Risk Management Framework

January 2026

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CYNGOR Sir y Fflint Flintshire COUNTY COUNCIL

Contents

Cymraeg

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. Gweler y dudalen Gymraeg ar ein gwefan.

This document is also available in Welsh. See Welsh page on our website.

Document Control

OVERVIEW

Title	Risk Management Framework
Owner	Internal Audit, Performance and Risk Manager
Nominated Contact	Lisa Brownbill (Lisa.brownbill@flintshire.gov.uk)
Reviewed By	Internal Audit, Performance and Risk Manager
Date of Last Review	December 2025
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Related Documents	Risk Management - InPhase User Guide

REVISION HISTORY

Version	Issue Date	Author	Summary of Changes
1	March 2020	Strategic Performance Advisor	New guidance document
2	February 2021	Strategic Performance Advisor	Inclusion of escalation procedure
3	September 2022	Strategic Performance Advisor	Fit for purpose review and update
3.1	November 2022	Strategic Performance Advisor	Additional information
4	December 2023	Strategic Performance Advisor	Annual review following role out of InPhase
5	December 2024	Strategic Performance Advisor	Annual review. New sections added (Section 1.0 and 3.0). Amendments made to Sections 2.0, 5.1, 6.0, 8.1, 9.2 and 9.4
6	December 2025	Performance and Risk Team Leader	Annual review. Update to include review frequency, risk response and change to financial impact criteria and 3 Line Model

CONSULTATION

Version	Who	Date
1	Performance Leads	17th January 2020
2	Chief Officers Team	20th January 2021
3	Chief Officers Team	16th August 2022
3	Performance Leads	21st September 2022
4	Performance Leads and Chief Officer Team	December 2023
5	Performance Leads and Chief Executive	December 2024
6	Performance Leads and Chief Officer Team	December 2025

APPROVAL

Version	Who / Where	Date
1	Chief Officers Team	26th February 2020
2	Chief Officers Team	20th January 2021
3	Chief Officers Team	16th August 2022
3	Governance and Audit Committee	14th November 2022
3.1	Governance and Audit Committee - Additional information	14th November 2022
4	Governance and Audit Committee	24th January 2024
5	Governance and Audit Committee	22nd January 2025
6	Governance and Audit Committee	21st January 2026

Purpose of document

The purpose of this document is to outline the key principles and benefits of effective risk management at, Flintshire County Council (the Council).

It aims to:

- Provide guidance to employees to ensure there is a consistent approach to risk management across the Council
- Clarify roles and responsibilities in risk management
- Ensure the appropriate response to risks is undertaken in line with the Council's risk appetite
- Support effective and informed decision-making

1.0 Introduction

The Council aims to deliver its objectives and improve the outcomes for residents. To enable the Council to maximise opportunities and reduce the impact of risks it needs to be able to identify, assess and manage risks effectively. There is always a level of risk in everything we do and there is significant value in risk management:

- Is an essential part of governance
- Informs business decisions
- Enhances strategic and business planning
- Strengthens contingency planning

This framework will outline:

- The Council's approach to risk management
- The method by which the Council identifies, assesses, controls and monitors risk
- Roles and responsibilities

It is acknowledged that it is not possible to eliminate all risks, but controls must be in place to manage and reduce the impact and/or likelihood of a risk occurring to an acceptable level in accordance with the Council's risk appetite.

2.0 Legal policy and context

The Council has responsibility for a number of statutory obligations and risk management is a key component in complying with these. There will be a number of other relevant legal policy and legislation that the Council must consider but a key piece of legislation in relation to risk is the **Well-being of Future Generations (Wales) Act 2015**

