

Warwickshire County Council

Strategic Risk Management Framework

<p>Reviewer: AD Finance/ AD Governance and Policy</p> <p>Signature:</p>	<p>Owner: Strategic Director- Resources, WCC</p> <p>Signature:</p>
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1. Introduction

Document Purpose

The purpose of this document is to introduce Warwickshire County Council's (WCC) Strategic Risk Management Framework, assist its communication and understanding and to provide guidance to those with responsibilities for ensuring that it is applied effectively and consistently.

As a Council, we are accountable for delivering in a complex and changing environment. Managing risk and uncertainty is critical to the successful delivery of the Council's Priority Outcomes.

The Strategic Risk Management Framework sets out an enhanced and integrated approach that builds on our existing risk management practice. The Framework is intended to support innovation and, in the medium term, support post Covid recovery.

It explicitly amplifies the strategic, holistic and organisation-wide focus on risk, setting out the ambition, motivation and principles that frame our approach.

We are committed to implementing an organisation-wide risk management culture that exemplifies high levels of risk maturity¹ and best practice in the identification, evaluation and effective management of risk in respect of current activities and new opportunities

The framework is designed to follow the Council's adopted *Why, What, How* model of strategy development. It is also a framework that will influence and interact with our core strategies and related frameworks to build a One Organisational approach and strengthen our strategic core.

In a climate of increased uncertainty alongside opportunities to innovate, this framework is considered critical to our future direction and progress as an organisation; it provides essential guidance by articulating our risk appetite, our risk management objectives and approach.

2. Overview of the Framework

The Risk Management Framework (the Framework) is the council's policy document guiding our approach and practice. It has been developed following an independent risk maturity assessment and reflects current national and international good practice [footnote - Alarm/IRM/ HM Treasury].

The Framework is made up of three key elements:

¹ ALARM National Performance Model

Strategic Intent (why)	Sets out the objectives for risk management to inform our strategic planning and decision-making and support the achievement of the Council Plan.
What	Sets out the tools and activities that we will use to deliver our objectives and management of risk.
How	Describes how we will implement and govern the Framework through relevant systems, procedures and practices.

3. Strategic intent and objectives

The purpose of our risk management framework is to enable us deliver council priorities and respond to new opportunities that maximise outcomes for the Council.

This will be through the anticipation and management of risks to inform the decision making and planning process, acting as a driver for change and sustainable service delivery.

Specifically, we seek to:

- Build our resilience and thrive within an uncertain operating environment by identifying both risks and new opportunities to drive improvement and maximise benefits and positive outcomes for the Council and our residents.
- Act strategically; understand and influence risks holistically by managing cross-cutting, shared and partnership risks, including understanding the aggregate risk level across directorates, services and projects.
- Embed the consideration of risks and opportunities into all our strategic decision-making processes, including investment decisions, business planning and our Change Portfolio.
- Manage risk in line with risk appetite and without breaching risk tolerances, ensuring that all necessary controls and processes are in place to anticipate and respond proactively to risks thereby minimising negative impacts.
- Enable a common and consistent approach to risk by ensuring our risk parameters are clearly communicated and understood and mitigation strategies are joined up across service areas.

- Create visibility by integrating risk management and the consideration of risk and control into assurance and reporting processes.
- Encourage effective risk intelligence sharing and collaboration across and between services, projects and other risk management disciplines, such as; Health & Safety, Business Continuity Planning, Treasury Management, Internal Audit and the PMO

4. What we will do to manage risks

Our approach will be delivered through the following principles and functional components:

- Risk Principles
- Risk Appetite Statements
- Corporate Risk Register
- Directorate, service and project risk profiles and control plans
- Partnership risk assurance

Our Risk Principles

Our risk principles serve as best practice risk management rules by which we align our service and cross cutting risk management processes, allowing freedom for each Directorate whilst encouraging good practice and consistency. The following principles have guided the development of our framework:

We are risk aware	<ul style="list-style-type: none"> • Staff are aware of, scan for emerging risks & have visibility of risks and controls they have responsibility for • There is evidence of risk management training & familiarisation on risk management • Staff are supported to report on risks, to learn and share
We understand our appetite to risk & opportunity	<ul style="list-style-type: none"> • We monitor and manage our risks against risk appetite thresholds to achieve our goals • Decisions which could expose WCC to risks above acceptable/appetite are impact assessed and escalated • The escalation decision is documented
We think about risks & opportunities	<ul style="list-style-type: none"> • Staff are encouraged to innovate, collaborate and be entrepreneurial where there are opportunities to be explored within a stated risk appetite. • Staff are encouraged to continually look for efficiency improvements without impacting front line services to ensure costs are in line with strategic objectives.
We own our risks	<ul style="list-style-type: none"> • Risk owners are clearly identified and accountable

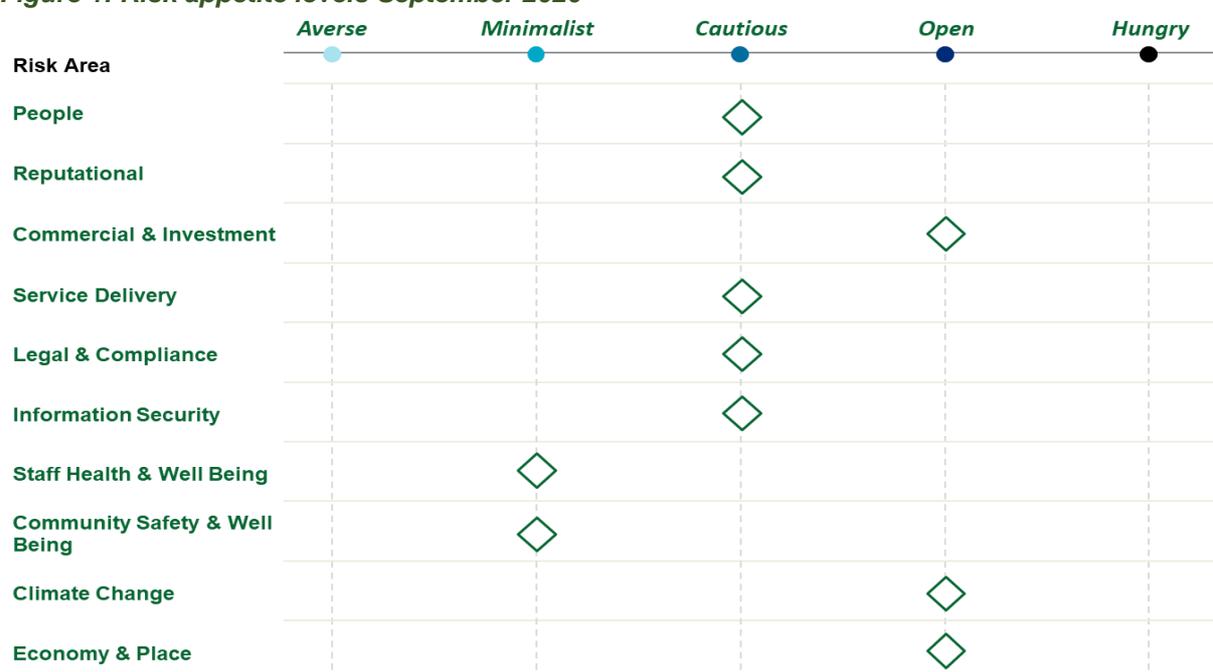
	<ul style="list-style-type: none"> Risks requiring Corporate Board or Member oversight will be promptly presented by the relevant Strategic Director/Lead
We will respond proportionately.	<ul style="list-style-type: none"> All directors, managers and staff should feel empowered to mitigate risks to an appropriate level and/or de-escalate risks. We will report openly on risks and be supported as part of a learning culture We will encourage informed risk taking, management and learning but will not tolerate behaviours that breach our codes of conduct, governance and regulations

Risk Appetite

The Council is committed to ensuring that all risks are identified and mitigated to a level that is consistent with the types and amount of risk we are willing to operate within. To do this, we assess our risk appetite for key risk areas which align to the overall strategy of the Council.

We are willing to bear or retain risks that have been assessed as being within the levels set for each area.

