

Risk Category	Risk Definition	Standards & Audit Committee position on risk appetite for each risk category
Strategy	<b>Strategy Risk:</b> Risks arising from identifying and pursuing a strategy, which is poorly defined, is based on flawed or inaccurate data or fails to support the delivery of commitments, plans or objectives due to a changing macro-environment (e.g. political, economic, social, technological, environment and legislative change).	<b>CAUTIOUS:</b> Guiding principles or rules in place that allow considered risk taking in organisational actions and the pursuit of priorities. To illustrate: RBC's Corporate Business Plan is typically refreshed at 3-4 year intervals to reflect a planned and phased approach to change delivery, whilst still delivering business as usual activities. A step-change approach is taken to ensure existing resources are available to support delivery, or if new revenue or capital budget growth is required to deliver objectives, robust business cases are scrutinised to ensure alignment with corporate strategies.
Governance	<b>Governance Risk:</b> Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.	<b>CAUTIOUS:</b> Willing to consider actions where benefits outweigh risks. Processes, and oversight / monitoring arrangements enable cautious risk taking. To illustrate: RBC has strong governance arrangements, reporting and controls supporting decision making through CLT, SLT, Taskforces and Member Working Groups and Service Committees, Full Council, and Overview and Scrutiny.  For example, governance arrangements that specifically deal with fraud enable fraud prevention, detection and deterrence by maintaining appropriate controls and sanctions that target resources to concentrate on higher risk activities.
Legal	<b>Legal Risks:</b> Risks arising from a defective transaction, a claim being made (including a defence to a claim or a counterclaim) or some other legal event occurring that results in a liability or other loss, or a failure to take appropriate measures to meet legal or regulatory requirements or to protect assets (for example, intellectual property).	<b>CAUTIOUS:</b> Want to be reasonably sure we would win any challenge if a legal claim were to be made against the organisation.
Operations	<b>Operations Risk:</b> Risks arising from inadequate, poorly designed or ineffective/inefficient internal processes resulting in fraud, error, impaired customer service (quality and/or quantity of service), non-compliance and/or poor value for money.	<b>OPEN:</b> Innovation supported, with clear demonstration of benefit / improvement in management control. Responsibility for non-critical decisions may be devolved.  To illustrate: operations need to be able to be innovative where benefits can be realised to support efficient and effective working and delivery of objectives. The organisation 'pushes the door' when appropriate, but carefully and with due consideration.
Commercial	<b>Commercial Risks:</b> Risks arising from weaknesses in the management of commercial partnerships, supply chains and contractual requirements, resulting in poor performance, inefficiency, poor value for money, fraud, and/or failure to meet business requirements/objectives.	Consensus not reached at S&A. <b>CAUTIOUS (5) OR OPEN (4):</b> The organisation's current position is a tendency to seek third party suppliers that are market leaders with demonstrable experience and expertise; innovative solutions are generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators.  Due to the statutory obligation to be compliant with the Public Contract Regulations 2015, there is limited scope for innovation in the current procurement process outside of flexing the contract specification, soft-market testing, use of procurement frameworks etc. We have to be cautious in procurement due to the legislation we need to abide by. We tend to seek suppliers that are tried and tested to deliver services on our behalf.  We have been Open in our approach to Grounds Maintenance and bringing this service in-house. The new Housing reactive maintenance and voids contract is an example where we have used the contract specification to improve the service and engage suppliers not previously known to the Council. Both these could be described as 'innovative' approaches and demonstrate that we want to move towards open but we may not be there across the organisation as a whole.  We have formalised our Procurement Strategy and related policies of Social Value and Sustainable Procurement to ensure benefits realisation including social value and therefore this could lend itself to a more Open approach.
Project/ Programme	<b>Project/Programme Risks:</b> Risks that change programmes and projects are not aligned with strategic priorities and do not successfully and safely deliver requirements and intended benefits to time, cost and quality.	<b>CAUTIOUS:</b> The Council has an established project management methodology to support project delivery, <del>innovations</del> deviation from the methodology is generally avoided unless necessary. Decision making authority generally held by senior management. Plans aligned with strategic priorities, functional standards.  To illustrate: our project management methodology requires establishment of a Project Board and defined roles and responsibilities. The Project Sponsor is typically a Senior Officer. We have established project reporting and monitoring to measure progress and provide early warning when issues need to be addressed to reduce the likelihood of a project going off course. Business cases are aligned to the Corporate Business Plan and Corporate Strategies to demonstrate how the project will deliver on priorities.
Property	<b>Property Risks:</b> Risks arising from property deficiencies or poorly designed or ineffective/inefficient safety management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.	<b>CAUTIOUS:</b> Requirement to adopt a range of agreed solutions for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money.  To illustrate: the Asset management Strategy provides the arrangements and requirements to support delivery. The impact if risks were to materialise is significant and therefore cautious is appropriate.
Financial	<b>Financial Risks:</b> Risks arising from not managing finances in accordance with requirements and financial constraints resulting in poor returns from investments, failure to manage assets/liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting.	<b>CAUTIOUS:</b> Seek safe delivery options with little residual financial loss only if it could yield upside opportunities.  To illustrate: our Treasury Management approach is cautious as cash reserves are managed carefully to avoid risky investments. The Local Government financial landscape means that at this time, we need to be cautious.
People	<b>People Risks:</b> Risks arising from ineffective leadership and engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity and capability, industrial action and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.	<b>OPEN:</b> Prepared to invest in our people to create innovative mix of skills environment. Responsibility for noncritical decisions may be devolved.  Noncritical decision-making may be currently cautious but want to move towards open as standard.  To illustrate: we want to encourage diversity in personalities and skillsets through our recruitment policies and processes. We want to make the best of the people we employ. We want to develop an empowering culture and improve delegation of non-critical decision making.
Technology	<b>Technology Risks:</b> Risks arising from technology not delivering the expected services due to inadequate or deficient system/process development and performance or inadequate resilience.	<b>OPEN:</b> Systems / technology developments considered to enable improved delivery. Agile principles may be followed.  To illustrate: our digital transformation programme supports improvements to our systems and processes to become more agile in delivery.
Data and Information Mgmt.	<b>Data and Information Mgmt. Risks:</b> Risks arising from a failure to produce robust, suitable and appropriate data/information and to exploit data/information to its full potential.	<b>CAUTIOUS:</b> Accept need for operational effectiveness with risk mitigated through careful management limiting distribution.  This is to do with how we use and share our data. Due to the need to comply with GDPR, risk needs to be mitigated. For example, email protocol, IT policies in place to limit risk.
Security	<b>Security Risks:</b> Risks arising from a failure to prevent unauthorised and/or inappropriate access to the estate and information, including cyber security and non-compliance with General Data Protection Regulation requirements.	<b>CAUTIOUS:</b> Limited security risks accepted to support business need, with appropriate checks and balances in place.
Reputational	<b>Reputational Risks:</b> Risks arising from adverse events, including ethical violations, a lack of sustainability, systemic or repeated failures or poor quality or a lack of innovation, leading to damages to reputation and or destruction of trust and relations.	<b>CAUTIOUS:</b> Appetite for risk taking limited to those events where there is little chance of any significant repercussion for the organisation.  Maintaining residents trust is important. Therefore upholding our reputation is of significant importance.