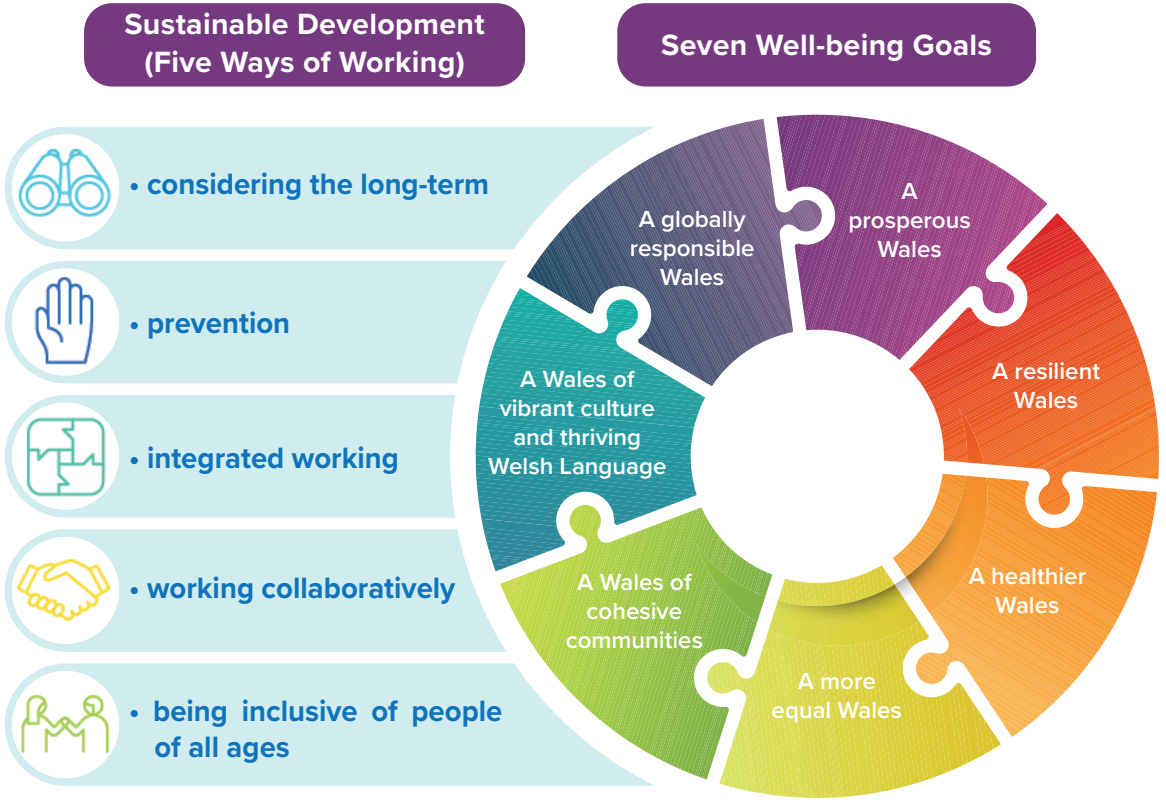
The Well-being of Future Generations (Wales) Act 2015 gives us the ambition, permission, and legal obligation to improve our social, cultural, environmental and economic well-being.

The Well-being of Future Generations (Wales) Act 2015 requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities, and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.

Under the Act, the Council must consider the seven Well-being Goals and apply the Sustainable Development principle, i.e. we must meet the needs of today without affecting the future, by applying the five ways of working.

1. Balancing the short-term need with the long term and planning for the future
2. Collaborating with other partners to deliver objectives
3. Involving those with an interest and seeking their views
4. Putting resources into preventing problems occurring or getting worse
5. Integrating well-being goals with other bodies where work is similar

In doing so, the Council will also be improving the economic, social, environmental, and cultural well-being of Wales and maximising contributions to the seven national Well-being Goals.



3.0 What is risk management?

Risk management is the process of identifying risks, assessing the potential impact and likelihood of the risk occurring, determining the appropriate risk response and monitoring the effectiveness of controls and actions to manage the risk. Risk management is invaluable to the Council and should form part of the day-to-day management of a service. Some of the benefits to managing risks include:

- Prevents reputational damage
- Informs decision making
- Leads to successful future planning

4.0 What is a risk?

A risk is defined as the **possibility that an event will occur and have a positive or negative impact on the organisation**. A 'risk' is measured by assessing the 'likelihood' and 'impact' of the event occurring.

