



Report of:	Meeting	Date
Corporate Director Resources (Section 151 Officer)	Audit Committee	16 November 2021

ANNUAL REVIEW OF THE COUNCIL'S RISK MANAGEMENT POLICY

1. Purpose of report

- 1.1 To review and approve the council's refreshed Risk Management Policy following the purchase of new risk management software (GRACE).

2. Outcomes

- 2.1 Evidence that the council manages its significant business risks and recognises that effective risk management is integral to the council's corporate governance arrangements.

3. Recommendation

- 3.1 That the Audit Committee reviews and approves the refreshed Risk Management Policy attached at Appendix 1.

4. Background

- 4.1 The Risk Management Policy is a key document, which identifies the council's approach to risk management and demonstrates how it is embedded across the council. The adoption of this amended policy will help the council to demonstrate its commitment to a policy of managing risk wherever it may arise.

- 4.2 In accordance with their terms of reference the Audit Committee will review the risk profile of the organisation and consider the effectiveness of the council's risk management arrangements. This involves monitoring the progress of embedding risk management, reviewing the council's risk registers and ensuring that actions are being taken where necessary to mitigate such risks.

- 4.3 The Audit Committee review the Risk Management Policy on an annual basis, the next review of this policy being due in November 2022.

- 4.4 Since the last review which took place in June 2020, the council has procured risk management software called GRACE (Governance, Risk and Control Evaluation) to assist with the embedding of risk across the organisation. Work over the next 12 months will include cascading the attached policy and risk management training for selected officers. This will incorporate the roll out of the GRACE Risk Management software across the organisation which incorporates both strategic and operational risks registers for all council services.
- 4.5 Audit Committee will continue to have access to both strategic and operational risk registers via the HUB. These will be updated and uploaded on a quarterly basis.

5. Key Issues and proposals

- 5.1 The refreshed Risk Management Policy is at Appendix 1. The policy has been amended to reflect the new processes and procedures to be adopted following the procurement of the GRACE Risk Management software in June 2021.

Financial and legal implications	
Finance	None arising directly from the report.
Legal	Effective risk management assist in good governance and probity of council actions.

Other risks / implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	x
climate change	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

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List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

Appendix 1 – Risk Management Policy (refreshed October 2021)



Risk Management Policy

October 2021

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Version control

	Description	Date
V0.1	Draft Risk Management Policy	14/10/21
V0.2		
V1.0		

1.0 Introduction

- 1.1 Risk is unavoidable and is part of all our lives. As an organisation, we need to take risks to grow and develop. Risk management involves understanding, analysing and addressing risks to make sure the organisation achieves its objectives. Successful risk management can make a council more flexible and responsive to new pressures and external demands. It allows an organisation to deliver services better and to meet the needs and expectations of its community in what is a fast changing and dynamic environment. The benefits of successful risk management include, improved service delivery, financial performance and robust corporate governance supporting the effective use of the council's resources, as well as improved decision making and budgeting, and enhanced communication between staff, elected members and partners.
- 1.2 This policy explains the council's approach to risk management and the framework that will operate to establish and drive an effective system not only to minimise risk but also to enable continuous improvement at every level of the organisation.
- 1.3 By managing our risk process effectively we will be in a better position to safeguard against potential threats and exploit potential opportunities to improve services and provide better value for money.

2.0 Scope

- 2.1 This policy applies to all staff, elected Members and all working groups and partnerships. The responsibilities of these groups and the individuals within them, for the implementation and the effective management of risk is detailed below.
- 2.2 This policy will be reviewed annually to take account of changing legislation, government initiatives, best practice and experience gained within the council.

3.0 Risk Management Objectives

- 3.1 The council has identified a number of key risk management objectives that need to be met to ensure a robust risk management framework is embedded across the council; namely:
 - Adopt a strategic approach to risk management to make better informed decisions which is vital to successful transformational change;
 - Set the 'tone from the top' on the level of risk we are prepared to accept on our different service delivery activities and priorities;
 - Acknowledge that even with good risk management and our best endeavours, things can go wrong. Where this happens, we use the lessons learnt to try to prevent it from happening again;
 - Develop leadership capacity and skills in identifying, understanding and managing the risks facing the council;
 - Integrate risk management into how we run council business. Robust risk management processes help us to achieve our core purpose, priorities and outcomes;
 - Support a culture of well-measured risk taking throughout the council's business. This includes setting risk ownership and accountabilities and responding to risk in a

balanced way, considering the level of risk, reward, impact and cost of control measures;

- Ensure that the council continues to meet any best practice requirements in relation to risk management; and
- Ensure risk management continues to be a key and effective element of our Corporate Governance arrangements.

