

AGENDA MANAGEMENT SHEET

Report Title: Risk Management Strategy 2025/26

Name of Committee: Audit and Ethics Committee

Date of Meeting: 6 February 2025

Report Director: Chief Officer - Finance and Performance

Portfolio: Finance and Performance, Legal and Governance

Ward Relevance: All

Prior Consultation: Portfolio Holder

Contact Officer: Chris Harris
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Public or Private: Public

Report Subject to Call-In: Yes

Report En-Bloc: No

Forward Plan: No

Corporate Priorities: This report relates to the following priority(ies):
☐ A Healthier Rugby – To support people to live healthier, longer, and more independent lives.
☐ A Thriving Rugby – To deliver a thriving economy which brings Borough-wide investment and regenerates Rugby Town Centre.
☐ A Greener Rugby – To protect the environment and ensure the Borough adapts to climate change.
☐ A Fairer Rugby – To reduce inequalities and improve housing across the Borough.
[Corporate Strategy 2025-2035](#)
☒ This report does not specifically relate to any Council priorities but is a statutory requirement for the organisation

Summary: The report sets out the updated Risk Management Strategy for approval.

Financial Implications: There are no financial implications arising from this report.

Risk Management/Health and Safety Implications:	There are no risk management implications for this report.
Environmental Implications:	There are no environmental implications directly from this report.
Legal Implications:	There are no legal implications arising from this report.
Equality and Diversity:	None as a direct result of the report therefore no Equality Impact Assessment is required
Options:	As this report complies with the Prudential and Treasury Management Codes of Practice, which have been approved by Council, no other options have been considered.
Recommendation:	IT BE RECOMMENDED TO COUNCIL THAT the Risk Management Strategy, as at Appendix A to the report, be approved.
Reasons for Recommendation:	To comply with the requirements of the terms of reference of the Audit and Ethics Committee, and to discharge the Committee's responsibilities under the Constitution.

Audit and Ethics Committee - 6 February 2025

Risk Management Strategy 2025/26

Public Report of the Chief Officer - Finance and Performance

Recommendation

IT BE RECOMMENDED TO COUNCIL THAT the Risk Management Strategy, as at Appendix A to the report, be approved.

1. Introduction

- 1.1. The Council introduced its first Risk Management Strategy in 2003. Since then, progress has been made in implementing both Operational and Strategic Risk Management across the organisation.
- 1.2. The previous Risk Management Strategy was endorsed by the Audit and Ethics Committee in June 2023. With the change in political administration the update of the strategy was deferred for a year. There are no risks associated with this as the new strategy does not have any significant changes

2. Report Details Risk Management Strategy

- 2.1. The new Risk Management Strategy is included with this report at Appendix A, there are no significant changes to highlight to the committee.
- 2.2. In addition to the above, the Corporate Assurance and Improvement Team has delivered a training package for both members, leadership team and management team on the subject. This consisted of a “theoretical session” undertaken by an external expert which was followed up with a practical session on the way risk management was delivered by the organisation.
- 2.3. In accordance with the Risk Management Strategy the Audit and Ethics Committee receives reports which provide assurance on the effective management of the Council’s ‘Top Level’ risks. This report provides details of those risks but has been expanded to provide members with the full Strategic Risk Register.
- 2.4. It is not always possible to eliminate risk and given the nature and breadth of the Council’s activity and the ever-changing climate within which it operates, high level risks are unavoidable. It is also possible that risks are rated as high level even though controls are in place to manage the level of risk. However, a high-risk score is not necessarily a negative risk, it is purely the true indication of the likelihood of an event happening and the impact it could have. In such situations the level of risk could be even higher without those controls. Risk

management is an ongoing process, which involves continual identification, analysis, treatment and monitoring. The Council's approach to managing each risk depends upon the nature of the issue at hand. There are four options:

- Tolerate – Decide to live with the risk and the possibility that it might occur and its possible consequences.
- Terminate – Eliminate the risk, usually by deciding to change a course of action or stop a particular activity.
- Transfer – Some of the financial risk may be transferred and it may be possible to transfer liability through contractual arrangements.
- Treat – Control the risk and take action to reduce the likelihood that an event will occur or the impact if it does.