4.1 Types of risk?

There are four main risk types at the Council, which are:

- **Strategic** a risk that could have an impact on achieving the Council's long-term strategic objectives or its ability to fulfil its statutory duties
- **Operational** a risk that could have an impact on the day-to-day service delivery
- **Programme** a risk that could affect the delivery of multiple projects within a programme and therefore impact the delivery of the programme
- **Project** a risk that prevents the successful delivery of a project

4.2 Risk registers

Risk registers are used as a tool to document all risks that have been identified and, in the Council, there are three types of risk registers:

- **Corporate** a corporate risk register captures significant strategic risks and are owned by the Chief Officer Team and Cabinet.
- **Portfolio** a portfolio risk register captures strategic, operational and project risks and are managed by the Portfolio.
- **Service** a service risk register captures operational and project risks and are managed by the Service / Team Manager.

5.0 Risk management process

Risk Management is a continuous process and is often done in a sequence of four key stages:

The four key stages:

1. **Identify**
2. **Assess**
3. **Control / Management Actions**
4. **Monitor and Review**

Stage 1: **Identify**

Risk identification is a continuous process which identifies risks which may prevent the achievement of our objectives in the Council Plan, portfolio plans, project delivery, partnerships and service delivery. Risks can be identified internally during the planning process, self-assessments and performance monitoring. They can also be identified through internal audits and Audit Wales reports and other regulators' reports. There are many external factors that could impact the Council's strategic objectives and using the PESTEL (Political, Economic, Social, Technological, Environmental, Legal) analysis is an effect method to ensure all factors within each category are considered. Examples of the factors within each category are shown below.

POLITICAL

- Elections and Member roles
- Government changes
- National Policy change

ECONOMIC

- Funding
- Grants
- Local Growth
- Trade
- Financial commitments

SOCIAL

- Deprivation
- Health
- Resources
- Community support
- Social Care

TECHNOLOGICAL

- Transformation
- Digital inequality
- Data migration
- Information governance
- Cyber

ENVIRONMENTAL

- Climate change
- Extreme weather
- Biodiversity
- Energy efficiency

LEGAL

- Regulatory change
- Compliance
- Statutory duties
- Laws

Once a risk has been identified it should be added to the appropriate risk register in InPhase (the Council's performance and risk management system) and include a risk statement or description which clearly defines the risk

For every identified risk there **MUST** be a risk owner. This person is responsible for monitoring and escalating/deescalating the risk.

When thinking about identifying a risk, consider using the following statement:

This **(event)** could happen due to **(cause)** which may result in the following **(impact)** to our objectives.

Stage 2: **Assess**

Assessing the risk level requires the assessment of the following:

Typically, risk is measured in:

- **Impact** how severe would the outcomes be if the risk occurred
- **Likelihood** how likely will the risk occur

The table below provides guidance when assessing the impact score and likelihood score.

IMPACT SEVERITY

Impact Score	Service Delivery	Financial	Reputation	Legal
1 Negligible	No noticeable impact	Expenditure or loss of income up to £50k	Internal review	Legal action very unlikely and defendable
2 Moderate	Some temporary disruption to a single service areas / delay in delivery or one of the Council's key strategic outcomes or priorities	Expenditure or loss of income greater than £50k but less than £500k	Internal scrutiny required to prevent escalation	Legal action possible but unlikely and defendable
3 Significant	Disruption to one or more services / a number of key strategic outcomes or priorities would be delayed or not delivered	Expenditure or loss of income greater than £500k but less than £3m	Local media interest. Scrutiny by external committee or body	Legal action expected
4 Major	Severe service disruption on a service level with many key strategic outcomes or proprieties delayed or not delivered	Expenditure or loss of income greater than £3m but less than £7m	Intense public and media scrutiny	Legal action almost certain and difficult to defend
5 Catastrophic	Unable to deliver most key strategic outcomes or priorities / statutory duties not delivered	Expenditure or loss of income greater than £7m	Public Inquiry or adverse national media attention	Legal action almost certain, unable to defend

LIKELIHOOD

Likelihood of Risk Occurring	Possibility	
1 Rare	Less than 5% chance	May only occur in exceptional circumstances
2 Unlikely		Could occur but unlikely
3 Possible	50% chance	A change might occur
4 Likely		Will probably occur
5 Almost Certain	More than 95% chance	Very likely to occur

Once the risk impact and risk likelihood score is determined, they are multiplied together to calculate an overall risk score. The risk is then categorised as red, amber, yellow or green (RAYG) as shown in the risk matrix below.