4.0 Definitions

4.1 Risk can be defined as;

“An uncertain event that, should it occur, will have an effect on the council’s objectives and/or reputation. It is the combination of the probability of an event (likelihood) and its effect (impact)”.

Risk management can be defined as;

“The systematic application of principles, approach and processes to the identification, assessment and monitoring of risks.”

4.2 Risk management is applied at all levels of service delivery across the council. The council separates risk into two categories;

Strategic Risks – Risks that could have an effect on the successful achievement of the Council’s long term vision, business plan priorities and outcomes. These are risks that could potentially have a council-wide impact and / or risks that cannot be managed solely at a service level because higher level support / intervention is needed.

Operational (service) Risks – Risks that could have an effect on the successful achievement of the service or business plans / objectives. Potentially these risks could have a significant financial, reputational and / or service delivery impact on the business unit as a whole.

5.0 Risk Management Standards

5.1 A number of standards have been developed worldwide to help organisations implement risk management systematically and effectively. These standards seek to establish a common view on frameworks, processes and practice, and are generally set by recognised international standards bodies or by industry groups. Risk management is a fast-moving discipline and standards are regularly supplemented and updated.

5.2 Despite the publication of the global risk management standard in 2009; ISO 31000 (updated early 2018), the Institute of Risk Management (IRM) has decided to retain its support for the original ‘Risk Management Standard’ that was published in 2002 because it is a simple guide that outlines a practical and systematic approach to the management of risk.

The standard is not prescriptive i.e. a box ticking exercise or a certifiable process. Instead, the standard represents best practice against which organisations can measure themselves. The council has reviewed this policy against this standard.

6.0 Risk Management Approach

6.1 The purpose of the risk management approach outlined in this Policy is to:

- Provide standard definitions and language to underpin the risk management process;
- Ensure risks are identified and assessed consistently throughout the organisation through the clarification of key concepts;
- Clarify roles and responsibilities for managing risk; and
- Implement an approach that meets current legislative requirements and follows best practice and relevant standards.

6.2 Before we can identify our risks we need to establish the context by looking at what we are trying to achieve and what our proposed outcomes are. Depending on the area under review, the relevant objectives and outcomes will usually be detailed in existing documents, e.g. council business plan, individual services plans, project briefs, partnership agreements etc.

To ensure consistency, the following four steps should be followed when identifying, evaluating, treating / mitigating and reviewing risks;

Step 1 – Identifying risk

Risk identification should be approached in a methodical way to ensure that all significant activities within the organisation have been identified and all risks flowing from these activities have been defined. The majority of risks will be identified as part of the routine service planning stages where barriers to specific business objectives can easily be recognised. All staff have a duty to report emerging risks to their heads of service or manager as and when they are identified. Risks can arise and be identified when the following events occur:

- the change of internal or external processes;
- staff / Elected Members leave and / or restructuring takes place;
- through procurement of a new supplier or asset;
- partners change or are re-structured;
- legislation is revised or introduced;
- the social and or economic climate alters; or
- an incident occurs.

To help in the risk identification process a number of common risk assessment techniques / methods can be used, for example, questionnaires, checklists, workshops, brainstorming sessions, audits and inspection reports or flowcharts.

There are a number of different types of risks that an organisation may face including financial loss, failure of service delivery, physical risks to people, and damage to the organisation's reputation. To act as a prompt and to ensure completeness, a checklist of risk categories has been developed around the acronym '**PERFORMANCE**'. Examples of risks from each category are detailed in the Risk Identification Checklist at **Appendix A**.

When describing risks, it helps to display the identified risk in a structured format to ensure a comprehensive risk identification, description and assessment process takes place.

Once identified, all risks are recorded in a 'Risk Register'. A risk owner must be allocated and recorded against each risk on the risk register. Such accountability helps to ensure 'ownership' of the risk is documented and recognised. A risk owner is defined as a person

with the accountability and authority to effectively manage the risk. At this stage there may well be a long list of possible risks. The next step will help to prioritise these in order of importance.

