

REPORT TITLE: RISK MANAGEMENT POLICY 2022/23 – ANNUAL REVIEW

9 MARCH 2022

REPORT OF CABINET MEMBER: CLLR CUTLER – DEPUTY LEADER AND  
CABINET MEMBER FOR FINANCE AND SERVICE QUALITY

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WARD(S): ALL

#### PURPOSE

This report presents the annual review of the council's Risk Management Policy and Risk Appetite 2022/23. These define the council's arrangements for identifying and managing risks and its integration with corporate governance and performance management.

There have been updates and additions to the key risks that appear on the Corporate Risk Register over the course of 2021/22, resulting from the quarterly reviews by ELB and Audit and Governance Committee.

This report seeks consideration and approval of the reviewed Risk Management Policy and Risk Appetite Statement for 2022/23.

#### RECOMMENDATIONS:

1. That Cabinet approve the Risk Management Policy for 2022/23, its Risk Appetite Statement for 2022/23 and the appended Corporate Risk Register.

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

- 1.1 Effective use of risk management supports the council's management of threats and opportunities to achieve the priorities included in the Council Plan 2020-25.
- 1.2 Included in the Risk Management Policy is the Risk Appetite Statement for the council which supports members and officers in decision making by setting out where the council is comfortable taking different levels of risk, and which levels are unacceptable.

### 2 FINANCIAL IMPLICATIONS

- 2.1 None directly as a result of this report. However, where there is a potential increase in risk likelihood or impact identified, additional spend may be required to manage those risks properly and adequately. Budget approval would be subject to the processes set out in the council's Financial Procedure Rules.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The council's Risk Management Policy is an important element of the overarching governance framework ensuring that the council has a robust process for evaluating risks as part of the decision-making process.
- 3.2 There are no direct legal or procurement issues arising from this report.

### 4 WORKFORCE IMPLICATIONS

- 4.1 Management of risk is an integral part of service delivery. Corporate Heads of Service are required to review risks with their management teams and specific project risk registers are established and maintained.

### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None.

### 6 CONSULTATION AND COMMUNICATION

- 6.1 Consultation on the content of the report has been undertaken with cabinet and in particular the Cabinet Member for Finance and Service Quality. Consultation has also taken place with the Audit and Governance Committee along with Executive Leadership Board (ELB).
- 6.2 The council's Audit and Governance Committee reviewed the draft Risk Management Policy 2022/32 at their meeting on 8 March 2022 and their comments were noted by the Cabinet Member for Finance and Service Quality.

## 7 ENVIRONMENTAL CONSIDERATIONS

8 None directly as a result of this report. However where there is an expected increase in environmental risk likelihood or impact, additional measures to manage those risks would be identified in the relevant business case before being approved.

## 9 EQUALITY IMPACT ASSESSMENT

9.1 The Council considers its duties under the Public Sector Equality Act when decision making. Equality Impact Assessments are undertaken at individual service level and no service leads have highlighted areas of concern for 2022/23 resulting from these assessments. Under the new Public Sector Equality Duty (PSED) policy, adopted by Council in January 2022, a full PSED review of all services will be undertaken.

9.2 This report details the overall risk approach, appetite and policy. There are no direct PSED issues arising from the content of this report.

## 10 DATA PROTECTION IMPACT ASSESSMENT

10.1 None required.

## 11 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<i>Property</i>	None	None
<i>Community Support</i>	None	None
<i>Timescales</i>	None	None
<i>Project capacity</i>	None	None
<i>Financial / VfM</i>	None	None
<i>Legal – ensuring that the council has robust risk management in place protects the council from Legal challenges</i>	Ensure that the risk management policy is up to date, reviewed regularly and adhered to.	Identify and mitigate against risk which may enhance the council's reputation
<i>Innovation – not realised</i>	The Risk Management Appetite allows for decisions taken to incorporate opportunities for innovation within clear parameters.	The Risk Management Appetite is specific to the different Council Plan priorities.
<i>Reputation – ensuring that the council has in place robust arrangements to manage its risks</i>	This report sets out the principles and arrangements for the council to manage its risks	A robust Risk Management Policy supports the council to identify, assess and manage its risks in a consistent and effective

		way
<i>Other</i>	None	None

## 12 SUPPORTING INFORMATION:

- 12.1 This report is the updated Risk Management Policy for 2022/23 which sets out the council's approach to risk management details the arrangements for managing risk. The Policy forms part of the governance and performance management arrangements at the council.
- 12.2 The Policy sets out the framework for identifying the significant risks that are relevant to the achievement of the council's strategic and operational objectives; evaluating their potential consequences; and implementing the most effective way of managing and monitoring them.
- 12.3 In-line with best practice, the council evaluates its risks using a four-point scale for the likelihood or probability of the risk occurring and the impact caused should the risk occur. These are rated between low and significant. A score for each risk is then calculated using the four-by-four matrix with the lowest score being one and the highest sixteen.
- 12.4 Included as an appendix to the Policy is the council's Corporate Risk Register which includes the risks that are of greatest significance to the council in the context of the aims and objectives that are set out in the Council Plan 2020-25 (2021 edition). These risks are regularly reviewed by ELB and the last review was in February 2022 with no significant changes.
- 12.5 The corporate risks are currently considered to be:
- Capacity to deliver services.
  - Ensuring decisions are made on customer insight and engagement.
  - The need to ensure effective business continuity plans (including in response to a pandemic).
  - The need to maintain effective strategic partnerships.
  - The need to ensure financial resilience.
  - A focus on strategic planning for housing.
  - Protection against digital attacks through effective cyber security.
  - Responding to the Climate Emergency.
  - Responding to events caused by climate change.
- 12.6 A pandemic has not been identified as a risk in its own right as the impact is considered across the Corporate Risks. See 12.15 below for more detail.
- 12.7 More details of the causes, consequences and impacts of the corporate risks occurring are included in the Policy and these have been reviewed and updated over the course of 2021/22.

- 12.8 The main changes to the Risk Management Policy over the course of 2021/22 and as a result of this annual review are:

<b>Change Description</b>	<b>Reason</b>
Risk added in relation to responding to events caused by climate change	Deemed to be an emerging risk that has an impact on the council and citizens.
Review of the RAG status on the risk heat-map	Best practice and better alignment to the council's risk appetite
Amendment of headings on the Corporate Risk Register and clarification of the meaning of terminology used	The internal audit in 2021/22 recommended a review of this and clarification of the meanings of the headings
Definition of 'risk' updated from previous HM Treasury 2008 definition	In-line with best practice ALARM <sup>1</sup> definition.
Risk Sources reviewed	Risk sources grouped into categories and further guidance added in-line with best practice from ALARM and HM Government's Orange Book – 'Management of Risk – Principles and Concepts'
Risk impact ratings model reviewed	Moderate and Major financial impact threshold of £200k amended to £250k in-line with the council's Key Decision value
Risk Management annual cycle reviewed	Annual review updated to more appropriate time in the municipal year

- 12.9 In addition, the committee report template is being updated to ensure risks associated with decision making are considered in a format that is consistent with the Risk Management Policy, particularly the potential sources of risk and the Risk Appetite.
- 12.10 Regular updates are reported to Audit and Governance Committee on the Corporate Risk Register and management actions in place to manage and/or mitigate the risks.
- 12.11 The Policy also includes the council's risk appetite statement, which sets out the level of risk the council is prepared to take whilst also making the most of opportunities and innovation when they arise. This has been reviewed and the

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<sup>1</sup> ALARM is a not-for-profit professional membership association that has supported risk and insurance professionals in Public Service Organisations in the UK for 30 years

previous risk appetite, defined overall as 'moderate', is still considered to be appropriate. The council continues to tend towards exposure to only modest levels of risk in order to achieve acceptable outcomes. Further detail on the risk appetite is included in section 8 of the Risk Management Policy.