2.5. In order that risks may be prioritised according to their severity, the Council operates a traffic light system.

Risks are scored within one of the following levels:

<u>Risk Rating</u>	<u>Level of Risk</u>	<u>Prioritisation</u>
8-16	High (Red)	Immediate attention
4-6	Medium (Amber)	Moderate risk, mitigation action
1-3	Low (Green)	Regular review

Name of Meeting: Audit and Ethics Committee

Date of Meeting: 6 February 2025

Subject Matter: Risk Management Strategy 2025/26

Originating Department: Finance and Performance

DO ANY BACKGROUND PAPERS APPLY

☐ YES

☐ NO

LIST OF BACKGROUND PAPERS

Doc No	Title of Document and Hyperlink

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

☐ Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A



APPENDIX A

RISK MANAGEMENT STRATEGY

APRIL 2025 -
MARCH 2026

CONTENTS

SECTION

PAGE NO.

- | | |
|----------|-------------------------------|
| 1 | Statement |
| 2 | Introduction |
| 3 | Purpose and Objectives |
| 4 | Risk Management Process |
| 5 | Links with Existing Processes |
| 6 | Information and Communication |
| 7 | Roles and Responsibilities |

APPENDIX

- | | |
|----------|--|
| 1 | Risk Matrices |
| 2 | Strategic Risk Management Group - Terms of Reference |
| 3 | Contact Information |

SECTION ONE - Rugby Borough Council Risk Management Statement

Risk Management is a business critical consideration for everyone at Rugby Borough Council. It is imperative that RBC demonstrate to the public, and all other stakeholders, that full consideration has been given to all risks when delivering services for the residents and businesses in the local area.

This Strategy outlines how RBC will manage risk through identification, analysis, treatment and monitoring of each risk. This Strategy also details the roles and responsibilities for all employees and members. The Council is committed from the top down to ensuring this strategy is implemented successfully. Everyone has a part to play to ensure that this process is embedded as an integral element of the daily operational and strategic thinking used at RBC. We will continue to embrace and develop risk management to ensure that it is built in and not bolted on to achieve a focused approach to risk management.

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Leader of the Council

Chief Executive



.....
Illingworth
Chief Officer
Finance and Performance

..... **Jon**
Portfolio Holder
Finance, Performance, Legal
and Governance

SECTION TWO - Introduction

2.1 Background

The Council introduced its first Risk Management Strategy in 2003. Since then, steady progress has been made in implementing Risk Management throughout the organisation with changes and improvements such as:

- An annual review of the Risk Management Strategy to ensure it is up to date and relevant as well as meeting the demands of continually changing audit requirements
- Utilisation of sharepoint and spreadsheets to manage the process.
- Regular reviews of the Corporate Risk Register by the Strategic Risk Management Group and ongoing re writing of this risk register to work alongside revised Corporate Strategies and Priorities
- Changes to the reports to Audit and Ethics Committee to meet the requirements of the committee
- Reviewing and amending how operational risk registers are monitored and reported
- Implementing and developing project risk registers
- Inclusion of Risk Management as a topic on the Employee Induction Day
- The Risk Management and Insurance Officer becoming an active member of project groups such as the design and build of new housing projects
- Embedding consideration of risk management implications in advance of key decisions being taken by the Council

This latest revision of the Strategy aims to look at the future plans for Risk Management in RBC and the future work planned to ensure that Risk Management becomes embedded in the every day work of the Council.

2.2 What is Risk Management?

Risk Management can be defined as:

‘Risk is the threat that an event or action will adversely affect an organisation’s ability to achieve its objectives and to successfully execute its strategies. Risk Management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements’

(Audit Commission)

2.3 The Benefits of Risk Management

The benefits of an effective Risk Management programme are numerous, a selection of the benefits are:

- Increased focus on the action(s) that should be taken to meet objectives
- Improved delivery of services
- Effective management of change
- Delivering better Value For Money
- More efficient use of resources

- Supporting innovation
- Reduced complaints
- Protection of, and improved, reputation
- Getting things right first time
- Continual assessment of business opportunities

The term Risk Management also includes the management of opportunities, as risk should not be considered just as a negative. The management of opportunities is as important as the management of risk, and we should always look to see if there is a positive outcome to any risk.

An opportunity is the chance to take a positive outcome from a risk. It is an action that could enhance the ability to achieve the objective and could be shared to maximise the potential benefits to others as well as the operational business area. It could be the chance to take advantage of a new system, process or technology. Taking that action could increase the likelihood of positive impact of that opportunity.