5.1 Risk matrix

The Risk Matrix (below) must be used when calculating impact and likelihood score to have an overall score. Risks are then categorised via the overall score and a colour rating to determine the tolerance of risk.

IMPACT
How severe would the outcomes be if the risk occurred

LIKELIHOOD
How likely will the risk be happening

	1 Negligible	2 Moderate	3 Significant	4 Major	5 Catastrophic
5 Almost Certain	Yellow 5	Amber 10	Red 15	Red 20	Red 25
4 Likely	Yellow 4	Amber 8	Amber 12	Red 16	Red 20
3 Possible	Green 3	Yellow 6	Amber 9	Amber 12	Red 15
2 Unlikely	Green 2	Yellow 4	Yellow 6	Amber 8	Amber 10
1 Rare	Green 1	Green 2	Green 3	Yellow 4	Yellow 5

5.2 Risk appetite

Risk appetite is defined as the amount of risk an organisation is willing to accept or tolerate to achieve its intended objectives. In an organisation as large and diverse as the Council, it is difficult to define a singular risk appetite. Appetite for risk will vary according to the objectives being undertaken in the Council spanning a wide range of different service areas. The Chief Officer Team has the final collective decision when choosing the level of risk the Council is willing to accept. They will do so by balancing the potential benefits and threats while ensuring adequate controls and mitigations are in place to monitor and manage risk.

As an organisation the Council recognises that we must accept some risk to achieve our objectives. It may not be possible or financially viable to remove risks completely or manage all risks at once and this framework outlines guidance for setting the tolerable level of risk. The Council's risk appetite will be assessed continuously in response to the environment in which it operates. The Council's approach to risk management is to foster a culture of risk awareness, collaboration, transparency, and constructive challenge.

The table (below) outlines the Council's risk appetite and required management response to each level of risk.

Risk Level	Score	Risk Level	Management Response
Green	1-3	Very Low	Risks within the Council's risk appetite. Continue with existing controls and can be monitored by Team Leaders/Service Managers
Yellow	4-6	Low	Risks within the Council's risk appetite May require additional mitigating actions and need to be monitored by Senior Management
Amber	8-12	Medium	Risks may be within the Council's risk appetite. Further mitigating actions required and need to be monitored by Chief Officer
Red	15-25	High	Risks outside of the Council's risk appetite. Further mitigating actions required and may require escalation to Cabinet

All risks should have an inherent, current and target risk score.

- **An Inherent Risk Score** - The score before additional controls are implemented. This excludes controls that traditionally fall into business-as-usual processes because despite these measures being in place, the risk has still been identified.
- **A Current Risk Score** - The score after additional control measures have been implemented, on top of business-as-usual controls. The current risk score should be lower than the inherent risk score, but if they are the same, this suggests that the additional control measures are not reducing the risk level.
- **A Target Risk Score** - The target risk score is an acceptable level of risk that the Council aims to achieve. It is understood that not all risks can be completely mitigated but must be managed to a tolerable level. In exceptional circumstances, the target risk score may be outside of the Council's risk appetite. This may be due to external factors outside of the Council's control. In these cases, further mitigating actions should be implemented to manage the risk.

Stage 3: **Control / Management actions**

Once a risk has been identified and assessed the next step is to consider the best method of managing the risk.