- 12.12 Risk management training took place in May 2021 with 35 officers from across Executive Leadership Board (ELB), Senior Leadership Team (SLT) and wider Management Forum attending. The Risk Management policy is signposted from the New Starters' Induction Pack.
- 12.13 Over the next 12 months training workshops are being planned in Risk Management for Cabinet, Members of Audit and Governance Committee and other Members.
- 12.14 A Risk Management Audit conducted by Southern Internal Audit Partnership (SIAP) in 2021/22 received a 'reasonable' assurance opinion. There were seven identified actions (4 medium priority and 3 low priority) and as a result all Corporate Heads of Service Operational risk registers are now being managed via risk management software which improves corporate visibility of any new and escalating risks and consistency in the format and frequency of the review of these.

#### COVID-19

- 12.15 This policy has been reviewed during the COVID-19 pandemic and to note is that the Corporate Risk Register includes the risks of staff capacity, financial viability, business continuity and cyber security all of which have the potential to be significantly affected by COVID-19.
- 12.16 The council's business continuity plans were reviewed and updated during spring 2021, ensuring that robust plans were in place to enable the council to continue to provide its services to residents, stakeholders and businesses during the pandemic. Business Continuity training took place in 2021 and was attended by managers and staff who are named in the plans for the fourteen business critical services. The aim of the training was to validate and test the business continuity plans for these services and this was successful, demonstrating that they were up to date and effective.
- 13 During the COVID-19 pandemic, the council has continued to provide all services with many staff working from home in accordance with the changing government guidelines. We have seen an increase in staff sickness but this has been proactively managed and no business continuity plans have needed to be implemented.

#### 14 OTHER OPTIONS CONSIDERED AND REJECTED

- 14.1 Changing the risk appetite to reflect either a decreased or increased comfort with accepting different levels of risk, and determining which levels of risk are unacceptable.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3245 - Risk Management Policy 2021/22

AG060 - GOVERNANCE QUARTERLY UPDATE – Q2 2021/22

AG054 - GOVERNANCE QUARTERLY UPDATE – Q1 2021/22

Other Background Documents:-

None

APPENDICES:

Appendix 1 Risk Management Policy 2022/23



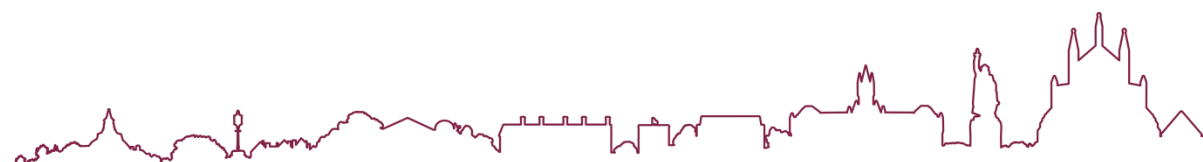
**Winchester**  
City Council

## Risk Management Policy

**2022/23**

Version Control – Risk Management Policy 2022/23			
<b>Version</b>	1.0	<b>Approved by</b>	Cabinet
<b>Date last amended</b>	01/03/2022	<b>Approval date</b>	09/03/2022
<b>Lead officer</b>	Richard Botham S151 Officer	<b>Review date</b>	01/03/2023

Version History			
Date	Version Number	Summary of Changes	Author
18/01/2022	1.0	Annual review and refresh in-line with best practice	Amy Tranah – Service Lead, Corporate Support





## 1. Introduction

As part of Winchester City Council's arrangements to ensure good governance, the purpose of effective risk management is to provide assurance and that the council is 'risk aware'. This entails being able to identify risks, evaluate their potential consequences and determine the most effective methods of controlling or responding to them.

The council believes that risk needs to be managed rather than avoided and that consideration of risk should not stifle innovation and creativity.

This policy outlines the approach the council takes with regard to its responsibility to manage risks and opportunities using a structured, focused and proportional methodology. Risk management is integral to all policy and project planning and operational management throughout the council and integrates with our corporate governance and performance management.

This approach to risk management actively supports the achievement of the agreed actions, projects and programmes included as set out in the Council Plan 2020-25.

**Risk can be thought of as possibility that an action or event will affect the council's ability to achieve its objectives or outcomes.**

Good risk management is about identifying what might go wrong, assessing our level of tolerance towards that and then putting in place measures to prevent the worst from happening, or to manage the situation if something does go wrong. It is also about assessing what must be done to support achievement of the council's objectives and acting in a way that makes this more likely to happen.

## 2. Our corporate approach to risk management

Risk management is about providing assurance by being 'risk aware'. Risk is ever present in everything that we do and some risk taking is inevitable if the council is to achieve its objectives. Risk management is about making the most of opportunities when they arise and achieving objectives once those decisions are made. By being 'risk aware' the council is better placed to avoid threats and take advantage of opportunities.

The aim of our Risk Management Policy is to be fit for purpose, reflect our size and the nature of our various operations, and use our skills and capabilities to the full. Risk management is most effective as an enabling tool, so we need a consistent,

communicated and formalised process across the council. The council is a corporate member of ALARM, a not-for-profit professional membership association that has supported risk and insurance professionals in Public Service Organisations in the UK for 30 years and this policy has been developed in-line with best practice.

Robust project management processes and principles will enable identification of potential risks early in the process and set out how these can be managed. Staff training in project management and risk management principles is essential to embed good practices.

By embedding a culture of risk management into the council, members and officers are able to make effective decisions about services and the use of financial resources to ensure that the council's objectives are met.

An effective corporate approach to risk management will:

- Make it more likely that the council's priorities will be achieved
- Safeguard the organisation and provide assurance to members and officers
- Become part of every manager's competency framework, job description and performance appraisal
- Provide support to the overall governance of the organisation
- Improve decision making
- Identify issues early on
- Provide a greater risk awareness and reduce surprises or unexpected events
- Develop a framework for structured thinking
- Ensure better use of finances as risks are managed and exposure to risk is reduced
- Facilitate achievement of long-term objectives
- Ensure a consistent understanding of and approach to risks

### **3. Our risk management framework**

Risk management is the process of identifying significant risks relevant to the achievement of the council's strategic and operational objectives, evaluating their potential consequences and implementing the most effective way of managing and monitoring them.

The framework and process arrangements supporting risk management at the council involve:

- A Risk Assessment Tool (section 4)

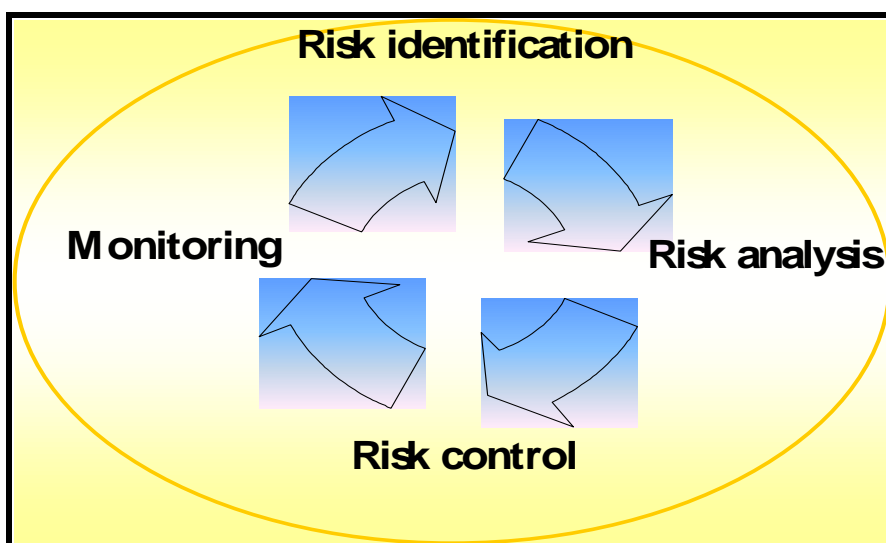
- Details of how risk management supports corporate planning and operational management (section 5)
- Risk appetite statement (section 8)
- Monitoring and review arrangements (section 10)
- A timetable linked to corporate programme (section 11)

#### 4. Risk Assessment Tool

##### The Principles

The council generally manages risk effectively within the course of its normal operations through its management structure and governance arrangements.