2.4 Risk Appetite

The Council must take limited risks in order to achieve its strategic objectives and deliver beneficial outcomes to the community. Risks will only be taken in a considered and controlled manner. Exposure to risks will be kept to a minimum level of impact deemed acceptable by the Strategic Risk Management Group, and the level of acceptable risk may vary from time to time.

SECTION THREE – Purpose & Objectives

3.1 Purpose

The purpose of this Strategy is to set out Rugby Borough Council's approach to Risk Management, including outlining roles and responsibilities, reporting and communication methods and a description of the 4 stages of the Risk Management process.

It is a continuous and developing process, which ultimately aims to create a culture of risk awareness within the Council whereby staff and Members naturally consider risk issues as a part of day-to-day activities.

The Strategy is designed to be a reference source rather than to provide detailed answers to specific questions. It is a foundation for embedding a Risk Management culture across the organisation but is not intended to be a manual.

3.2 Objectives

The objectives of the Risk Management Strategy are to:

- Develop Risk Management and raise its profile across the Council
- Integrate Risk Management into the culture of the Council
- Embed Risk Management through the ownership and management of risk as part of all business planning and decision making processes
- Manage risks in accordance with best practice
- Prevent injury, damage and losses and to reduce the cost of risk
- Raise awareness of the need for Risk Management by all those connected with the Council's delivery of services.
- Use risk management best practice to deliver the Corporate objectives

These objectives will be achieved by:

- Establishing clear roles and responsibilities and reporting lines within the Council for Risk Management
- Reinforcing the importance of effective Risk Management as part of the everyday work of employees
- Developing training and awareness
- Including Risk Management as an agenda item at meetings
- Providing relevant training on Risk Management to employees and Members
- Continuing to demonstrate the application of Risk Management principles
- Making all partners, providers and delivery agents aware of the Council's expectations on risk, both generally as set out in its Risk Management policy, and where necessary in particular areas of service delivery
- Maintaining a Risk Management framework that will secure the consideration and review on a rolling basis of the Corporate and Operational risks confronted by the Council
- Inclusion of Risk Management in service plans

SECTION FOUR – Risk Management Process

4.1 Process

Risk Management is an ongoing process, which involves continual identification, analysis, treatment and monitoring of the risks and opportunities faced by the Council.

4.2 Risk Identification

The first step is to identify the ‘significant’ risks that could cause an objective not to be achieved as expected and, as a result, have an adverse impact upon the Council. (*Section 4.3 describes what is classed as a significant risk*). It is important that those involved with the process clearly understand the service or organisation’s key business objectives to be able to identify the potential barriers to their achievement.

The identification of risk should happen in all business areas.

4.3 Risk Analysis

The information gathered is then analysed by completing a Risk Assessment. The assessment details the risks to the achievement of a specific business objective, the opportunities that can be gained from that risk, the consequences of the risk and any existing internal controls.

The analysis will then consider the likelihood and impact of the risks. An initial score against likelihood and impact is made (see Appendix 1, Risk Matrices).

In order that risks may be prioritised according to their severity, the Council operates a traffic light system. Risks are scored within one of the following levels:

Risk rating:

8–16	High Risk (Red)	Immediate attention
4-6	Medium Risk (Amber)	Moderate risk, mitigation action required
1–3	Low risk (Green)	Regular review

Amber and red risks are classed as ‘significant’ risks. All risks are to be kept under review so as to identify when the likelihood or impact is changing (or will change) and to therefore enable further control actions to be determined and implemented.

4.4 Risk Treatment / Control

Once a risk has been identified and analysed, a decision must be made as to how the Council will react. There are four options:

1. *Tolerate* – Decide to live with the risk and the possibility that it might occur and its possible consequences, but continue to monitor.
2. *Terminate* – Eliminate the risk, usually by deciding to change a course of action or stop a particular activity.
3. *Transfer* – Some of the financial impact of a risk may be transferred and it may be possible to transfer liability through contractual arrangements.

4. *Treat* – Control the risk and take action to reduce the likelihood that an event will occur or the impact if it does.

The existing controls need to be reviewed before considering further action as these controls may no longer be relevant.

The potential for controlling the risks identified further will be investigated through an Action Plan. The implementation of the Action Plan is monitored through the Council's performance management systems.

