities may not be addressed;
- Everyone understands the benefits of effective risk management and the potential implications if it is not done or is done badly;
- Each level of management actively seeks and receives appropriate and regular assurance about the management of risk within their control. Effective communication provides assurance that risk is being managed within the expressed risk appetite and that risks exceeding tolerance levels are being escalated;

- There is no misunderstanding over the respective risk priorities within and across business perspectives. This will help management to avoid being diverted from the most significant risks and will enable appropriate levels of control to be applied;

- Any organisation providing outsourcing services has adequate risk management skills and processes. Gaining assurance that a partner organisation has implemented adequate risk management for itself will avoid dependence on a third party that may fail to deliver in an acceptable way, or may not deliver at all.



Embed & Review

How an organisation manages its risks demonstrates a part of that organisation's core values and improves stakeholder's confidence in the organisation's ability to cope and manage its risks.

Doncaster Council needs to ensure that risk management has been integrated successfully, has the necessary support, is addressed in an appropriate way and is successful. Key indicators that demonstrate that the management of risk culture had been embedded are:

- The understanding of risk management policies and the benefits by all staff;
- The existence and operation of a transparent and repeatable risk management framework;
- The support by the organisational culture of well thought-through risk taking innovation;
- The close linking of management of risk with the achievement of objectives;

- The explicit assessment and management of the risks associated with working with partners;
- The active monitoring and regular review of risks;
- The reporting of risks to management in a timely manner (together with sufficient information to enable risk treatment to be developed) and the escalation of risks within appropriate timescales if they develop.

As the management of risk is a live process it is vital to constantly review and evaluate during all elements of the process. Mitigating actions can be amended to target emerging issues throughout the life cycle of the risk and to ensure the desired outcomes are delivered.



Corporate Governance

Good governance is about getting things right first time. It is about demonstrating legitimate leadership, respecting the democratic process, making proper and timely decisions, managing risk and allocating resources for valid reasons.

Good governance principles should be instilled in everything that we do at every level of the organisation. It is embedded in a number of key policies and procedures maintained and published by The Council. Compliance with these policies and procedures is the key to instilling good governance throughout Doncaster Council and the Risk Management Strategy, as part of the Performance Management Framework, has been identified as a key governance document.

APPENDIX A

Categories of Risk

- **Equipment** – this extends to the equipment utilised for the operation and conduct of The Council.
- **Financial** – e.g. budgetary requirements.
- **Fraud** – this relates to the assessment, monitoring and treatment of risks relating to fraud and corruption. There is the potential for fraud to occur within each of the categories. Therefore, the risk of the occurrence of fraud should be considered when identifying risks within each category.
- **Legal/compliance** – this category includes compliance with legal requirements such as legislation, regulations, standards, codes of practice and contractual requirements.
- **Organisational** – this relates to the internal requirements of The Council, extending to the cultural, structural and people issues associated with its effective operation.
- **Reputation** – this entails the threat to the reputation of The Council due to the conduct of the entity as a whole, the viability of the product or service, or the conduct of employees or other individuals associated with The Council.
- **Safety** – this category includes the safety of everyone associated with the authority from individual safety, to workplace safety, public safety and to the safety and appropriateness of products and services delivered by The Council.
- **Security** – this includes the overall security of council premises, assets and people and extends to security of information, intellectual property and technology.
- **Service Delivery** – this relates to the delivery of services, including the quality and appropriateness of service provided, or the manner in which the service is delivered, including customer interaction.
- **Stakeholder Management** – this category relates to the management of stakeholders, and includes identifying, establishing and maintaining an appropriate relationship. This includes both internal and external stakeholders.
- **Strategic** – this includes the planning, scoping and resourcing requirements of the establishment.
- **Technology** – this includes the implementation, management, maintenance and upgrades associated with technology.