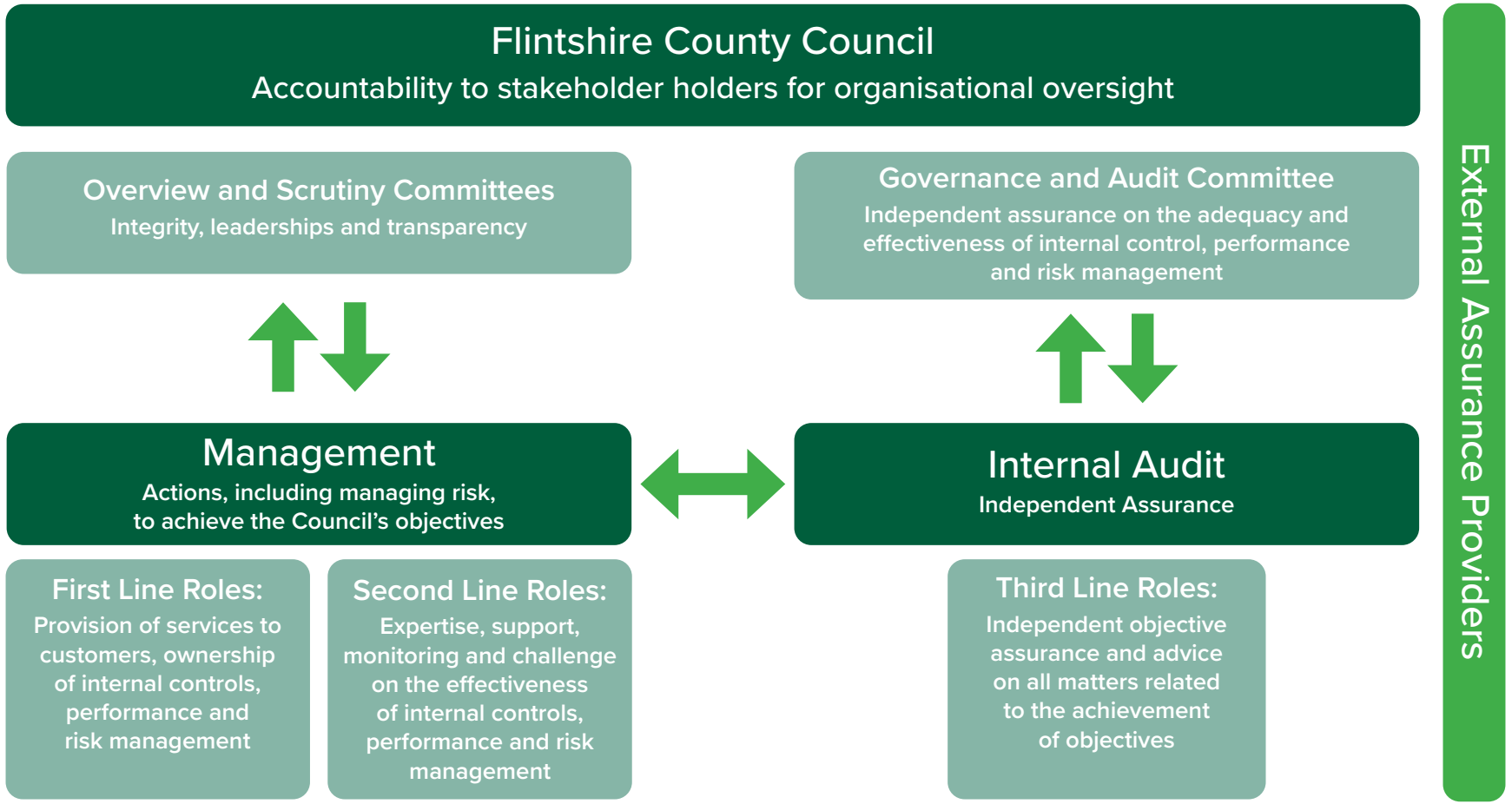
It is important to consider the resources (finance, people, technology, communication) required to mitigate the risk and how effective and timely the actions will be. A key question to ask is: what are we going to do about it? There are four response methods to consider (4T's):

- **Treat** - Identify additional actions to reduce the impact and/or likelihood of a risk occurring. Actions should be clear and specific, assigned to an officer and timebound.
- **Tolerate** - Manage the risk using existing internal controls and processes. No additional action to reduce the impact or likelihood is required. This response is only appropriate when the current risk score has achieved the target risk score and is within the Council's risk appetite. In some cases, it may not be financially viable or possible to reduce the risk and we must accept/tolerate the level of risk. The target risk score should reflect these cases.
- **Transfer** - Shift the risk to a 3rd party for example, insurance or contract service provider.
- **Terminate** - Cease the activity causing the risk.

As part of any risk management it is important to ensure that internal controls within services areas designed to ensure they mitigate risks.

The Three Line Assurance model (graphic below) demonstrate where responsibility for internal control and risk management sits within the organisation.