4.5 Risk Monitoring and Reporting

Effective Risk Management requires an appropriate reporting and review structure to ensure that risks and opportunities are effectively identified and assessed and that appropriate control measures are in place.

The process requires regular reviews in order to provide the maximum benefit to the Council, including the Strategy, and all the processes and activities outlined within it, to ensure their effectiveness.

A framework of monitoring & reporting has been established to allow regular reviewing to take place.

This requires:

Cabinet – To receive annual updates on the position of the Council's Risk Management programme; to review the Corporate Risk Register and any amendments made to it and to agree the Risk Management Strategy and any changes made. To appraise options contained within submitted reports.

Audit and Ethics Committee – To consider the effectiveness of the Council's Risk Management arrangements. To receive annual reports which provide assurance on the effective management of the Council's 'Top Level' risks and to agree the Risk Management Strategy and any changes made. In addition, to receive reports whenever an existing risk is upgraded to being 'Top Level', or a new 'Top Level' risk has been identified.

Leadership Team – To review the Corporate Risks on a quarterly basis and respond to any actions for which they are responsible in the interim.

Service managers and Individual Risk Owners – To regularly monitor Risk Registers and Action Plans at team meetings – making any adjustments to the registers or report them to the Risk Management and Insurance Officer; to implement actions and monitor the effectiveness of the controls in mitigating the risks; to identify new risks / opportunities and to regularly review the Operational Risk Registers.

Strategic Risk Management Group – to consider and discuss regular updates received from the Risk Management and Insurance Officer and Risk Owners on amendments or changes to the risk registers and to annually review the Risk Management Strategy.

The risk process itself will be reviewed annually to ensure that it is still appropriate and includes learning from other Authorities. Training and research can be applied

4.6 Risk Management Fund

The Corporate Assurance Manager is responsible for a small Risk Management fund. Service areas can 'bid' for full or partial funding for Risk Management initiatives that will benefit the Council as a whole.

SECTION FIVE – Links with Existing Processes

As detailed in Section 1, the Risk Management Statement, Risk Management is a business-critical consideration for everyone at Rugby Borough Council. Everyone has a part to play to ensure that this process is embedded as an integral element of the daily operational and strategic thinking used at RBC.

It is imperative that we demonstrate that full consideration has been given to all risks when delivering services for the residents and businesses in the local area.

Effective risk management is fundamental to the success of any organisation and the diagram below illustrates how it links with other management processes.



The following paragraphs set out each stage of our risk management process in detail.

5.1 Action Planning

The Council's objectives are set out within the Corporate Strategy. The current Corporate Strategy covers the period 2025-2035 and details the objectives for the council during that period and the actions to meet those objectives.

The action planning process is the mechanism through which the Council's objectives are translated into actions. The process involves, for each operational team:

- Identifying and documenting the key projects and change initiatives (actions) which will enable services to achieve their objectives in line with the Corporate Strategy;
- Identifying and documenting the risks associated with delivering those projects and initiatives (and therefore the Council's objectives); and
- Identifying and documenting the key performance indicators (KPIs) which demonstrate that Council services are performing well.

Risk Owners are expected to monitor the risks associated with delivering service objectives during team meetings and as part of normal day to day business.

5.2 Performance Management

The monitoring of the Risk Management action plans is currently facilitated through the SharePoint risk registers and associated Dashboard. Risk Owners will monitor, and update risk assessments and action plans on a regular basis.

5.3 Project Management

Project risk registers are used with a register in place for each specific project.

5.4 Partnerships

The Council defines a partnership as “working with another organisation to deliver common objectives with a formal agreement of roles (through contract, memorandum of understanding, funding agreement, Service Level Agreement etc)”.

The Council has entered into a number of partnerships which have common objectives in line with its Corporate Strategy. Decision making processes are documented for each partnership and there are risk registers in place for significant partnerships, which are effectively managed and monitored.

5.5 Reporting

Each formal report requires that the report writer consider the risks and benefits associated with each option presented within the report.

5.6 Emergency Planning and Business Continuity

The Council, as required by the Civil Contingencies Act 2004, assesses the risk of emergencies occurring and uses this to inform contingency planning; implement emergency plans and business continuity management arrangements. The Council also implements arrangements to inform and advise the public, share information, and co-operate with other local responding agencies in the event of an emergency, and provide business continuity management to business and voluntary organisations.