Figure 1: Risk appetite levels September 2020



Risk Appetite Statements (Appendix 1) for each area of risk will help the Council achieve its risk management objectives and articulate risk for the benefit of our partners and stakeholders. Risk appetite for each area is defined by Corporate Board and Cabinet, reviewed at least annually or more frequently, if circumstances warrant.

Risk Appetite Dashboards for each area of risk will set thresholds for measuring the current level of risk against the appetite. Wherever possible, risk metrics are aligned with KBMs and KPIs. Any risks identified as having exposures above agreed appetite levels will have a **risk control action plan**. Those risks that cannot be mitigated are communicated through the performance framework to Corporate Board and members where necessary and identified stakeholders.

Risk Framework Tools and Activities

The Strategic Risk Framework consists of the following functional components. Each component is facilitated and maintained with support from the Risk Management function and is performance monitored as part of the Council’s Integrated Strategic Planning Framework.

Figure 2: Risk Framework Components and supporting elements

Risk Appetite Levels	<ul style="list-style-type: none"> • Risk appetite Statements • Risk appetite dashboards and threshold metrics
Corporate Risk Register	<ul style="list-style-type: none"> • strategic risks as assessed by Board at least 6 monthly • the most significant service and cross cutting risks • the most significant programme & project risks
Directorate Risk Profiles	<ul style="list-style-type: none"> • Tracking risk exposure (net risk scores) against risk appetite thresholds • Net red service and cross cutting risks (performance)
Service Risk Registers and Risk Control Plans	<ul style="list-style-type: none"> • Operational and specific to that service area • Owned cross cutting risks • Health & Safety and other regulatory compliance reporting
Programme, Project & Change risks	<ul style="list-style-type: none"> • PMO and Change risks and assurance • Capital Projects in receipt of CIF • Commercial initiatives, including Property Company • Ongoing projects in Directorates in Verto
Partnership Risks	<ul style="list-style-type: none"> • partnership board risk assurances • collaboration agreements and risk ownership

5. How

We will implement the Framework through the following systems, procedures and practices:

- **Corporate risk identification, assessment and control**
- **Risk reporting using profiles and dashboards (with aggregated and cross cutting views for Corporate Board, Directorates, Services, Programmes and Partnerships)**
- **Including risk in business planning and quarterly performance reviews**
- **Being part of an integrated approach with strategic planning and performance management**

The application and effectiveness of the framework will be governed using a three lines model (figures 3 and 4)

Corporate Risk Register

A key component will be to maintain a corporate risk register, as a tool that captures the **most significant risks and risk controls** at any point in time.

The Corporate Risk Register will be updated at least quarterly and more frequently if needed using a system of aggregated risk reporting and integrated risk controls and action plans. This will include directorates, services, change programmes, capital projects and partnerships.

Corporate Board will agree quarterly updates to the Corporate Risk Register and it will be presented to Cabinet at least annually.

From September 2021, the Corporate Risk Register will capture and be able to report on the management of risks in the following ways, depending on the purpose (e.g review or decision making) and audience:

- As critical themes, where there are similar causes or effects
- Against risk appetite threshold levels
- Against council priorities
- At Service, Directorate or Strategic Level, including the escalation of risk
- By Project and the relevant Outcome Delivery Group
- As Service and Corporate Risk Dashboards in Power BI (from September 2021)

Corporate Risk Assessment Criteria

Corporate risk will be assessed consistently in its impact and likelihood using a risk assessment and evaluation matrix (Appendix 2).

We will use descriptions of our most significant areas of risk impact, aligned to our strategic objectives and timeframes, to inform our evaluation of risk.

We will be able to measure the effect of controls and risk treatments on risk impact and likelihood and substantiate these measures through links to risk control evaluations.

Service Risk Registers

Each service will maintain its own service risk register, using the same format, functionality and assessment criteria as the Corporate Risk Register.

Service Risk Registers will capture:

- risks that impact on the successful delivery of Business Plans
- risks that materialise and require mitigation to stay within risk appetite levels
- the effectiveness of controls
- target levels of risk (based on the risk appetite)

Risk Control Actions

Any risks that are not being managed within a risk appetite threshold will have a risk control action plan, integrated with the service risk register, that sets out mitigating strategies and specific actions to bring risk back within tolerance levels.