Step 2: Analysing and Evaluating risk

In order to analyse and evaluate risks, a thorough risk assessment needs to be undertaken. That is, a detailed analysis of the potential threats faced by the council which may prevent achievement of its objectives. Through consideration of the sources of the risk, possible consequences, and the likelihood of those consequences occurring, it helps make decisions about the significance of risks and whether they should be accepted or treated.

To ensure that a consistent scoring mechanism is in place across the council, risks are assessed using agreed criteria for likelihood and impact and a score is calculated using the risk matrix e.g. High Likelihood (3) and High Impact (3) would result in a risk score of 9 – see **Appendix B**.

A “traffic light” approach is used to show high (red), medium (amber) and low (green) risks.

First Risk Score – Inherent (Gross) Risk Score

Following identification of the risk, a score for the gross likelihood and gross impact will be given to the risk as it currently stands, to ascertain the inherent (gross) risk score. The inherent risk score is the score given before any controls or actions are taken to alter the risk’s impact or likelihood. This risk score is given to assist Internal Audit when pulling together the Risk Based Audit Plan. Those risks that have scored as ‘red’ risks will be the risks that Internal Audit will want to ensure are appropriately mitigated and will therefore take priority when the audit plan is produced.

Second Risk Score – Residual (Net) Risk Score

Risks are then re-scored to ascertain the residual (net) risk score. This is the score given when taking into consideration any controls already in place and / or any existing actions that are not operating effectively. To ensure resources are focused on the most significant risks, the council’s approach is to focus on the risks that have scored as ‘red’ or ‘amber’ on the matrix. This may also be referred to as the council’s risk appetite. The residual risk score will be the deciding factor as to whether further action is required in order to reduce the risk to within the council’s ‘risk appetite’. It is at this point that a risk response category is assigned by the risk owner to determine what, if any, action is to be taken e.g. reduce or accept the level of risk. **(See Appendix C for risk response categories.)**

Any risks that are NOT scored as a ‘red’ or ‘amber’ risk, will fall below the risk appetite, and will be accepted and kept under review for any significant changes that may increase the risk score. Anything identified as a ‘red’ or ‘amber’ risk will take priority and the necessary actions will be taken to mitigate the risk.

Third Risk Score – Target Risk (Retained Risk) Score

If a risk requires further mitigating action in order to reduce the risk score to within a tolerable level, the risk owner needs to set a realistic target score, and develop an action plan which when implemented will reduce the risk to within the target risk score.

Step 3: Treatment and Action Planning

Actions, which will help to minimise the likelihood and / or impact of the risk occurring, are identified for each 'red' risk. A risk owner should be identified for each action.

Residual risks are prioritised by applying the same scoring criteria and matrix used for assessing the Inherent risk level (Step 2). It is the risk owner's responsibility to ensure that the agreed residual risk level for each risk is an accurate reflection of the likelihood and impact measures detailed in **Appendix B**. Where the severity of a risk is reduced, evidence of the mitigating action taken in the implementation of the activity being assessed should be retained.

Not all risks can be managed, so having assessed and prioritised the identified risks, cost effective action needs to be taken to manage those that pose the most significant threat. Risk may be managed in one, or a combination of, the following ways:

- **Avoid** - A decision is made not to take a risk;
- **Accept** - A decision is taken to accept the risk;
- **Transfer** - All or part of the risk is transferred through insurance or to a third party;
- **Reduce** - Further additional actions are implemented to reduce the risk; or
- **Exploit** - Whilst taking action to mitigate risks, a decision is made to exploit a resulting opportunity.

These actions are described in more detail in **Appendix C**.

The managed approach to risk should always be documented in the risk register, for example, after the first assessment of the risk, a decision may be made to 'transfer' the risk, therefore no further mitigating controls are required. This must be clearly stated in the register to evidence the effectiveness of the evaluation and scoring process. In another example, a decision may be made following the second assessment, that despite additional controls the residual risk is still too great and that a decision is made to avoid the risk entirely by stopping the activity. Again, this must be clearly documented.

Step 4 – Monitoring and Reporting

Risk management should be thought of as an ongoing process and as such risks need to be reviewed regularly to ensure that prompt and appropriate action is taken to reduce their likelihood and / or impact.