The Council is a member of the Warwickshire Local Resilience Forum (LRF). The LRF consists of all agencies involved with emergency response in our communities, inclusive of emergency services, local authorities and NHS bodies. Collectively, the LRF maintains a Community Risk Register which supports agencies and the public in understanding the likelihood and severity of emergencies, and how to prepare and respond.

To support the Council in responding to an emergency, there is an Emergency Management Plan, and a plethora of supporting documentation and suite(s) of training.

The Council is developing a Business Continuity Policy to provide a framework of Business Continuity Management across the authority, this will be supported by operational business continuity plans with particular focus on critical services.

5.7 Health and Safety

The Council has demonstrated a commitment to Health and Safety with the development of policies and guidance specifically addressing the management of risk.

It is essential that the established links to the Risk Management process be maintained with emphasis on identification, analysis, treatment/control and monitoring of risks. The commitment and involvement of all employees will be supported at service level by specific training and guidance.

5.8 Corporate Strategy

The Corporate Risk Register aims to address all elements of risk in delivering the Council's corporate objectives. These in turn cascade into the Operational Risk Registers. The Leadership Team need to consider the Risk Management Strategy in line with the Corporate Strategy.

5.9 Internal Audit

The Council has implemented Risk Based Internal Auditing (RBIA), which is recognised best practice. Actions arising from internal audits are subject to a risk assessment. The linkages between the results of internal audits, relevant risks, and their mitigating actions is therefore enhanced. The process also facilitates more regular and timely updates of the Operational Risk Registers by Risk Owners during the course of the year with the Corporate Assurance Team providing oversight and challenge as required.

5.10 Insurance

Insurance is a key form of risk management, and the Council has a number of policies in place which are designed to protect it from contingent or uncertain losses. The policies cover the Council's assets including property and fleet, as well as employers' and public liability.

The Council's insurance premiums are determined by a number of factors, one of which is its claims history. Minimising the level and impact of insurance claims helps the Council to keep its insurance premium costs as low as possible. The Council therefore proactively manages the risk of insurance claims in a number of ways, including through operational health and safety management and education of fleet vehicle users.

SECTION SIX – Information and Communication

6.1 Information

Risk Management information is available from a number of different sources:

- Intranet web page
- Individual managers
- Risk Champions (see Appendix 3, Contact Information)
- Corporate Assurance Manager (see Appendix 3, Contact Information)
- Risk Management and Insurance Officer (see Appendix 3, Contact Information)

6.2 Communication

Risk Management at Rugby Borough Council is an evolving process, therefore regular communication with staff and managers is essential to ensure everyone is kept up to date and has the opportunity to further their understanding of the Council's risk programme.

Risk information updates and general awareness are communicated through a number of different sources:

- Intranet updates
- Team meetings
- Workshops and awareness sessions
- New employee induction day
- Members Briefings

SECTION SEVEN – Roles and Responsibilities

The following describes the roles and responsibilities that Members and Officers will play in embedding and owning Risk Management:

7.1 Cabinet and other Elected Members

- To oversee the effective management of risk by Council Officers
- To annually consider the Corporate Risk Register
- To take decisions which are informed by an assessment of associated risks
- To approve overall Corporate Risk Management proposals
- To approve the Risk Management Strategy and any changes to the Strategy

7.2 Leadership Team

- To ensure that the Council manages risk effectively through the development of a comprehensive Risk Management Strategy and the analysis and control of Corporate risks
- To take decisions which are informed by an assessment of associated risks
- To provide corporate direction to all Risk Management proposals and to support the Strategic Risk Management Group
- To review the Corporate Risk Register
- To receive and consider an annual report on the Risk Management Strategy
- To identify any emerging Corporate risks and report them to the Strategic Risk Management Group
- To identify any movements in the likelihood and / or impact severity of existing Corporate risks
- To be the service liaison for corporate and operational risks
- To include Risk Management and emerging risks through business planning and decision making
- To provide oversight and challenge

7.3 Strategic Risk Management Group

- To support the Council and its services in the effective development, implementation and review of the Risk Management Strategy
- To review the Risk Management Strategy on an annual basis
- To review the Corporate Risk Register and to identify and support any emerging risks
- To provide training on and to otherwise facilitate the practice of good Risk Management for Councillors and Officers
- To provide oversight and challenge
- To review the full risk portfolio to ensure it is acceptable