Reporting Risk - Risk Dashboards and Profiles

Wherever possible we will use risk dashboards and risk profiles to report on the effectiveness of risk management and inform risk actions, to key audiences and key users of risk information, including; Cabinet, Corporate Board, Directorate Leadership Teams, Service Management Teams, Delivery Boards and Partnership Boards.

Risk management information will be accessible at all times to risk owners and those accountable for managing risk and providing assurance about the effectiveness of risk management.

Integrated Approach

The Framework builds on our existing risk management good practice and processes and aims to fully integrate with the following corporate systems:

- Strategic Planning and MTFS
- Business Planning
- Quarterly performance reporting against the Council Plan
- Programme Management Office governance
- Investment decision making and governance
- Partnership governance arrangements

Embedding a Risk Aware Culture

The Framework will be supported by a programme of risk management learning and development opportunities that will engage with services and activities across the

Council. This will cover all the Risk Principles and will align with Our People Strategy to develop :

- Risk leadership
- Risk awareness as part of innovation
- Resilience and capability in the face of change and uncertainty

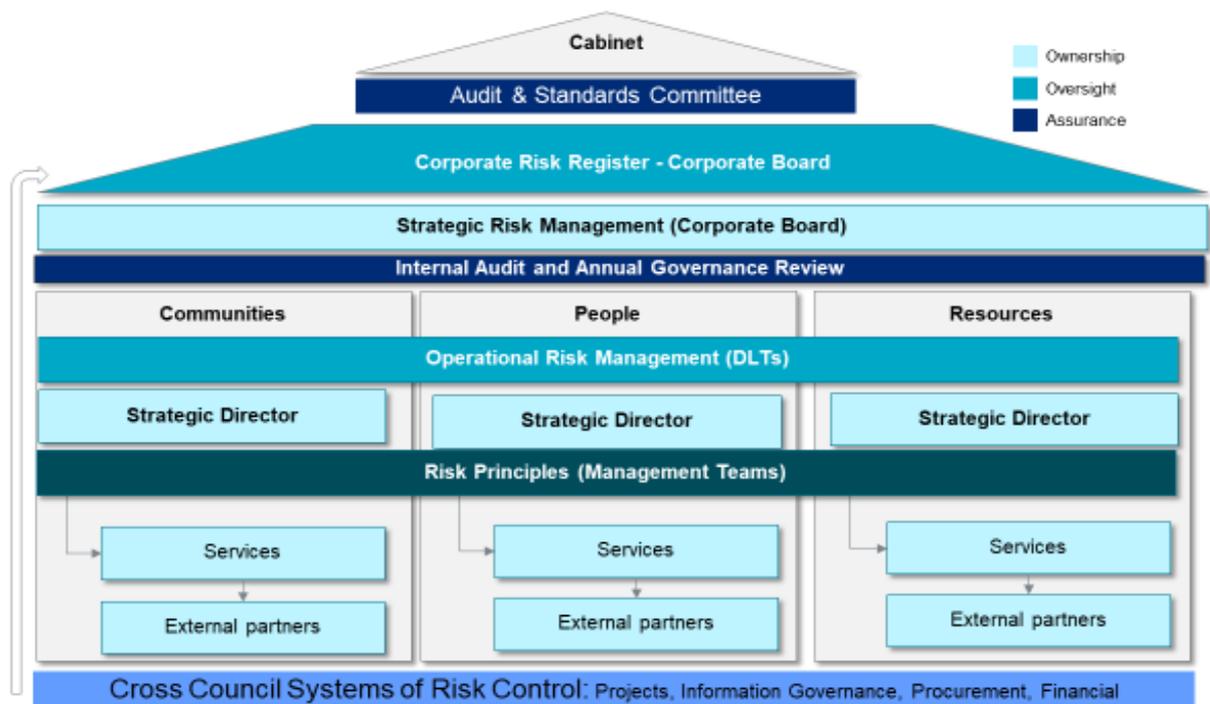
Risk Management Governance

Risk management is recognised as a key component in our Code of Corporate Governance and is at the heart of the wider corporate assurance framework. As such, risk management will continue to respond and evolve to meet governance and assurance requirements.

A clear risk management governance structure along with roles and responsibilities through organisational tiers and across directorates will build ownership and accountability for risk management.