Regular reporting enables senior managers and Elected Members to be more fully aware of the extent of the risks and progression being made to manage them. Both strategic and operational risk workshops will be administered by Internal Audit on an annual basis.

The Grace Risk Management system will encourage risk owners to continually monitor and update identified risks on a more frequent basis. The system will automatically email risk / action owners to update their registers on a monthly basis.

In addition, quarterly reminders will be sent to Heads of Service / Managers asking them to consider / add newly identified risks to the system throughout the course of the year and review risks, scores and action plans.

Progress on high 'red' risks for both strategic and operational risk registers will be reported to the Audit Committee as required.

7.0 Risk Registers

The council's risk registers are held within the Grace Risk Management system (GRACE). The registers document the key risks and who is responsible for them. It also records the action plans created to help mitigate these risks.

- 7.1 To ensure that the risk registers are comprehensive and accurately reflect the levels of risk within the council, all relevant and available sources of information will be used in their compilation and review, namely:-
- The council's Annual Governance Statement;
 - Internal Audit reports;
 - External Audit reports;
 - Committee reports / portfolio holder / officer delegation reports;
 - Risk Assessments;
 - Incident / accident reports;
 - Insurance claims and advice from the council's Insurers;
 - Complaints; and
 - Any relevant articles from risk management publications.
- 7.2 The Audit and Risk Team will oversee the administration of both strategic and operational risk registers within the Grace system. However, identified risk owners will ultimately be responsible for monitoring and updating their risk scores and actions plans.
- 7.3 The Grace system will automatically send risk owners a monthly email reminder of any overdue risk reviews and overdue actions and Internal Audit will monitor risk movements to ensure that risk owners are updating records as and when required.
- 7.4 Managers are encouraged to amend risk scores or descriptions with the intention of maintaining a culture of openness. However, Internal Audit will monitor these amendments to ensure that actions taken e.g. increased or improved control, or another viable explanation e.g. the activity ceases altogether, has been recorded within the system to support the change.

8.0 Roles and Responsibilities

- 8.1 To ensure risk management is effectively implemented, all staff and Elected Members should have a level of understanding of the council's risk management approach and regard risk management as part of their responsibilities:

Employees

- ◆ Manage day to day risks and opportunities effectively and report risk management concerns to their Heads of Service / Managers;
- ◆ Participate fully in risk workshops and action planning as appropriate; and
- ◆ Attend training and awareness sessions as appropriate.

Elected Members

- ◆ Support and promote an effective risk management culture; and
- ◆ Constructively review and scrutinise the risks involved in delivering the council's core purpose, priorities and outcomes.

NB. Some individuals and groups have specific leadership roles or responsibilities and these are identified below:

Cabinet

- ◆ Risk manage the council in delivering its core purpose, priorities and outcomes; and
- ◆ Consider and challenge the risks involved in making any 'key decisions'.

Audit Committee

- ◆ Provide independent assurance to the council on the overall adequacy of the risk management framework, including review of proposed amendments to the Risk Management Policy;
- ◆ Review and challenge the content of risk registers;
- ◆ Where appropriate escalate operational risks for possible inclusion on the strategic risk register; and
- ◆ Approve and review recommendations and amendments to the Risk Management Policy.

Corporate Management Team

- ◆ Champion an effective council-wide risk management culture;
- ◆ Ensure Elected Members receive relevant risk information; and
- ◆ Be responsible for owning and managing corporate strategic risks.

Corporate Directors

- ◆ Risk manage their directorate in delivering the council's core purpose, priorities and outcomes;
- ◆ Constructively review and challenge the risks involved in decision making; and
- ◆ The Corporate Director Resources (Section 151 Officer), supported by the Audit and Risk Manager (Chief Internal Auditor), champion's risk management. It is their responsibility to promote the adequate and proper consideration of risk management to senior managers and more widely within the council.

Heads of Service / Managers

- ◆ Responsible for the effective leadership and management of risk in their service areas to meet service objectives / outcomes in line with the council's risk management framework;
- ◆ With the appropriate risk owner, maintain the relevant risk registers ensuring all key risks are identified, managed and reviewed in line with the corporate risk management approach;
- ◆ Promptly escalate risks appropriately;
- ◆ Encourage staff to be open and honest in identifying risks and opportunities;
- ◆ Ensure risk management process is an explicit part of transformation and all significant projects;
- ◆ Ensure that appropriate resources and importance are allocated to the process; and
- ◆ Provide assurance that the risks for which they are the risk owner are being effectively managed. This will be completed as part of the Annual Governance review process.