7.4 Risk Champions

(see appendix 3, Contact Information)

- To be a member of the Strategic Risk Management Group
- To support the Leadership Team and Service Managers in the effective management of risk
- To champion Risk Management within their service
- To be their service liaison for Corporate and Operational risks

- To disseminate Risk Management information
- To facilitate and encourage good Risk Management practices
- To co-ordinate the Operational Risk Assessment programme for their service

7.5 Service Managers/Management Team

- To manage their service whilst taking in to account all associated risks
- To consider the positive and negative aspects of risk in all decisions taken
- To consider and produce/review and take ownership of Operational Risk Registers for their service areas during their business planning process and to report these assessments to the Risk Management and Insurance Officer
- To consider and record additional or strengthened controls that are needed to protect their service area and to incorporate these in to their service action and improvement plans
- To report these assessments, actions and improvement plans to the Risk Management and Insurance Officer

7.6 Risk Management and Insurance Officer

Although the Risk Management and Insurance Officer does not own the risk, this sits with the Risk Owner, they do provide the following areas of support and advice:

- To advise and assist the Strategic Risk Management Group in their functions
- To facilitate meetings of the Strategic Risk Management Group
- To provide day-to-day Risk Management advice to Council Officers and Members
- To assist in the development of the Council's Risk Management programme in association with external advisors and Council Officers
- To advise and assist the Leadership Team with the quarterly reviews of the Corporate Risk Register
- To maintain a continuous review of the adequacy of the Risk Management programme
- To advise on progress reports to Cabinet and to Audit and Ethics Committee
- To advise on annual reports on the Council's 'Top Level' risks to Audit and Ethics Committee
- To advise on an annual report on the Corporate Risk Register to Cabinet
- To advise on an annual report on the Risk Management Strategy to Cabinet and to Audit and Ethics Committee
- To review systems and procedures for Risk Management and implement improved working practices wherever possible
- To review Corporate and Operational risk registers on a regular basis
- To maintain a continuous review of the adequacy of the Risk Management programme
- To identify instances of best practice through networking and discussions with brokers

7.7 Internal Audit

- Carry out independent reviews of adherence to risk control standards and guidance.
- Provide guidance on adequacy of 1st and 2nd line risk management approaches

- Integrates risks into risk-based audit plans and assurance reviews.

7.8 All Employees

- To manage risk effectively in their job
- To report risks to their Service Managers, Risk Champions or the Risk Management and Insurance Officer
- To have an understanding of the risks identified within their service area
- To assist in the identification and control of risk
- To complete the options appraisal on all Leadership Team, Panel and Cabinet reports

CORPORATE RISK MATRIX

APPENDIX 1

<u>LIKELIHOOD</u>		
Almost certain	= Strong/very strong/inevitable possibility (over 75%)	Score 4
Possible	= Likely to occur (50% – 75%)	Score 3
Unlikely	= Slight chance/could occur (10% – 49%)	Score 2
Remote	= Almost impossible/only occurring in exceptional circumstances (Below 10%)	Score 1

<u>IMPACT</u>		
Extreme	= Financial loss over £1m, loss of a service for more than seven days, fatality/disabling injury, extreme adverse national media coverage, severe stakeholder concern, significant environmental damage	Score 4
Major	= Financial loss of between £250,000 and £1m, major service disruption, major injury or disability, significant adverse media coverage, significant stakeholder concern, local environmental damage	Score 3
Moderate	= Financial loss of between £50,000 and £250,000, moderate service disruption, loss of time through injury, local media coverage, moderate stakeholder concern, minor environmental damage	Score 2
Minor	= Financial loss up to £50,000, short term inconvenience, minor injury, isolated user service complaint, minor media coverage, minor stakeholder concerns	Score 1

Impact	Likelihood				
	4	M	H	H	H
	3	L	M	H	H
	2	L	M	M	H
	1	L	L	L	M
		1	2	3	4

OPERATIONAL RISK MATRIX

<u>LIKELIHOOD</u>		
Almost certain Scor	= Strong/very strong/inevitable possibility (over 75%)	Score 4
Possible	= Likely to occur (50% – 75%)	Score 3
Unlikely	= Slight chance/could occur (10% – 49%)	Score 2
Remote	= Almost impossible/only occurring in exceptional circumstances (Below 10%)	Score 1