Risk management is delivered through a model of ensuring independent challenge on risk methodology, process and decision making. These can be represented as three levels of assurance which align to a broader three lines of defence assurance model (Figures 3 and 4).

Figure 3: Risk Management Governance Model



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Figure 4 Risk Management Assurance Model and Responsibilities

Ownership	Oversight and Challenge	Assurance
DLTs, Service Managers, Project and Programme Managers, Partnership Arrangements	Risk Management Commissioning (Governance & Policy) and Delivery (Finance), Integrated Planning Forum, Delivery Boards and Corporate Board	Internal Audit Review/ reporting to Audit & Standards Committee, External assessments and AGS review
<ul style="list-style-type: none"> • Perform service and change activities to fulfil strategic objectives, in line with risk appetite • Accountable for risks incurred in these activities • Manage risks through avoidance, mitigation, transfer or acceptance • Design and operate effective primary controls and procedures in line with frameworks and policies 	<ul style="list-style-type: none"> • Support the establishment of an effective risk management framework and definition of risk appetite • Monitor risk profile and mitigation strategies, escalate or delegation as appropriate • Provide advisory support and challenge to risk owners. 	<ul style="list-style-type: none"> • Independent review of adherence to risk and control standards and guidelines • Provide guidance on adequacy and effectiveness of 1st and 2nd line risk management approaches • Integrates with risk based audit planning and assurance work

Key Delivery Actions, Monitoring and Review

To progress the further development and delivery of the Strategic Risk Framework we are focused on delivering the following priority actions before the next framework review in September 2021.

- Finalising Risk Appetite Dashboards and metrics to measure risk tolerance
- Launching the integrated Corporate Risk Register tool with services
- Updating project risk tools in Verto
- Building the Corporate Risk Register, update and reporting process

Beyond September 2021 we will focus on how we embed good risk management practice with:

- Risk management guidance and e-learning opportunities
- Communication and engagement through business as usual activity
- Revisiting assurances from cross cutting risk and control assessments in procurement, project management, commercial and information management following an independent review in 2020.

The Framework will be monitored, reviewed, maintained and updated in line with the Integrated Planning Framework cycle. Updates to the Framework will be agreed by with Corporate Board and approved by Cabinet.

Audit & Standards Committee will maintain oversight of the Framework through annual assurance reporting (The Annual Governance Statement and Internal Audit Annual report).

6. Related Documents

Risk Related Documents and Sources:

WCC Risk Appetite Statement: summary statement providing a high level of description of the organisations risk appetite, and detailed appetite statements for each risk area indicating the metrics by which WCC measures and controls exposures

WCC Corporate Risk Register: the database of risk information to be maintained and regularly reviewed and updated

Strategic and Directorate Risk Profiles

Change Portfolio project and programme risks

Corporate risk assessment and evaluation criteria (technical appendix)

Risk appetite dashboards (technical appendix)

Health & Safety Strategy (being updated)

Anti-Fraud and Corruption Strategy (fraud risk assessment)