APPENDIX B

Impact Table

IMPACT	PERSPECTIVE							
	Personal safety	Property damage	Failure to provide statutory service	Financial loss	Disruption in service (days)	Privacy infringement	Community	Embarrassment
1 = Slight				<£10k	None			
2 = Moderate	Minor injury	Minor damage to 1 property	Litigation, claim or fine £2k to £50k	£10k to £100k	1	Isolated personal detail comprised	Impact on an individual or small group	Contained within service
3 = significant	Major injury to an individual	Significant damage to small building or minor damage to several	Litigation, claim or fine £50k to £250k	£100k to £500k	2-3	Several persons details revealed	Impact on a local community	Local public or press interested
4 = Major	Major injury to several people or death of an individual	Major damage to critical building or serious damage to several properties	Litigation, claim or fine £250k to £1m or custodial sentence imposed	£500k to £1m	4-14	Several persons details comprised	Impact on several communities	National public or press interested
5 = Critical	Death of several people	Total loss of critical building	Multiple civil or criminal actions. Litigation, claim or fine above £1m	>£1m	>14	All personal details revealed / comprised	Impact on whole of the borough	Officer(s) and/or members forced to resign

APPENDIX C

Likelihood Table

Score	Descriptor	Description
5	Very likely	I would not be at all surprised if this happened within the next few months.
4	Likely	I think this could occur sometimes in the coming year or so.
3	Possible	I think this could maybe occur at some point, but not necessarily in the immediate future.
2	Unlikely	I would be mildly surprised if this occurred, but cannot entirely rule out the possibility.
1	Very unlikely	I would be very surprised to see this happen, but cannot entirely rule out the possibility.

Original text**How much risk can we accept?**

In order for The Council to achieve its objectives some amount of risk taking is inevitable. By being 'risk aware' The Council can identify and avoid threats and take advantage of opportunities. Doncaster Council has focused on the Red, Amber, Green status of risks in determining the risk appetite of the organisation. Red risks are considered unacceptable and every effort must be made to reduce the risk to the organisation.

		Impact on objectives				
		slight 1	moderate 2	significant 3	major 4	critical 5
Likelihood	Very Likely 5	L	M	M	H	H
	Likely 4	L	M	M	H	H
	Possible 3	L	M	M	M	M
	Unlikely 2	L	L	M	M	M
	Very unlikely 1	L	L	L	L	L

To ensure a consistent application of the risk appetite all relevant information is recorded on Pentana, The Councils performance management system, and is subject to regular review as part of the 'Resource Management' process

The risk appetite is reviewed periodically or when there are significant changes to the organisation.

Revised text**Risk Appetite**

In order for The Council to achieve its objectives some amount of risk taking is inevitable. By being 'risk aware' The Council can identify and avoid threats and take advantage of opportunities.

Risk appetite can be defined as 'the amount and type of risk that an organisation is willing to take in order to meet their strategic objectives.

Our risk appetite reflects our current position; encouraging managed risk taking for minor to moderate level risks, but controlling more closely those risks that come further up the scale. Our appetite for risk will vary over time depending on our ambitions and priorities and the environment we work in.

The chart below shows the Corporate Risk Matrix that the Council has adopted. Typically those risk that, when mitigated, lie in the green or yellow zone lie within the accepted appetite. Those that are red zone fall outside of our risk appetite and must be a priority for immediate management action.

		Impact on objectives				
		slight 1	moderate 2	significant 3	major 4	critical 5
Likelihood	Very Likely 5	L	M	M	H	H
	Likely 4	L	M	M	H	H
	Possible 3	L	M	M	M	M
	Unlikely 2	L	L	M	M	M
	Very unlikely 1	L	L	L	L	L

To ensure a consistent application of the risk appetite all relevant information is recorded on Pentana, The Councils performance management system, and is subject to regular review as part of the 'Resource Management' process

The risk appetite is reviewed periodically or when there are significant changes to the organisation.

Original text – page 5

Additionally, the 'Communicate' and 'Review and Embed' activities operate through each stage.

Revised text – page 5

Additionally, the 'Communicate' and 'Review and Embed' activities operate through each stage. This is to ensure activity is constantly evaluated throughout the life cycle of the risk.

New paragraph – page 10

As the management of risk is a live process it is vital to constantly review and evaluate during all elements of the process. Mitigating actions can be amended to target emerging issues throughout the life cycle of the risk and to ensure the desired outcomes are delivered.