##### Risk Assessment Tool



When identifying risks, it can be helpful to use the following sources of risk as prompts to ensure that all areas of risk are considered:

Sources of Risk	Risk Examples
<b>Property, Infrastructure and Assets:</b>	Functioning of transport, communications and utilities infrastructure. The impact of storms, floods and pollution.  Security and safety of property, plant equipment and infrastructure
<b>Political, Legal and Regulatory:</b>	Effects of change of government policy, UK legislation (where applicable), national or local political or control, meeting the administration’s Council Plan outcomes. Issues of timing. Following

Sources of Risk	Risk Examples
Professional judgement & activities  Reputation	the organisation's stated/agreed policy. Legality of operations  Risks inherent in professional work such as assessing clients' welfare or planning or response to the Equalities Act.  Affecting the public standing or perception of the council, partnerships, or individuals in it (affecting you). Management of issues that may be contentious with the public or the media.
<b>Technological</b>	Capacity to deal with obsolescence and innovation, product reliability, development and adaptability or ability to use technology to address changing demands.  Business continuity – ability to continue operations / service delivery if unable to access systems, property or with limited staff (e.g. pandemic).
<b>Commercial:</b>  Competition & markets  Contracts & partnerships	Affecting the competitiveness (cost and quality) of the service and/or ability to deliver value for money and general market effectiveness.  Dependency on or failure of contractors to deliver services or products to the agreed cost and specification. Procurement contract and relationship management. Overall partnership arrangements, e.g. for pooled budgets or community safety. PFI, and regeneration.
<b>People:</b>  Customer & Stakeholder – related  People management & human resources	Satisfaction of: citizens, users, central and regional government and other stakeholders. Managing expectations – consulting & communication on difficult issues.  Managing changes to services that may affect staff and/or ways of working. Resourcing the implementation of the option. Employment issues (TUPE etc.), Maintaining effective health & safety of staff and users.
<b>Financial:</b>	Risk of loss of capital or investment; or of committing the organisation to budgeted increased future costs.  Risk of fraud or non-compliance with tax regulations.

Sources of Risk	Risk Examples
<b>Sustainability:</b>	
Environmental	Environmental consequences arising from option (e.g. in terms of energy efficiency, pollution, recycling emissions etc.)
Social Factors	Effects of changes in demographic, residential and social trends on ability to deliver objectives.
Financial (Economic)	Costs, long term financial sustainability/ reliance on finite or vulnerable funding streams. Financial control, fraud and corruption.

Note: Failure to manage risks in any of the above categories may lead to financial, reputational, legal, regulatory, safety, security, environmental, employee, citizen and operational consequences.

It is important to maintain a sense of proportionality with day to day risk and the following principles will be applied:

- Managers have a good understanding of their services and service developments, and are able to adequately identify the risks involved.
- Managers understand the limits that the organisation places on the action that can be taken by any individual officer. There is a general awareness of what management action is appropriate and where further consultation and approvals are required with colleagues and more senior managers. The organisation therefore recognises its risk appetite in relation to the decisions it takes.
- There is a good level of understanding of what risk it is acceptable to take during the normal course of work and the organisation recognises its risk appetite in relation to its ongoing activities.
- Unnecessary bureaucracy should be avoided, in particular by preparing documentation solely to demonstrate (rather than support or enhance) effective management. The cost (in terms of the time involved) relative to the benefit gained by defining every possible risk in detail and assigning impact and likelihood scores to each risk associated with every planned or current activity is deemed too great to be generally worthwhile. However where there are known concentrations of risk, such as in new service developments or relating to our programme of tier 1 projects, managers understand that they should document, monitor and manage these risks using the council's scoring framework. Similarly, the senior leadership team (or whoever is appropriate)

should seek to identify, assess and manage those risks that seem likely to cause problems or bring benefits at a corporate level.

- The internal audit team at the Southern Internal Audit Partnership (SIAP) work with the responsible Strategic Director and ELB to consider the council's assurance needs, and makes its own assessment of the internal audit work required to provide this assurance.
- Managers are encouraged and supported to consider the potential threats and opportunities involved in any new service developments and improvements, and to monitor ongoing performance. Documentation of risks, related controls and mitigating action plans should be considered where this is helpful and appropriate and, where this is the case, risk registers should be prepared. This is likely to be appropriate for specific service development projects, when project risk registers should be monitored closely by the lead project manager and sponsor.

It is the responsibility of all staff to assess risks associated with their work and projects and to escalate any potential existing or emerging risks which they feel cannot be managed within sensible parameters to the Executive Leadership Team (ELB). The Programme Management and Capital Strategy (PAC) Board review tier 1 project risks and will also seek to identify risks associated with other projects and the capital programme and to refer significant matters to ELB.

### **Identification of risks**

ELB regularly reviews the Corporate Risk Register and decides if any risks need to be escalated, if there are any emerging risks or any risks that should be removed. Risk owners for corporate risks are generally a member of ELB. The Risk Register records a Risk Description, Risk Owner and details of potential causes, consequences and controls. The inherent risk should be assessed and recorded (the level of risk before treatment measures have been taken into consideration) and also the residual risk (the remaining level of risk after risk mitigation and control measures have been taken into consideration.)

The Corporate Risk Register is included as an appendix to the Risk Management Policy and formally agreed each year by cabinet. Audit and Governance Committee reviews the risks and policy to make comments to cabinet on the efficacy of the arrangements for managing risk at the council.

Service or operational risks are reviewed by the corporate heads of service on an ongoing basis and significant risks added to the relevant statement of assurance during the spring of each year.

The council's project management methodology is based on best practice frameworks including PRINCE2 and the Association of Project Management (APM). Incorporated within this methodology is a robust process for the management of project risks. Project risk registers are created for each new project and reviewed as part of the project life cycle.

Overarching project risks (for example, failure to deliver on a specific project) may be included in the corporate risk register if they are of sufficient importance at this level and/or the risks are being poorly managed for whatever reason. Tier 1 project risks are reviewed regularly by the PAC Board.

The Annual Governance Statement is also a key part of risk management and plays an important role in the identification and escalation of risks. The statement is produced following a review of the council's governance arrangements and explains how the council delivers good governance. Underpinning the statement are the individual statements of assurance which are completed by each service lead and includes details of significant risks for their service area. Risks which have additional corporate significance are escalated into the Annual Governance Statement which reads across into the Corporate Risk Register.

It is important for service leads to refer to this Policy when completing their statement of assurance and providing details of risks affecting the pursuit of the objectives of the team (although this is not the only time risks will be considered).

## **5. How risk management feeds into corporate planning and operational management**

By embedding risk management into existing policy and service planning processes, members and officers are able to make informed decisions about the appropriateness of adopting a policy or service delivery option.