Code of Corporate Governance and Annual Governance Statement

Appendix 1

Risk Appetite Statements @ September 2020, next review July 2021

Risk area	Definition	Appetite level	Commentary
People	The risk of loss of critical staff and/or reduction in staff morale	Cautious	WCC is a people-orientated organisation and our staff are one of our key assets, therefore engagement and retention of employees is imperative. We will seek to provide our staff with appropriate education to promote personal and workforce development and we understand this will also bring benefits to the organisation. We accept an amount of staff turnover in the organisation because we realise the benefit that new employees can provide to the business through original ideas and innovation. We are cautious to this risk and tolerance is limited.
Reputational	The risk of detriment to WCC's reputation locally and nationally	Cautious	Upholding the strong reputation of the Council is of paramount importance to us and is a key performance indicator for the organisation, therefore WCC is cautious to the risk of damaging this reputation; both locally and nationally. We seek to ensure that all customers and members of the public have a positive experience of our Services and identify the Council as a support mechanism for the entire Warwickshire community. Sustaining our reputation with both customers and the public is critical and there are inherent risks associated with aspects of Service delivery, therefore we reduce these to the best of our ability through well co-ordinated risk assessments and oversight.
Commercial & Investment	The risk of financial loss from commercial decisions	Open	WCC is open to accepting a calculated level of risk in order to create positive rates of return and drive value for the Council, Warwickshire citizens, customers and employees. Through careful and strategic selection of commercial and investment opportunities that will benefit our Service delivery, we will have to accept significant financial risks and mitigate through strong financial controls. Whilst we are open to innovative opportunities we recognise the importance of the risk of financial loss and sustaining our financial health, therefore we have strong financial controls in place to ensure financial stability.
Service Delivery	The risk of disruption to council service delivery and operations from failed procedures, systems, policies or unsustainable demand	Cautious	The success of the Council depends on effective Service delivery. We are cautious to potential disruptions and ensure that we do everything possible to minimise disruptions to our statutory service obligations. Our procedures, systems and policies are robust and regularly reviewed for effectiveness, and there is sufficient resilience in place so that customers are always able to access our critical services and the information they require. It's important that as an organisation we place importance on developing our own workforce so that WCC has the right skills and capabilities to deliver services in-house.
Legal & Compliance	The risk of loss from legal penalties or fines from non-compliance or legal cases	Cautious	WCC is cautious towards legal and compliance risk and recognises that having a strong culture towards managing this risk is fundamental to the way the Council operates. We aim to minimise our exposure to ombudsman complaints by ensuring that all of our Services and staff provide the highest level of support in every circumstance. We ensure that all of our staff have undertaken the necessary compliance training where required and periodically seek assurance to test effectiveness. The organisation takes a balanced view of contract risk and understands that our legal and contracting processes should enable fast and timely decision-making to support effective delivery of Services.

Risk area	Definition	Appetite level	Commentary
Information Security	The risk of breach of IT systems and/or data	Cautious	WCC will not compromise our customers' or employees' data, and we ensure it is stored within our IT and records infrastructure to meet international and UK regulatory standards. We have a strong policy to ensure that sensitive information is stored and used securely, and thorough processes exist for the identification and resolution of incidents that present a threat to information security. WCC recognises the wealth of data information we hold and the importance of sharing this with our partners to achieve service delivery. As such, WCC is more open in its approach to sharing data as we recognise the benefits that this can deliver when managed within a controlled framework.
Staff Health & Well Being	The risk of uncertain outcomes relating to harm, injury or illness of WCC staff in the workplace	Minimalist	WCC has very limited appetite when considering the health, safety and wellbeing of our staff. We seek to promote health and safety for our staff and ensure that we regularly review any activities which may put our staff in danger or harm. As an organisation we will do everything possible to prevent serious harm or loss of life to our employees and third parties engaged with us. We promote staff mental health and wellbeing and will always provide our employees with the support they need.
Community Safety & Well Being	The risk of uncertain outcomes relating to harm, injury or illness of communities (including children and vulnerable adults)	Minimalist	The safety and well being of the Warwickshire community is of paramount importance to us, therefore WCC has a very limited appetite for this risk. We will continually seek to avoid any activities that present a threat to the safety of the public, and we do everything possible to prevent the loss of life to anyone in the community. We also work with our partners to promote the physical and mental health and wellbeing of our communities. We are responsible for providing care to those who need it most, including children and vulnerable adults, and we endeavour to always provide the support and safety that these individuals require. Alongside this, we operate rigorous safeguarding measures to ensure the health and safety of Warwickshire citizens.
Climate Change	The risk of causing an adverse effect on the environment due to business activities	Open	WCC has a strong commitment to tackling Climate Change and seeking out opportunities to control our own emissions and encouraging businesses to also minimise their emissions. We aspire for sustainable levels of waste generated in the community and promote initiatives towards reusing and recycling as part of the wider circular economy. As an organisation we are conscious of the various benefits associated with high levels of biodiversity across the County and we regularly set and review targets to reduce our environmental footprint.
Economy & Place	The risk of detrimental effect on the Warwickshire economy due to external factors	Open	Whilst economic growth is driven by external factors, WCC is open to accepting a calculated level of risk that may drive economic growth within the County. Whilst these decisions may carry greater risk, we closely monitor economic factors to determine their impact upon the County and continually seek to attract economic investment, business growth and talent across the County.

