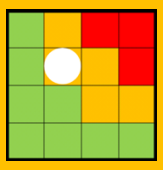
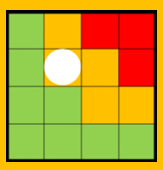
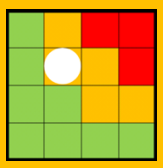
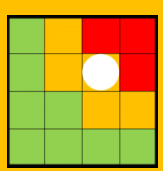
Corporate Risk Themes	Existing Controls/Plans/Mitigations *(and judged effectiveness)*	Residual Risk Score
1. Maintaining an effective internal control environment (able to mitigate against material failure) ***Context/Notes*** *This risk focuses on the potential for failure of the Council's core internal control (and governance) framework but leading to a significant loss ie financial and otherwise eg H&S failing.* *In effect the Council should be in a position to mitigate such a risk through rigorous review of design and application of the controls, hence ensuring that internal audit and other assurance activities are appropriately focussed.* *The Council is entering a new phase including changes in behaviour, management structure, working styles and culture which will (in the short term) require a flexible and adaptive internal control environment.* *The ramifications of a significant control risk failure are substantial, not only with regard to the loss but often the rectification costs post event, including financial and reputational.*	– Annual internal audit plan developed by senior officers and members is targeted at key risks areas and responsive to new areas of risk (*Effective)* – External audit and internal audit regime *(Effective)* – Corporate governance, fraud and health & safety team resource *(Partially effective)* – Development of staff training plan in connection with core responsibilities and duties ie data protection, financial rules, freedom of information etc *(Partially effective)* – Quarterly Assurance Statements compiled and reviewed by Assistant Directors testing compliance with key business activities, supporting Annual Governance Statement compilation *(Partially effective)* – Range of Performance Indicators that monitor internal controls *(Effective)* – Maintenance of a range of polices that underpin the control framework – Financial Regulations, Counter Fraud Strategy, Risk Management Framework, Contract and Procurement Procedure Rules coupled with staff induction training and communication of changes when they occur (supplemented by policy/procedure compliance software) *(Partially effective – see Action 1.3)* – Regular reporting at Governance and Audit Committee *(Effective)* – Compliance with Transparency Code *(Effective)* – Compliance with Local Code of Corporate Governance *(Effective)* – Review and update of key policies completed in last 12 months with a view that these will be kept under review *(Effective)* – Compliance with General Data Protection Regulation (GDPR) *(Partially effective)*	Likelihood 2 x Impact 3 = High 6 
2. Ensuring ongoing resilience and quality in third parties ie partners, major providers, suppliers etc ***Context/Notes*** *This risk relates to the potential for the failure of a major supplier of Council services or partner with whom the Council co-delivers/ enables provision of services or operations. In the event of such a failure, either in resilience or quality, then the Council would be significantly compromised and would have to undertake major remedial work.* *The Council has strengthened its contract management process, particularly focussing on post-award. However this is still in the process of embedding and demonstrating that it is fully effective, including provision of contract management training to all relevant staff.*	– Some contracts based on open book approach to financial monitoring *(Partially effective)* – Assessment of bids/tenders through scoring of evaluation criteria, financial and health & safety diligence checks prior to award of contract *(Partially effective – see Action 2.1)* – Post contract award arrangements in place for ensuring ongoing resilience, quality and financial stability of third parties *(Partially effective – see Action 2.2)* – Regular monitoring meetings with contractors throughout life of contract *(Partially effective – see Action 2.2)* – Training on forms of contract *(Effective)* – Contract management training programme in progress *(Partially effective – see Action 2.2)*	Likelihood 2 x Impact 3 = High 6 