The information resulting from the risk management approach acts as one of the key pieces of information incorporated into the development of corporate, business and service plans. Risk management is an essential element in establishing policy, developing plans and enhancing operational management.

In order to formalise and structure risk management at the council, it is recognised that there are obvious and clear links between risk management and strategic objectives; financial planning; policy making & review and performance management. The linkages are as follows:

a) The Council Plan reflects the desired outcomes for the district, informed by consultation with the public and stakeholders and sets out the priority outcomes for the council and identifies the important issues that will be addressed over the life of the Plan through the work of the council and its partners. During the lifetime of the Plan there will be direct and indirect threats to the achievement of the outcomes and these are risks that must be properly managed.

b) As part of the annual planning process each team considers the key actions to be taken and targets for performance and corporate heads of service prepare strategic service plans for their areas. An assessment of the risks forms part of this planning which is an identification and prioritisation of the most significant risks faced in delivering the key priorities for the year, with actions identified to mitigate and manage these. These actions are then managed as part of the normal business of the team.

c) All staff have an annual appraisal which monitors progress being made and sets objectives for the coming year required to deliver service plan actions and achieve. As part of this, risk management is cascaded down to risk owners as an objective which aims to gain their support and awareness to ensure effective management of risk within the council. Risk Owners are required to review and update their risks quarterly. This process is managed via the council's Risk Management software with Risk Owners being prompted to update risks in accordance with the policy. This ensures corporate visibility of new, escalated and deescalated risks for reporting as appropriate.

d) Measurement of performance against the Council Plan outcomes, performance indicators and key tasks is achieved in a number of ways:

- In addition to day to day management, teams carry out a regular review of progress in their area, which includes assessment of progress against Council Plan actions, performance trends and risks. Where appropriate, exceptions are reported to the ELB for consideration and agreement of corrective action, if required.
- ELB also keep an overview of financial plans, with service performance and emerging risks with corporate risks being reviewed quarterly.
- The Scrutiny Committee, via the Performance Panel receives quarterly reports that provide an update on the progress achieved against the actions included in the Council Plan and any significant issues are raised with cabinet.



## 6. How do we evaluate risks?

The council evaluates its identified risks on a four-point scale on the likelihood or probability of the risk occurring and the impact caused should the risk occur being rated between low and significant.

The council has chosen to divide the rating into RAG bands as shown on the example risk map below.

		I M P A C T			
		Low (1)	Moderate (2)	Major (3)	Significant (4)
L I K E L I H O O D	Highly Likely (4)				
	Likely (3)				
	Unlikely (2)				
	Highly Unlikely (1)				

### Impact Rating

The following table provides the definitions which should be used when determining whether a risk would have a Low, Moderate, Major or Significant impact.

Impact is defined as the impact to the organisation should the risk materialise,

Each potential risk area should be considered and the highest impact scored should be the score (1-4) that is used to define the overall impact score.

	Low (1)	Moderate (2)	Major (3)	Significant (4)
Financial	Less than £20K	£20k or over and less than £250K	£250K or over and less than-£2MK	£2M plus

Service Provision	No effect	Slightly Reduced	Service Suspended Short Term / reduced	Service Suspended Long Term Statutory duties not delivered
Health & Safety	Sticking Plaster / first aider	Broken bones/illness Lost time, accident or occupational ill health	Loss of Life/Major illness – Major injury incl broken limbs/hospital admittance. Major ill health	Major loss of life/Large scale major illness
Morale	No effect	Some hostile relationship and minor non cooperation	Industrial action	Mass staff leaving/Unable to attract staff
Reputation	No media attention / minor letters	Adverse Local media	Adverse National publicity	Remembered for years
Govt relations	One off single complaint	Poor Assessment(s)	Service taken over temporarily	Service taken over permanently

### Likelihood Rating

Likelihood is the chance of a risk materialising.

It is unlikely that in many cases the probability of a risk occurring can be calculated in a statistically robust fashion as we do not have the data to do so. However, as an indicator, the likelihood is defined by the following probability of a risk occurring:

Likelihood	Probability
Highly Unlikely (1)	1% to 25% chance in 5 years
Unlikely (2)	26% to 50% chance in 5 years
Likely (3)	51% to 75% chance in 5 years
Highly Likely (4)	76% to 100% chance in 5 years

## 7 How we respond to risks

Once a risk has been identified, the council need to decide and agree what it is going to do about it. The recognised approaches to controlling risks are described as the five key elements or 5 T's; Tolerate, Treat, Transfer, Terminate and Take the opportunity. These are described in more detail below. It is generally accepted that

where a risk can be reduced through some form of treatment or mitigation in a cost-effective fashion then it is good to do so.

As a general principal once a risk has been identified, consideration needs to be given to the five T's and that the chosen approach is seen as being cost-effective so that the control of the risk is not disproportionate to the expected benefits.

The five T's are:

- Treatment** By far the greatest number of risks will be addressed in this way by using appropriate control counter measures to constrain the risk or reduce the impact or likelihood to acceptable levels. Examples include strategy, process, people or systems improvement.
- Transfer** For some risks the best response may be to transfer them and might be done by transferring the risk to another party to bear or share the risk; e.g. through insurance, contracting or entering into a partnership. Reputation risk can never be transferred.
- Tolerate** Where it is not possible to transfer or treat the risk, consideration needs to be given to how the consequences are managed should they occur. This may require having contingency plans in place, for example, Business Continuity Plan which creates capacity to tolerate risk to a certain degree.
- Terminate** Some risks will only be treatable, or containable to acceptable levels by terminating the activity that created them. It should be noted that the option of termination of activities may be severely limited in government when compared to the private sector; a number of activities are conducted in the government sector because the associated risks are so great that there is no other way in which the output or outcome, which is required for the public benefit, can be achieved. This option can be particularly important in project management if it becomes clear that the projected cost / benefit relationship is in jeopardy.
- Take the Opportunity** This option is not an alternative to those above; rather it is an option which should be considered whenever tolerating, transferring or treating a risk. There are two aspects to this. The first is whether or not at the same time as mitigating threats; an opportunity arises to exploit positive impact. For example, if a large sum of capital funding is to be put at risk in a major project, are the relevant controls judged to be good enough to justify increasing the sum of money at stake to gain even greater advantages? The second is whether or not circumstances arise which, whilst not generating threats, offer positive opportunities.

For example, a drop in the cost of goods or services frees up resources which can be re-deployed.

## **8. Risk Appetite**

ALARM defines risk appetite as *“The amount of risk to the organisation, or subset of it, it is willing to accept.”* (Source: ALARM Risk Management Toolkit 2021).

A clearly understood and articulated risk appetite statement assists with the risk awareness for the council and supports decision making in pursuit of its priority outcomes and objectives.

The council’s Risk Appetite Statement is an integral part of its Risk Management Policy and ensures that the opportunities the council is willing to take to achieve its strategic outcomes and objectives are measured, consistent and compatible with the capacity to accept and manage risk and do not expose the council to unknown, unmanaged or unacceptable risks.

This statement will be reviewed and approved by cabinet annually. The approved statement will be included as an appendix to the Risk Management Policy. The council may decide to move the appetite up or down based on a number of influencing factors including financial and capacity, and the council may have a higher ‘aspirational’ risk appetite once sufficient assurance is gained and processes put in place to manage the higher levels of risk.