<u>Risk Appetite</u>	<u>Description</u>
Averse	<i>Avoidance of risk and uncertainty is a key organisational objective</i>
Minimalist	<i>Innovation is to be avoided unless essential; only prepared to accept the possibility of very limited financial loss</i>
Cautious	<i>Tolerance for risk taking is limited to those events where there is little chance of any significant downside impact</i>
Open	<i>Tolerance for decisions with potential for significant risk, but with appropriate steps to minimise any exposure and deliver benefits</i>
Hungry	<i>Eager to pursue options offering potentially higher rewards despite greater inherent risk</i>

Appendix 2

Risk Assessment and Evaluation Matrix

Purpose: Risks that have been identified need to be assessed so we can prioritise risk control actions and measure the effect of controls and risk treatments. We use the risk assessment matrix, set out below, to assist with evaluation so we can produce a:

- (i) **gross risk score** (before applying risk controls and actions)
- (ii) **net risk score after** applying controls actions

Both the **gross and net risks scores** will be recorded on **corporate and service risk registers** and used to produce directorate risk profiles.

Risk Score:

(Impact score x Likelihood score) + Impact = Risk Score

We score gross and net risks using a five point scale for Impact and Likelihood. An additional Impact weighting is applied, which helps us to capture and monitor our control of risks with a high impact/ low probability, such as safeguarding risks. All possible risk scores (net or gross) are summarised in a risk map, here:

Impact	Catastrophic	10	15	20	25	30
	Major	8	12	16	20	24
	Moderate	6	9	12	15	18
	Minor	4	6	8	10	12
	Insignificant	2	3	4	5	6
		Highly Unlikely	Unlikely	Possible	Probable	Very Likely
		Likelihood				

Appendix 2

Risk Assessment and Evaluation Matrix

To assist us to evaluate risk from these two perspectives; **likelihood** (probability of the risk occurring) and **impact** (on the council and its objectives should be the risk occur), we use the following corporate assessment criteria:

Likelihood Assessment Criteria

Score	Description	Probability of Occurrence	Likelihood of Occurrence
1	Highly Unlikely	The event may occur in only rare circumstances (remote chance)	1 in 8 + years
2	Unlikely	The event may occur in certain circumstances (unlikely chance)	1 in 4-7 years
3	Possible	The event may occur (realistic chance)	1 in 2-3 years
4	Probable	The event will probably occur (significant chance)	1 in 1-2 years
5	Very Likely	The event is expected to occur or occurs regularly	Up to 1 in every year

Impact Assessment Criteria

Score	Financial Impact	Reputational	Safeguarding	Community Health & Well Being	WCC Staff	Service Delivery	Legal & Compliance
1	Insignificant < £250,000 per annum	No public or customer awareness and contained internally within the Council, no complaints received from the Warwickshire community and insignificant impact on relationships with strategic partners.	No impact on the safety and wellbeing of vulnerable children and adults and no intervention required from the Council	No impact on the health and wellbeing on the Warwickshire community, no individuals are at risk of physical or mental harm and communities are able to thrive	No work-related fatalities and no impact on staff health and wellbeing, insignificant impact to staff morale and engagement, there is a diverse workforce where all staff feel equal and included	No impact to the quality and effectiveness of Service delivery, all demand for Services can be met and can be delivered in a sustainable manner	No legal proceedings brought against the Council and WCC is compliant with all required policies and procedures