Risk Owners

- ◆ Take ownership of the actions they are responsible for by either confirming the existence and effectiveness of existing actions or ensuring that any further actions are implemented.

Partners

- ◆ Where appropriate participate in the development of a joint partnership risk register;
- ◆ Actively manage risk within the partnership; and
- ◆ Report on risk management issues to partnership boards or equivalent.

Internal Audit

- ◆ Design and facilitate the implementation of a risk management framework ensuring it meets the needs of the organisation;
- ◆ Act as a centre of expertise, providing support and guidance as required;
- ◆ Collate risk information and prepare reports as necessary to both the Corporate Management Team and the Audit Committee;
- ◆ Ensure the Internal Audit work plan is focused on the key risks facing the council;
- ◆ Provide assurance that risks are being effectively assessed and managed;
- ◆ During all relevant audits, challenge the content of risk registers; and

- ◆ Periodically arrange for the independent review of the council's risk management process and provide an independent objective opinion on its operation and effectiveness.

9.0 Embedding Risk Management

9.1 For risk management to be effective and a meaningful management tool, it needs to be an integral part of key management processes and day-to-day working. As such, risks and the monitoring of associated actions should be considered as part of a number of the council's significant business processes, including:

- ◆ Corporate Decision Making – significant risks, which are associated with policy or action to be taken when making key decisions, are included in appropriate committee reports.
- ◆ Business / budget planning – this annual process includes updating the relevant risk registers to reflect current aims / outcomes.
- ◆ Project Management – all significant projects should formally consider the risks to delivering the project outcomes before and throughout the project. This includes risks that could have an effect on service delivery, benefits realisation and engagement with key stakeholders (service users, third parties, partners etc.).
- ◆ Partnership Working – partnerships should establish procedures to record and monitor risks and opportunities that may impact the council and/or the partnership's aims and objectives.
- ◆ Procurement – all risks and actions associated with a purchase need to be identified and assessed, kept under review and amended as necessary during the procurement process.
- ◆ Contract Management – significant risks associated with all stages of contract management are identified and kept under review
- ◆ Insurance – the council's Insurance Officer manages insurable risks and self-insurance arrangements.
- ◆ Health and Safety – the council has specific policies and procedures to be followed in relation to health and safety risks.

10.0 Culture

10.1 The council will be open in its approach to managing risks and will seek to avoid a blame culture. Lessons from events that lead to loss or reputational damage will be shared as well as lessons from things that go well. Discussion on risk in any context will be conducted in an open and honest manner.

11.0 Training and Awareness

11.1 Having documented a robust approach and established clear roles and responsibilities and reporting lines, it is important to provide staff and Elected Members with the knowledge and skills necessary to enable them to manage risk effectively. The Internal Audit and Risk Team will use a range of training methods to meet the needs of the organisation. Furthermore, risk management information will be developed and will be made available on the intranet to ensure the council can apply a consistent approach when managing risk.

12.0 Summary

12.1 The adoption of this policy and the ongoing efforts to embed sound risk management principles into the council's 'fabric' will improve the way in which services are

delivered. A solid, well-documented and comprehensive approach to risk management and its adoption into the decision making process is good practice, essential to good management and strengthens the council's governance framework.

Check List for Risk Identification (PERFORMANCE)

Political

- ◆ Change in Government policy
- ◆ Member support / approval
- ◆ Political personalities
- ◆ New political arrangements

Economic

- ◆ Demographics
- ◆ Economic downturn - prosperity of local businesses / local communities

Regulatory

- ◆ Legislation and internal policies/regulations including: Health & Safety at Work Act, Data Protection, Freedom of Information, Human Rights, Equalities Act 2010 and Public Sector Equality Duty 2011, Employment Law, TUPE, Environmental legislation etc.
- ◆ Grant funding conditions
- ◆ Legal challenges, legal powers, judicial reviews or public interest reports

Financial

- ◆ Budgetary pressures
- ◆ Loss of/reduction in income/funding
- ◆ Cost of living/inflation, interest rates, increase in energy costs
- ◆ Financial management arrangements
- ◆ Investment decisions, Sustainable economic growth
- ◆ Affordability models and financial checks
- ◆ Inadequate insurance cover
- ◆ System / procedure weaknesses that could lead to fraud