<u>IMPACT</u>		
Extreme	= Financial loss over £250,000, total service loss for a significant period, fatality/disabling injury, adverse national media coverage, severe stakeholder concern, mass complaints, significant environmental damage	Score 4
Major	= Financial loss of between £75,000 and £250,000, major service disruption, major injury, regional media coverage, significant user complaints, significant stakeholder concern environmental damage	Score 3
Moderate	= Financial loss of between £10,000 and £75,000, Moderate service disruption, loss of time through injury, local media coverage, more service user complaints, stakeholder concern, minor environmental damage	Score 2
Minor	= Financial loss up to £10,000, short term inconvenience, minor injury, isolated user service complaints, minor local media coverage, minor stakeholder concerns	Score 1

Impact	Likelihood				
	4	M	H	H	H
	3	L	M	H	H
	2	L	M	M	H
	1	L	L	L	M
		1	2	3	4

PROJECT RISK MATRIX

<u>LIKELIHOOD</u>		
Almost certain	= Strong/very strong/inevitable possibility (over 50%)	Score 4
Possible	= Likely to occur (25% – 50%)	Score 3
Unlikely	= Slight chance/could occur (10% – 25%)	Score 2
Remote	= Almost impossible/only occurring in exceptional circumstances (Below 10%)	Score 1

<u>IMPACT</u>		
Extreme	= Financial change in excess of 20% of budget, national media coverage, permanent impact on reputation, change in output of more than 80%	Score 4
Major	= Financial change of between 11% and 20% of budget, local media/TV coverage, long term impact on reputation, change in output of between 50% and 80%	Score 3
Serious	= Financial change of between 5% and 10% of budget, local newspaper coverage, temporary impact on reputation change in output of between 25% and 50%	Score 2
Minor	= Financial change of less than 5% of budget, local gossip, internal impact on reputation, change in output of under 5%	Score 1

Impact	Likelihood			
	4	M	H	H
	3	L	M	H
	2	L	M	M
	1	L	L	M
		1	2	3

STRATEGIC RISK MANAGEMENT GROUP TERMS OF REFERENCE

The role of the Strategic Risk Management Group (SRMG) is crucial to the implementation of a successful Risk Management programme.

The SRMG is a facilitating group and will enable and empower all aspects of a Risk Management programme, providing where necessary, links with Insurance, Health and Safety, Emergency Planning and Business Continuity.

The SRMG will be the focal point for co-ordinating the Corporate and Operational Risk Registers.

The terms of reference of the SRMG are:

- To support the Council and its services in the effective development, implementation and review of the Risk Management Strategy
- To identify and monitor key Risk Management indicators and matrices
- To produce an annual report reviewing the Risk Management Strategy to the Audit and Ethics Committee and Cabinet
- To identify and support the identification of any emerging Corporate risks
- To review the Corporate Risk Register on a quarterly basis and respond to any actions for which they are responsible in the interim
- To share good Risk Management practice within the Authority
- To provide training on, and to otherwise facilitate, the practice of good Risk Management for Councillors and Service Officers
- To review and consider progress on the delivery of the Annual Governance Statement Action Plan
- To review significant issues arising from the work of Internal Audit

MEMBERS

The Strategic Risk Management Group comprises of the following staff:

- Chief officer or representatives as required from: Leisure and Wellbeing, Legal and Governance, Finance and Performance, Regulation and Safety, Digital and Communications, Growth and Investment, Operations and Traded Services Communities and Homes
- Chief Executive or Deputy Chief Executive
- Corporate Assurance Manager
- Risk Management and Insurance Officer
- Safety and Resilience Manager (as required)
- The Council's Risk Member Champion (usually the Finance, Performance, Legal and Governance Portfolio Holder)

The Chief Officer – Finance and Performance will act as the Group Chair. Additional members of staff will attend the Group as and when their expertise are needed.

Each of the representatives is a Risk Champion for their area and will be responsible for coordinating the Risk Management programme within their own service. This will include:

- To be a member of the Strategic Risk Management Group as required
- To support Service Managers in the effective management of risk
- To champion Risk Management within their service
- To be their service liaison officer for Corporate and Operational risks
- To disseminate Risk Management information
- To facilitate and encourage good Risk Management practices
- To co-ordinate the Operational Risk Register reviews for their service areas

CONTACT INFORMATION

Risk Champions:

Elected Members

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