Appendix 2

Risk Assessment and Evaluation Matrix

Score	Financial Impact	Reputational	Safeguarding	Community Health & Well Being	WCC Staff	Service Delivery	Legal & Compliance
2	Minor £250,000 - £2,500,000 per annum	Minor public or customer awareness but no local media concern, low level of complaints received from the Warwickshire community and minor impact to some strategic partnerships	Minor impact on the safety and wellbeing of vulnerable children and adults resulting in isolated instances of harm or injury and short-term intervention required	Minor impact on the health and wellbeing of the Warwickshire community, a low level of individuals are at risk of physical or mental harm and communities are largely unaffected	No work-related fatalities however potential impact on staff health and wellbeing (e.g. shorter-term absences / sickness), minor impact to staff morale and engagement, there is a diverse workforce where the majority of staff feel equal and included	Minor impact to the quality and effectiveness of Service delivery however not resulting in any disruptions, minor impact to strategic partnerships, ability to meet nearly all demand for Services and with minimal environmental impact	No legal proceedings brought against the Council however minor breaches to some policies and procedures have occurred
3	Moderate £2,500,000 - £10,000,000 per annum	Limited local public and media concern with 'short lived' local coverage, moderate level of complaints received from the Warwickshire community and some strategic partnerships are moderately impacted	Moderate impact to the safety and wellbeing of vulnerable children and adults resulting in some level of harm or injury and requiring Council intervention	Moderate impact to the health and wellbeing of the Warwickshire community, some individuals are at risk of physical or mental harm and specific communities adversely impacted	No work-related fatalities however significant impact on staff health and wellbeing (e.g. longer term absences / sickness, increased number of vacancies, minor impact to staff morale and engagement, there is a relatively diverse workforce although not all staff feel equal and included	Moderate impact to the quality and effectiveness of Service delivery resulting in short term disruptions limited to a single Service, moderate impact to strategic partnerships, the majority of demand for most Services can be met and delivered with no environmental impact.	The Council is subject to a low number of legal proceedings and some policies and procedures have been breached

Appendix 2

Risk Assessment and Evaluation Matrix

Score	Financial Impact	Reputational	Safeguarding	Community Health & Well Being	WCC Staff	Service Delivery	Legal & Compliance
4	Major £10,000,000 - £20,000,000 per annum	Significant regional public and media concern with the potential to escalate to national coverage, significant level of complaints received from the Warwickshire and regional community and multiple strategic partnerships adversely impacted	Major failure to protect vulnerable children and adults resulting in avoidable injury or fatality and significant intervention required from the Council	Major failure to protect the health and well-being of the Warwickshire community, the physical and mental health of a high number of individuals is impacted and communities are unable to thrive	Potential work-related fatalities or serious injury and significant impact on staff health and well-being, significant impact to staff morale and engagement and short to medium term implications to WCC culture, the workforce lacks diversity and a significant number of staff are made to feel unequal/excluded	Major impact to the quality and effectiveness of multiple Services and long-term disruptions resulting in required standards, including environmental standards, not being met, multiple strategic partnerships affected, demand cannot be met for some key Services (e.g. Social Care), service provision.	The Council is subject to a significant number of legal proceedings which are likely to be successful, a number of policies and procedures have been breached by a significant number of WCC staff

Appendix 2

Risk Assessment and Evaluation Matrix

Score	Financial Impact	Reputational	Safeguarding	Community Health & Well Being	WCC Staff	Service Delivery	Legal & Compliance	
5	Catastrophic	> £20,000,000 per annum	Sustained national public and media criticism resulting in long term adverse impacts for the Council, high levels of regional and national complaints and all strategic partnerships experience long term catastrophic impacts	Catastrophic failings to protect vulnerable children and adults resulting in multiple avoidable injuries or fatalities and long-term intervention from the Council required	Catastrophic failings to protect the health and wellbeing of the Warwickshire community, almost all communities experience significant physical or mental harm and communities suffer long term adverse impacts	Work related fatality / fatalities or multiple serious injuries and staff are affected across all Services. Long term impact to staff morale and engagement and sustained impact to WCC culture. The workforce lacks any diversity at all and the majority of staff feel unequal/excluded	Catastrophic impact to the quality and effectiveness of Service delivery for all Services, and key required standards, including environmental standards, are consistently not met, all strategic partnerships are significantly affected with long term adverse impacts, demand cannot be met for Services	The Council is subject to a high number of high profile legal proceedings all of which are likely to be successful, there has been organisational breaches of all major policies and procedures which will in turn likely lead to further legal proceedings .

Reviewing Risk Assessment Criteria:

Risk assessment criteria are informed by Council Plan priorities and risk appetite levels. Both likelihood and impact assessment criteria will be reviewed and updated at least annually to ensure continued alignment.

Updates to risk assessment criteria will be agreed by Corporate Board, alongside any updates to the Strategic Risk Management Framework.