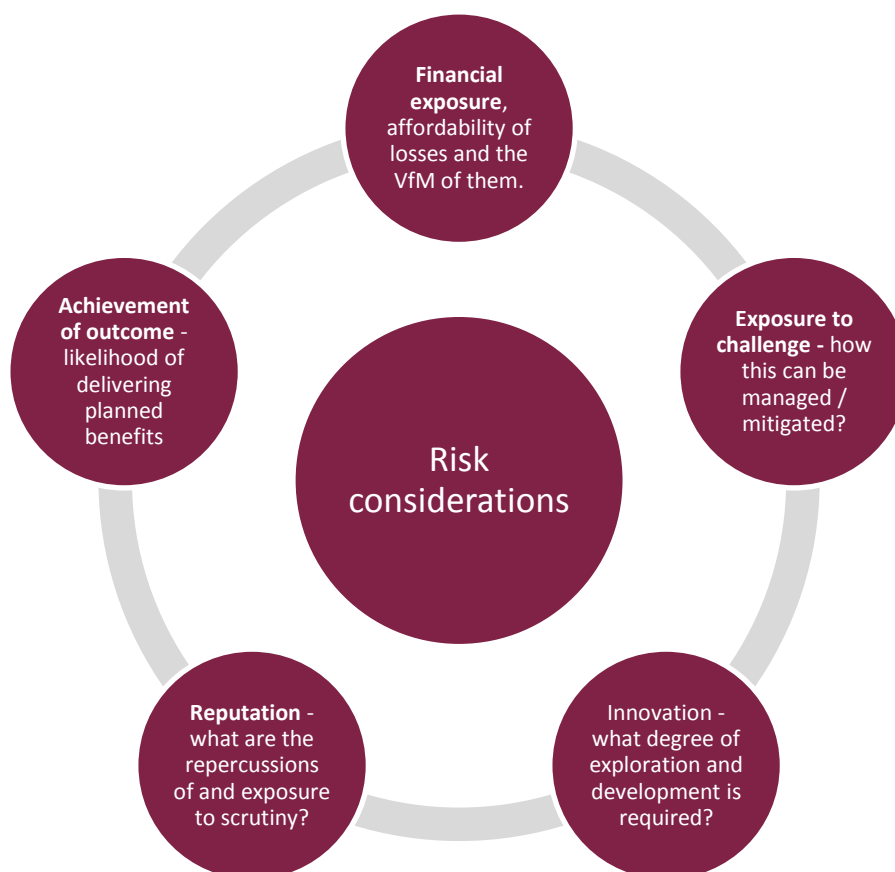
Risk management is about being ‘risk aware’. Risk is ever present in everything that we do and some risk taking is inevitable if the council is to achieve its objectives. Risk management is about making the most of opportunities when they arise and achieving objectives once those decisions are made. By being ‘risk aware’ the council is better placed to avoid unforeseen problems and take advantage of opportunities that arise.

We recognise risk management as a vital activity that underpins and forms part of our vision, values and strategic objectives, (including operating effectively and efficiently), as well as providing confidence to our community.

## The council's Risk Appetite 2022/23

The council will take fair, measured and targeted levels of risk to achieve the priority objectives included in the Council Plan. There will be opportunities for the council to be innovative or work differently and any identified risks will need to be considered against the anticipated cost and efficiency benefits.

When analysing the risk associated with decisions, the council considers the parameters around five key areas of risk, illustrated in the following diagram.



The Risk Appetite Statement supports members and officers in decision making by setting out where Cabinet is comfortable accepting different levels of risk, and which levels of risk are unacceptable. The council's risk appetite should be considered in conjunction with the risk section of all committee reports when decisions are made.

The council's current overall risk appetite is defined as MODERATE (see table below for definitions). This means the council remains open to innovative ways of working and to pursue options that offer potentially substantial rewards, despite also having greater level of risks. However, the council's preference is for safe delivery options which have a lower degree of risk, especially for those services required by statute.

Risk Appetite Definitions	
Avoid	No appetite. Not prepared to take risk.
Adverse	Prepared to accept only the very lowest levels of risk, with the preference being for ultra-safe delivery options, while recognising that these will have little or no potential for reward/return.
Cautious	Willing to accept some low risks, while maintaining an overall preference for safe delivery options despite the probability of these having mostly restricted potential for reward/return.
Moderate	Tending always towards exposure to only modest levels of risk in order to achieve acceptable outcomes.
Open	Prepared to consider all delivery options and select those with the highest probability of productive outcomes, even when there are elevated levels of associated risk.
Hungry	Eager to seek original/creative/pioneering delivery options and to accept the associated substantial risk levels in order to secure successful outcomes and meaningful reward/return.

Risk appetite is not a single, fixed concept and there will be a range of appetites for different risks which may vary over time. The council's risk appetite by corporate priority and guiding principles are set out below:

Council Plan Priority	Risk Appetite	
Tackling the climate emergency	Moderate	Maintaining good levels of standards we tend towards exposure to modest levels of risk in order to achieve acceptable outcomes.
Homes for all	Open	We invest when there is a good likelihood of return and opportunities to grow, choosing innovative options in order to deliver a significant contribution.
Living well	Moderate	Often working with partners we will continue to encourage and deliver; usually taking moderate to low risk options.
Vibrant local economy	Moderate	Promoting and supporting opportunities we tend towards exposure to modest levels of risk in order to achieve satisfactory outcomes.
Your services, your voice	Cautious	It is important the council is getting its best from available resources whilst ensuring long term sustainability. We will seek best use of our resources, and generation of alternative funding in order to protect services.

## 9. Risk Registers

Individuals view risk in different ways, based on past experiences, personal beliefs and outlook, which impact risk perception. Having a structure and process improves consistency and alignment, ensuring a clear consensus on the prioritised risks facing an organisation, recorded in a risk register.

Risk registers are reference documents that summarise the different risks that might occur and record the potential impact to the council. Just because a risk is included on the risk register does not mean that the council thinks it will happen, but it does mean that the council thinks it is worth seeking to manage. The risk score is, therefore, based on a 'reasonable worst case scenario'. The methodology for the scoring of risks is included in section 6 above.

The council maintains several risk registers and these are:

- Corporate Risk Register – this register records the most significant risks for the council or those risks which may prevent the council from achieving its strategic objectives as set out in the Council Plan. Corporate Risks are managed by ELB.
- Operational Risk Register – includes risks that might affect the delivery of individual services, but would not in isolation threaten the council's overall objectives. Operational risks are managed by the Corporate Heads of Service.
- Project and Programme Risk Registers – provides a register of the risks that if they occur have a positive or negative effect on the achievement of the project's and programme objectives. Project and Programme risks are managed by Project or Programme Managers.

## 10. How we monitor and report risk

Risk management must be embedded into decision making, business planning and performance management arrangements so that it is central to the way the council works. It contributes to the concept of 'No Surprises', 'Getting it right first time' and 'Having a Plan' which will be useful should the unexpected happen.

The framework of monitoring and reporting has been developed using the council's performance management software; Pentana, which is able to record the risks onto the system with the relevant risk owner having access so that monitoring and updating can take place.

This requires:

- ELB monitors and reviews progress against corporate risks as part of its quarterly monitoring meeting, making a judgement on any risks referred for

escalation and identifying any risks that can be moved to operational risk registers. Results of these reviews will form part of the regular monitoring report submitted to the Audit and Governance Committee and reported to cabinet if decisions on any procedure or policy changes are needed.

- The Audit and Governance Committee receives regular monitoring reports that provide assurance that the risks identified on the Corporate Risk Register are being adequately managed. The Audit and Governance Committee may decide to receive in-depth reports for the most significant risks on the register or risks that are causing concern.