Opportunities/ Outcomes

- ◆ Add value or improve customer experience/satisfaction
- ◆ Reduce waste and inefficiency
- ◆ Maximising independence for older people with disabilities
- ◆ Developing sustainable places and communities
- ◆ Protecting the community and making Wyre a safer place to live

Reputation

- ◆ Negative publicity (local and national), increase in complaints

Management

- ◆ Loss of key staff, recruitment and retention issues
- ◆ Training issues
- ◆ Lack of/or inadequate management support
- ◆ Poor communication/consultation
- ◆ Capacity issues - availability, sickness absence
- ◆ Emergency preparedness / Business continuity

Assets

- ◆ Property - land, buildings and equipment,
- ◆ Information – security, retention, timeliness, accuracy, intellectual property rights
- ◆ ICT – integrity, security, availability, e-government
- ◆ Environmental - landscape, countryside, historic environment, open space

New Partnerships/ Projects/ Contracts

- ◆ New initiatives, new ways of working, new policies and procedures
- ◆ New relationships – accountability issues / unclear roles and responsibilities
- ◆ Monitoring arrangements
- ◆ Managing change

Customers/ Citizens

- ◆ Changing needs and expectations of customers - poor communication / consultation
- ◆ Poor quality / reduced service delivery - impact on vulnerable groups
- ◆ Crime and disorder, health inequalities, safeguarding issues

Environment

- ◆ Recycling, green issues, energy efficiency, land use and green belt issues, noise, contamination, pollution, increased waste or emissions
- ◆ Impact of planning or transportation policies
- ◆ Climate change – hotter drier summers, milder wetter winters and more extreme events – heat waves, flooding, storms etc.

Measures of Likelihood and Impact

Diagram 1

Likelihood	High	3	6	9
	Medium	2	4	6
	Low	1	2	3
		Low	Medium	High

Impact / Severity

Likelihood Measures

	Low	Medium	High
Probability	Less than 10% chance of circumstances arising	10% to 75% chance of circumstances arising	More than 75% chance of circumstances arising
Timescale	Is unlikely to occur.	Possible in the next 1-3 years.	Occurred in the past year or is very likely to occur in the next year.

Impact / Severity Measures

	Low	Medium	High
People/ Duty of Care	Low level of foreseeable minor injuries	Medium level of foreseeable minor injuries Low level of foreseeable serious injuries	High level of foreseeable severe / long-term injuries, illness
Financial Impact	Up to £500k / Less than 5% over project budget	Up to £5 million / 5 - 25% over project budget	Over £5 million / more than 25% over project budget
Legal Impact	Minor civil litigation	Major civil litigation and/or local/national public enquiry	Legal action certain Section 151 or government

Service Impact	Short term service disruption	Significant service failure but not directly affecting vulnerable groups	Serious service failure directly affecting vulnerable groups
Project Delivery	Minor delay to project	Significant delay to project	Project fails to deliver target impacting on the service performance / council's performance
Intervention Required	Intervention by Service Manager, Project Manager or equivalent	Intervention by Head of Service or equivalent.	Intervention by the Executive Team, Board or Council
Reputation Impact	Short term negative local media attention	Significant negative local media attention	Sustained negative local media attention and/or significant national media attention

Risk Response Categories

Categories	Description
Treat	Implement further additional action(s) to reduce the risk by minimising the likelihood of an event occurring (e.g. preventative action) and / or reducing the potential impact should the risk occur (e.g. business continuity plans). Further actions are recorded in the risk register and regularly monitored.
Tolerate	A decision is taken to accept the risk. Management and/or the risk owner make an informed decision to accept that existing actions sufficiently reduce the likelihood and impact of a risk and there is no added value in doing more.
Transfer	Transfer all or part of the risk through insurance or to a third party e.g. contractor or partner, who is better able to manage the risk. Although responsibility can be transferred, in most cases accountability remains with the council, so this needs to be monitored.
Terminate	A decision is made to avoid a risk. Where the risks outweigh the possible benefits, avoid the risk by doing things differently e.g. revise strategy, revisit objectives or stop the activity.
Exploit	Whilst taking action to mitigate risks, a decision is made to exploit a resulting opportunity.