Corporate Risk Themes	Existing Controls/Plans/Mitigations *(and judged effectiveness)*	Residual Risk Score
	– Contract and Procurement Procedure Rules to be reviewed to ensure that they are fit for purpose *(Partially effective)* – Contracts database kept up to date by individual business areas and could be used to identify key contracts/partnerships or suppliers *(Partially effective)* – Utilisation of category spend analysis to identify key strategic suppliers for proactive contract management and review to ensure sustainability, value for money and quality *(Effective)* – Category spend analysis to help identify key suppliers to the Council *(Effective)*	
3. Achieving future financial resilience ***Context/Notes*** *This risk relates to the Council being unable to properly execute and achieve its Medium Term Financial Plan (MTFP).* *The Council has recently developed a transformation plan which will deliver savings and efficiencies over the medium term. The successful transformation of the Council will not only impact on the Council outlook and culture ie a council that makes good evidenced based decisions and gets things done, but will also have a significant impact on the Council finances.* *The current budget incorporates approx. £3M of savings and new income streams being identified and realised to ensure that spending on budgets initiatives can be undertaken without use of reserves.* *This risk is also closely linked to Risk 4 in that the delivery of the Council transformation plan is reliant on ensuring that the Council has available suitable skills and experiences to support initiatives.*	– Annual review of MTFP updating the 5 year horizon scan including reserve levels and future changes to funding *(Effective)* – Annual budget setting for revenue and capital including funding *(Effective)* – Utilisation of external financial support that provides support for funding modelling *(Effective)* – Regular budget monitoring reports and updates to senior officers and members *(Effective)* – Effective delivery of the transformation plan that includes actions that will support the closing of future budget gaps *(Partially effective)* – Treasury Management Strategy to ensure the Council are acting within the prudential indicators *(Effective)* – Transformation initiatives put forward for evaluation *(Effective)* – Commercial investment fund created *(Effective)* – Healthy financial reserves as a contingency *(Effective)*	Likelihood 2 x Impact 3 = High 6 
4. Building a suitable level of capacity, skills and culture within the Council workforce to achieve the change expected, whilst also still delivering business as usual ***Context/Notes*** *This risk relates to the Council being unable to successfully achieve the level of change expected and required by the Council leaders and stakeholders. In creating the change will come a new culture and outlook that is described as "agile" and "outcome focussed" ie we do what we say we will.* *Key to the above will be ensuring that:* • *The Council keeps under close watch recruitment, talent development and retention, as well as use of external specialists*	– Human Resources Strategy revised and issued *(Partially effective)* – The staff requisition process (assessment of needs and business case re posts) *(Effective)* – Culture change workshops/action plan to encourage collaboration and engender a culture that enables change and innovation *(Partially effective)* – Learning and development programme providing training, tools and techniques to develop the necessary skills *(Effective)* – Check-in's *(Partially effective)* – Performance & Programme Management Office *(Partially effective)* – Investigation and identification of further collaborations that will support building capacity and capability (and resilience) *(Partially effective)*	Likelihood 3 x Impact 3 = High 9 

Corporate Risk Themes	Existing Controls/Plans/Mitigations *(and judged effectiveness)*	Residual Risk Score
• *Partnership and collaborative working is optimised across the district* • *An appropriate operating environment and culture is created that will enable the necessary changes to occur – this may require a review of the scheme of delegation and a re-assessment of risk appetite at all levels in the Council, including members* • *Member/officer mind sets are aligned regards the change initiatives enabling the appropriate cultural change*		
5. Ensuring robust security measures to protect the Council's data and assets from cyber threats ***Context/Notes*** *This risk relates to the Council's ability to defend itself against the constantly evolving threat from cyber based attack. The Council, in common with other public bodies, should be regarded as a high profile target given the impact and publicity a successful attack can have.* *The Council, through the measures in place, repels almost on a daily basis "attack vectors" launched by adversaries from across the globe. The risk to the Council of not maintaining these effective controls and it's continuing to invest in these countermeasures is very high.* *The consequences of a successful attack can have a number of consequences, not just operational but also reputational. The impact is not just an internal one, but it also has consequences for our customers if we cannot provide our essential services.* *Therefore this risk is closely linked to Risk 1 (Effective internal controls).*	– An IT Security Policy is in place which is reviewed on a regular basis *(Effective)* – Antivirus software – updated every 30 minutes with on access file scanning enabled. Anti-virus activity regularly reviewed *(Effective)* – Windows Server Update Services (WSUS) used to manage patches on its Windows servers and PCs. Patches are set to be automatically downloaded and installed when they become available on the WSUS server *(Effective)* – Removable media security is controlled via the antivirus software *(Effective)* – There are three firewalls in place on the Council's network. A default deny-all principle is adopted for the firewall rule base with a limited number of permitted connections to the network *(Effective)* – End point encryption *(Effective)* – A programme of familiarisation training is in place which simulates Malware attacks and provides training and support to re-enforce the message *(Effective)* – Regular, independent, penetration testing is carried out to audit/prove the effectiveness of the measures in place *(Effective)* – Continued tightening of existing IT Security Policy to ensure measures adapt to the changing threat, including awareness, familiarisation and training *(Effective)* – Developing closer relationships with other agencies to improve awareness of threats *(Partially effective)*	Likelihood 2 x Impact 4 = High 8

Controls effectiveness judgement (assessment by Assistant Directors):

Effective = design of control/mitigation is appropriate and is consistently applied
Partially effective = improvements in design of control and application required to make effective
Not effective = the control does achieve the desired outcome

Risk Matrix

Impact		Likelihood 1	Likelihood 2	Likelihood 3	Likelihood 4
Critical – None or very low tolerance to the risk	4	4 Medium	5 8 High	12 Very High	16 Very High
Major – Some tolerance to the risk	3	3 Medium	1 2 3 6 High	4 9 High	12 Very High
Moderate – Risk can be tolerated in most cases	2	2 Low	4 Medium	6 High	8 High
Minor – Risk can be tolerated	1	1 Low	2 Low	3 Medium	4 Medium
		1	2	3	4
		Unlikely	Possible	Likely	Certain
		Low but not impossible <20%	Fairly likely to occur 21% - 50%	More likely to occur than not 51% - 80%	Expected to occur in most circumstances >80%

Likelihood