If at any time a risk other than those on the Corporate Risk Register (for example an operational risk) is scored 'red' full details should be presented to the next ELB meeting for further consideration and approval of appropriate mitigation action and controls if required. This may include escalation to the Corporate Risk Register.

All council committee reports include a section titled "Risk Management". The purpose of this paragraph is for the author to demonstrate and provide evidence that the risks associated with the content of the report have been properly identified, assessed and evaluated. The table in this section is split into categories of potential risk sources. Reference should also be made to the council's Impact Score Matrix to support decision making. When taking decisions, the identified risks should be considered against the council's risk appetite which sets out the amount and type of risk that the council is prepared to seek, accept or tolerate.

## 11. Timetable

Risk management is an integral part of corporate governance, and in particular is closely linked with performance management. Therefore the cyclical timetable for risk management follows that of the performance management framework:

When	Who?	What?
Winter / Spring	Executive Leadership Board	<ul style="list-style-type: none"> <li>• Quarterly review of Corporate Risk Register</li> <li>• Budget and Service Plan risks considered</li> <li>• Reviews and comments on the draft Risk Management Policy and Risk Appetite Statement and for the coming year</li> </ul>



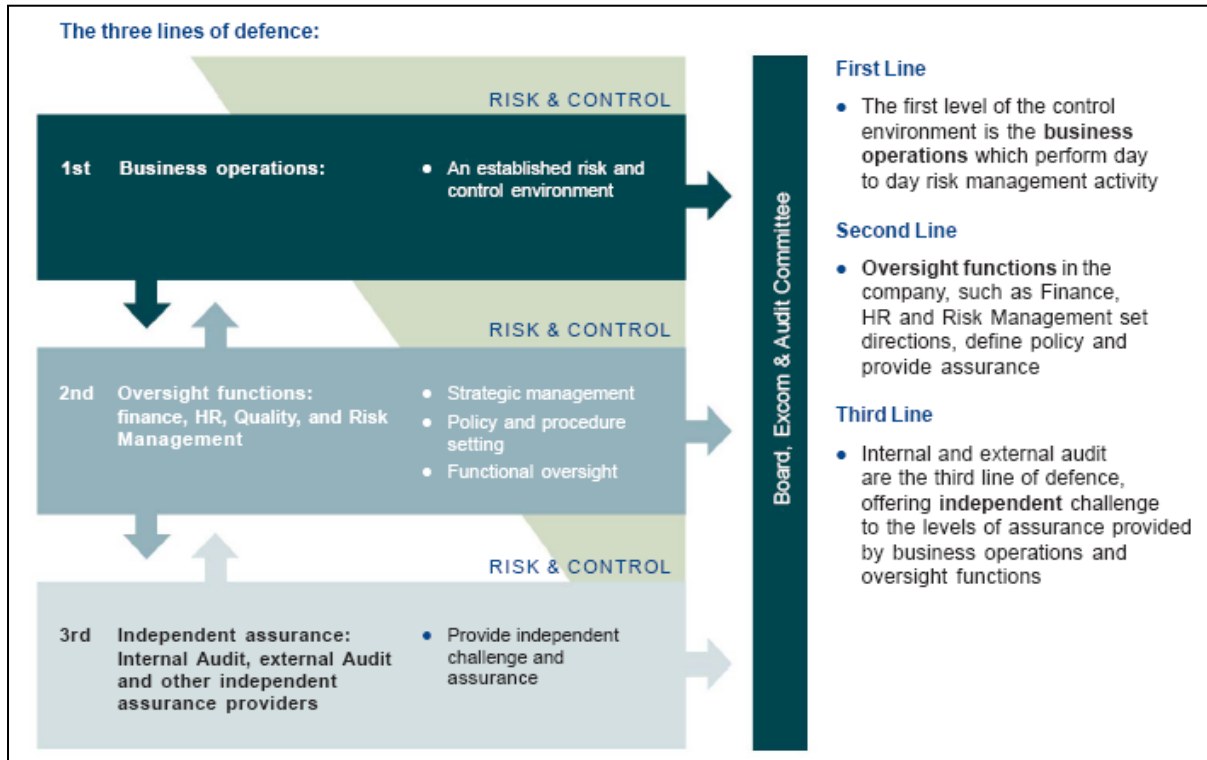
When	Who?	What?
	Audit and Governance Committee	<ul style="list-style-type: none"> <li>Review the Corporate Risk Register and monitoring report</li> <li>Reviews and comments on the draft Risk Management Policy and Risk Management Appetite for the coming year</li> </ul>
	Cabinet	<ul style="list-style-type: none"> <li>Approval of updated Risk Policy for the forthcoming year</li> <li>Approval of Risk Appetite for forthcoming year</li> <li>Approval of Corporate Risk Register</li> </ul>
Summer	Executive Leadership Board	<ul style="list-style-type: none"> <li>Quarterly review of Corporate Risk Register</li> </ul>
	Audit and Governance Committee	<ul style="list-style-type: none"> <li>Review the Corporate Risk Register and monitoring report</li> <li>In-depth update for significant corporate risks as requested</li> </ul>
Autumn	Executive Leadership Board	<ul style="list-style-type: none"> <li>Quarterly review of Corporate Risk Register</li> </ul>
	Audit and Governance Committee	<ul style="list-style-type: none"> <li>Review the Corporate Risk Register and monitoring report</li> </ul>
Throughout the year	Executive Leadership Board	<ul style="list-style-type: none"> <li>Quarterly review of Corporate Risk Register</li> <li>New, emerging and escalated risk reviewed as required</li> </ul>
	Audit and Governance Committee	<ul style="list-style-type: none"> <li>Receives update report for Corporate Risk Register</li> <li>Review and update Risk Policy</li> </ul>

## 12. Risk Management roles and responsibilities

The three lines of defence concept is widely known among the insurance, audit and banking sectors as a risk governance framework. The concept can be used as the primary means to demonstrate and structure roles, responsibilities and accountabilities for decision making, risk and control to achieve effective risk management, governance and assurance.

The following table is an example of the three lines of defence concept.

### Example: Three line of defence model



#### First line of defence:

As the first line of defence, Service Leads or service managers own and manage risks within their service area. They are also responsible for implementing appropriate corrective action to address, process and control weaknesses.

Service Leads are also responsible for maintaining effective internal controls and managing risk on a day to day basis. They identify, assess, control and manage risks ensuring that their services are delivered in accordance with the council's aims and objectives.

#### Second line of defence:

The second line of defence relates to the strategic direction, policies and procedures provided by the council's oversight functions (e.g. Finance, Legal Services, Procurement and HR). These teams are responsible for defining policies, setting direction, ensuring compliance and providing assurance.

Included within the Anti-Fraud and Corruption Policy is the council's Whistleblowing Policy which encourages staff to report concerns which may expose the council to risk.

### **Third line of defence:**

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the organisations operations. It helps the council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The aim of internal audit's work programme is to provide assurance to management, in relation to the business activities, systems or processes under review that the framework of internal control, risk management and governance is appropriate and operating effectively; and risks to the achievement of the council's objectives are identified, assessed and managed to a defined acceptable level.

Such risks are identified through senior management liaison and internal audits own assessment of risk. External audit, inspectors and regulators also provide assurance on the management of risk and delivery of objectives.

### **S151 Officer:**

In addition to the 3 main lines of defence, there is the role of the S151 Officer. CIPFA outlines one element of the role as, "demonstrates integrity by being based on robust systems for identifying, profiling, controlling and monitoring all significant strategic and operational risks"

### **Other Specific Responsibilities**

<b>Who</b>	<b>What</b>
<b>Members</b>	Elected members are responsible for governing the delivery of services to the local community. Members have a responsibility to understand the strategic objectives and risks that the council faces, and will be made aware of how these risks are being managed.
<b>Cabinet</b>	<ul style="list-style-type: none"> <li>• To ensure that effective arrangements are in place throughout the council and these are kept up to date,</li> <li>• Approving the council's Risk Management Policy and Risk Appetite,</li> <li>• Monitoring the council's risk management and internal control arrangements via an exception reporting process,</li> <li>• Ensuring the effectiveness of the risk management and internal control framework.</li> </ul>

Who	What
<b>Audit and Governance Committee</b>	The Audit and Governance Committee's role is to provide independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance, and to monitor the effective development and operation of risk management and corporate governance in the council.
<b>Executive Leadership Board (ELB)</b>	<p>ELB is pivotal in promoting effective risk management and ensuring that it is embedded in the culture of the council. The key responsibilities for the Chief Executive, S151 officer and ELB are:</p> <ul style="list-style-type: none"> <li>• Promoting the implementation of the council's risk management arrangements on a corporate basis</li> <li>• Supporting and promoting the benefits of effective risk management throughout the council</li> <li>• Supporting the identification and assessment of risk on an ongoing basis</li> <li>• Annually review the Corporate Risks to be presented to Cabinet</li> </ul>
<b>Programme and Capital (PAC) Board</b>	Regularly reviews the council's tier 1 project risk registers and oversight of programme management
<b>Corporate Heads of Service, Service Leads and Senior Managers</b>	<p>Senior managers have responsibility for minimising and managing risk within their teams. They will demonstrate their commitment to risk management through:</p> <ul style="list-style-type: none"> <li>• Being actively involved in the identification and assessment of risks</li> <li>• Developing relevant action plans for the key risks and establishing relevant performance indicators to measure their performance through the performance management framework</li> <li>• Incorporating the risk management process into business/service planning processes</li> <li>• Monitoring the Teams' risks regularly and on no less than a quarterly basis</li> <li>• Encouraging staff to be open and honest in identifying risks or potential opportunities</li> <li>• Ensuring that the risk management process is part of all major projects and change management initiatives</li> <li>• Ensuring that the risk management process is part of</li> </ul>

Who	What
	<p>all major procurements and contract management activity</p> <ul style="list-style-type: none"> <li>Monitoring and reviewing action plans regularly to effectively treat risks</li> </ul>
<b>Risk and Insurance Support</b>	<ul style="list-style-type: none"> <li>Facilitate and support the procurement of the council's insurance programme and the management of claims.</li> <li>Support managers in understanding where risk can be transferred by the use of insurance mechanisms</li> </ul>
<b>Service Lead – Corporate Support</b>	<ul style="list-style-type: none"> <li>Provide risk management support across the council,</li> <li>Provide assistance with and prepare management reports.</li> <li>Support the Executive Leadership Board and senior managers on risk related issues.</li> </ul>
<b>All staff</b>	<p>All staff have the responsibility for council risks and must understand their role in the council's risk management arrangements. Training and support is provided at the staff induction and periodically.</p> <p>All staff are expected to know how to recognise, assess and evaluate risk, when to accept risk and to recognise that risks can create opportunities for the council.</p>
<b>Southern Internal Audit Partnership</b>	<p>The role of the Southern Internal Audit Partnership who act as the council's Internal Auditors is that of an independent, objective assurance and consulting activity designed to add value and improve the organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. It will be responsible for undertaking an assessment of the council's risk management and internal control mechanisms as part of the review of corporate governance arrangements.</p>

Everyone involved in risk management has a responsibility to identify learning from risks and their management.

### **Corporate Risk Register**

Significant risks have been reviewed by ELB and the following table provides details of the risks that are included on the Corporate Risk Register for 2022/23.

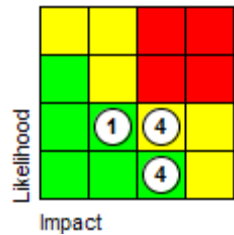


# Corporate Risk Register 2022/23



As of 9 March 2022

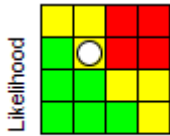
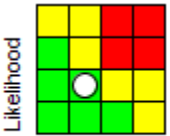
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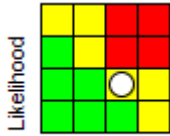
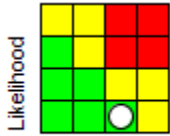


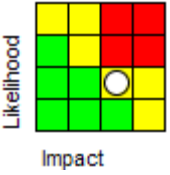
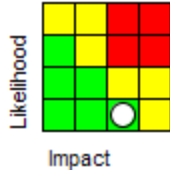
Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Original (Risk Rating (inherent))	Current Controls	Residual Risk
CR001	Given competing demands and multiple complex priorities, the risk is that the council does not maintain capacity to deliver services	Chief Executive	Ambitious council plan with multiple strands of activity Staff resources are lean and teams are working at capacity to deliver services at current levels of demand Outbreak of a pandemic that increases the pressure to continue to provide critical services as well as respond to the	If decision making is slow, delays occur and potentially available resources are redeployed or become unavailable if they are externally sourced. Implementation of business continuity plan to target work in critical areas in cases of staff shortage. If staff lack		Council Plan is distilled into key priorities by service. If capacity becomes an issue, prioritisation of activity is in place Checks in place to ensure proactive approach to communications internal and external Flexible working arrangements to enable staff to balance	

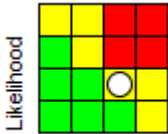
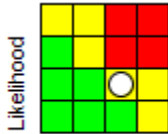
Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Original (Risk Rating (inherent))	Current Controls	Residual Risk
			<p>needs of residents and businesses affected by the pandemic</p> <p>Cultural desire to 'go the extra mile' leading to additional strain on resources and potential errors</p> <p>Competition from the private sector for key staff roles e.g. planning, project management</p> <p>Officers not sensitive to the political reality and perhaps focus on 'old' priorities</p> <p>Decision making can be slow, Middle management too rule driven and need to be more responsive</p> <p>Reluctance to "just do it"</p> <p>Tension between day-to-day and strategic priorities</p> <p>Key skills not in</p>	<p>political awareness, middle managers will be slow to redeploy resource to current priorities</p> <p>If staff are diverted then can't deliver on other lower-level priorities or day-to-day things</p> <p>Reputation is damaged as the council is not seen to be able to complete projects</p> <p>Local members are not always kept informed of activity in their area</p> <p>Unable to deliver key council services</p>		<p>home/work commitments</p> <p>Maintaining communication</p> <p>Annual Service Planning</p> <p>Regular meetings with relevant cabinet members</p> <p>Positive use of fixed term contracts to aid flexible resourcing</p> <p>Targeted use of external resource</p> <p>Reallocation of human and financial resources across and within the organisation as required</p> <p>GOLD command review resources on a regular basis</p>	

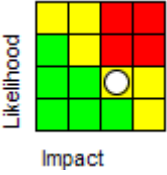
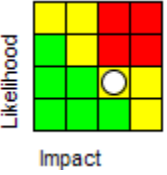
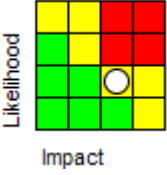
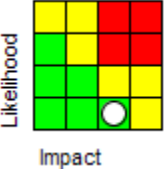


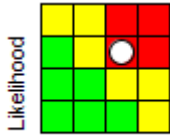
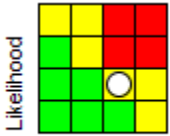
Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Original (Risk Rating (inherent))	Current Controls	Residual Risk
			the right place				
CR003	Decisions made by the council are challenged due to a lack of a strong evidence base, customer insight and engagement with change or procedural errors	Strategic Director and Monitoring Officer LK	Lack of skill to identify evidence to support decision making Lack of consultation with ward members and/ or parish council's over local issues Procedural error in statutory process Inconsistent and traditional approach to customer engagement across the council Lack of awareness of the questions to ask Lack of awareness of the 'right time' to engage Lack of public awareness that opportunity to engage Council is not aware of the full range of interested	Lack of a robust and evidence based approach to customer engagement can lead to o Reputational damage o Views that the council is too Winchester-centric o That decisions made are Inequitable o There is a perception that people's views are ignored Without a robust and evidence based engagement process the council is exposed to risk of challenge on decisions Ward members and/or parish council's not being informed Legal/ judicial review or	 <p>Likelihood</p> <p>Impact</p>	<p>Consultation with ward and parish councillors (on matters within their ward or parish) Risks with regard to significant projects are recognised and addressed separately via robust Project Management and regular reports to the Programme and Capital Strategy Board Legal and Monitoring Office consultation on decisions made Residents' survey completed early 2019 A we asked ... you said ... we did feedback approach A council wide data capture exercise completed Comms approach</p>	 <p>Likelihood</p> <p>Impact</p>

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Original (Risk Rating (inherent))	Current Controls	Residual Risk
			stakeholders Council may only hear the loudest voices and not the silent majority or those that do not readily engage	challenge against a decision made		reset to simplify language and remove data jargon Move to proactive openness and transparency A more inclusive approach to engagement that also considers the restrictions in place due to the pandemic	
CR004	Failure to have plans and processes in place to recover and maintain services after a major incident (including pandemic) that has had a significant impact on the ability of the Council to provide its services	Strategic Director and Monitoring Officer LK	Not maintaining an effective corporate wide Business Continuity Plan Not regularly testing of plan and follow-up Key staff unavailable Communication systems ineffective Lack of awareness Failure to assess business critical functions and have plans in place	Unacceptable delay and uncertainty in returning to normal working after an emergency Adverse publicity and criticism Reputation damage Adverse social impact	 <p>Likelihood</p> <p>Impact</p>	Business Continuity Plans reviewed in 2021 Annual testing of IT Disaster Recovery Plan Critical services identified with individual business continuity plans Review of business critical services in 2021 and individual business continuity plans updated. Back up temporary office accommodation	 <p>Likelihood</p> <p>Impact</p>

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Original (Risk Rating (inherent))	Current Controls	Residual Risk
						at Hyde Lodge All staff able to seamlessly work from home, where job allows Recent (2020) internal audit resulting in substantial opinion and no identified weaknesses	
CR006	Effective partnership working	Strategic Director DA	Partnerships can falter due to lack of shared vision within partnerships Strategic partnerships may falter due to conflicting demands within individual partners Failure within procurement process Partnerships may be unsuccessfully commissioned due to lack of procurement skills and poor scoping. Significant local, regional or national partners	Significant project delivery such as the major projects and the new home building programme may fail due to failed of strategic partnerships Local delivery may fail if local strategic partners are not aligned. Reputational damage to all partners		Annual review of all partnerships undertaken to identify key strategic partners Introduction of annual performance reporting for significant partnerships	

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Original (Risk Rating (inherent))	Current Controls	Residual Risk
			may close down, affecting council				
CR007	Lack of sufficient funding and/or escalating costs over the medium term reducing financial viability and inability to achieve a balanced budget	Strategic Director and S151 Officer RB	Reduced Government funding Reliance on strategic partners to deliver services and projects Macro economy, including effects of Brexit, reduces locally generated Business Rates and parking income Failure to achieve income targets Inflation rises Penalties are imposed on the Council due to falling standards in services	Unable to balance the budget Increased Council Tax Public's ability to pay for services Reduce services provided Demand/ cost of services Increased construction costs and impact on delivery and viability of key projects Over borrowing and avoidable cost	 <p>Likelihood</p> <p>Impact</p>	One year funding settlement in place MTFS approach setting out medium and longer term options Quarterly finance reporting and monitoring of key income sources Regular policy review and monitoring Scenario planning and sensitivity analysis of key risks Transformation programme to set out cost review Maintain General fund reserve of at least £2m Regular review of reserves Annual review of fees and charges	 <p>Likelihood</p> <p>Impact</p>

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Original (Risk Rating (inherent))	Current Controls	Residual Risk
CR008	Availability of suitable sites to meet the strategic need for building new homes	Strategic Director and S151 Officer RB	Increasing demand for new houses High cost of housing, including private rented sector Slow completion for building of new homes Unable to identify new sites for new houses	Increased housing waiting list numbers Difficulty accessing housing markets Outward migration of younger residents Adverse publicity Government intervention		Plans in place to deliver significant new homes Regular monitoring of projects Revised Housing Strategy	
CR009	Failure in cyber security leaving the council exposed to phishing and other attacks leading to compromised IT systems and data loss	Strategic Director and Monitoring Officer LK	Malicious attack by Hackers for financial gain; Malicious attack by Hackers to disrupt business and ability to deliver services; Viral code attack in order to data mine information and identities	Possible complete shutdown of Council IT Systems and Infrastructure; Business/service delivery disruption; Significant Financial loss; Credibility and confidence lost in engaging with digital services and e-payments		Mandatory Cyber Security awareness training held for all staff IT Systems and processes administered to PSN (Public Services Network) standards and protocols; ITILv3 Methodology adoption for ITSM; Comprehensive and regular reviews of ISP (Information Security Policies) and IT Network	

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Original (Risk Rating (inherent))	Current Controls	Residual Risk
						Access Policies; Operational daily checks and proactive monitoring of Firewalls and pattern updates; Staff qualified in Cyber Scheme Professional standards and within GOV UK C ESG guidelines; Regular system health checks and vulnerability scans; System and software maintained to supported levels. Email security managed by accredited 3rd party Insurance for potential losses for a cyber-attack	
CR010	Responding to Climate Change Emergency and reducing the council and district carbon emissions	Strategic Director DA	Failure to take steps to achieve target for the council to be carbon neutral by 2024 Resistance to	Failure to meet agreed targets Adverse publicity Reputational damage Increased risk of flooding	 <p>Likelihood</p> <p>Impact</p>	Winchester Carbon Neutrality Action Plan approved Cross council officer group established	 <p>Likelihood</p> <p>Impact</p>

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Original (Risk Rating (inherent))	Current Controls	Residual Risk
			behavioural change to reduce energy use Not take advantage of new technologies to reduce energy usage Funding not made available Insufficient project capacity in house	Reduction in house prices Carbon emissions increase Protests by lobby groups House price volatility e.g. increases in value for houses in areas less likely to flood		Partner group established Climate Emergency declared Asset Management Strategy Annual report for first 2 years £15mil HRA	
CR011	Lack of preparedness and incapability to respond to events caused by climate change	Strategic Director DA	Failure to prepare for an adverse weather event, for example long period of rain, heavy snow or heatwave Failure to manage sluice gates and maintain rivers Failure to respond to an adverse weather event, e.g. making safe city footpaths and car parks after heavy snow fall	Flooding causing damage to property and assets Loss of income to the council e.g. closed car parks due to snow Adverse publicity Damage to reputation	<p>Likelihood</p> <p>Impact</p>	Multiagency Emergency Response Plan in place, reviewed and updated annually Annual Emergency Planning exercise to test the Plan Completion of flood alleviation schemes Temporary flood defence barrier purchased and available to be used where there is a need	<p>Likelihood</p> <p>Impact</p>