The Three Line Model of Assurance



Stage 4: **Monitor and review**

Risk monitoring and risk reviews should be completed regularly as part of the risk management process. Risk owners should review the following:

1. **Risk scores** - assess the current risk impact and likelihood scores
2. **Internal controls/processes** - are the internal controls and processes being carried out?
3. **Risk mitigating actions** - are they on track and having the desired impact on the risk?

The following criteria should be used to set the appropriate review frequency for each risk:

Risk Review Frequency

Risk Level	Risk Score	Risk Register	Review Frequency
Red	15-25	Corporate/Portfolio/Service	Monthly
Amber	8-12	Corporate/Portfolio/Service	Monthly
Yellow	4-6	Corporate/Portfolio/Service	Quarterly
Green	1-3	Corporate/Portfolio/Service	Bi-annually

Risks should be discussed and monitored regularly at portfolio, service and team meetings to identify new risks and assess whether internal controls/processes and mitigating actions that are currently in place to manage risks are adequate.

6.0 Communication and reporting

Effective communication is key to risk management. Risks should be discussed at each stage of the risk management process. Engagement and collaboration with stakeholders is encouraged to share expertise and ensure different views are considered. It is important to share the appropriate level of risk information with stakeholders to foster a shared understanding of risk within the Council. This involves formal reporting at the appropriate management level which enables informed decision making, transparency and accountability. The Corporate Risk Register is reported to the Chief Officer Team (COT), Cabinet and the Overview and Scrutiny Committees (OSC) quarterly and to Governance and Audit Committee annually. Portfolio risk registers are reported monthly to Chief Officers.

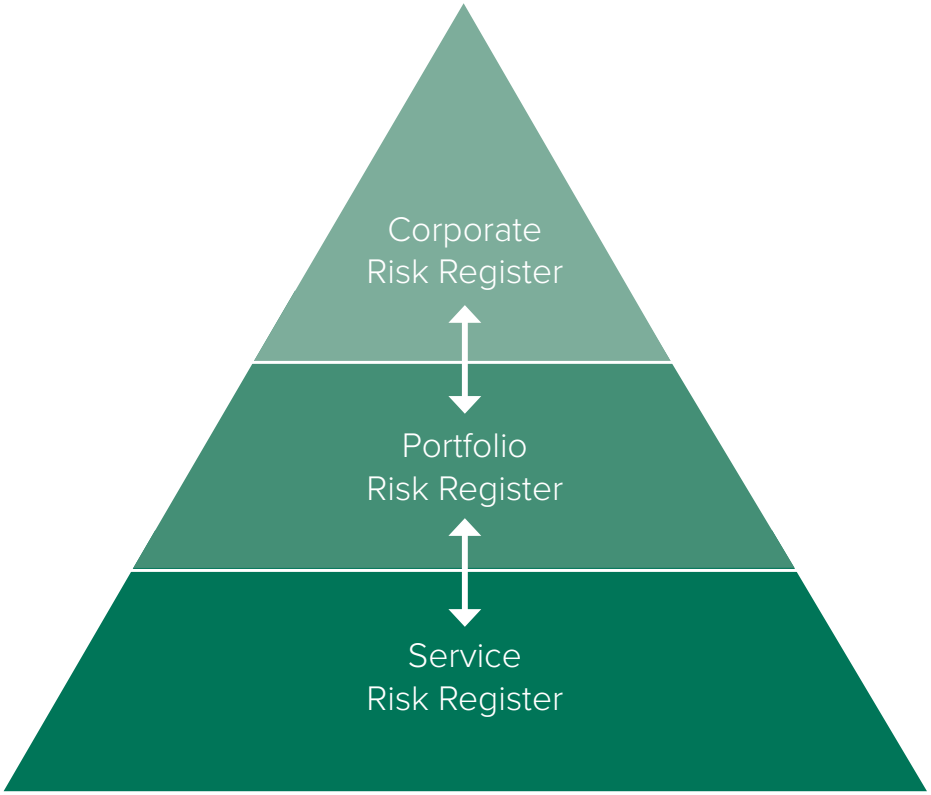
6.1 When does a risk need to be escalated/de-escalated?

A risk needs to be escalated:

- When the existing controls cannot mitigate the risk to a tolerable level and additional controls are required at the next management level i.e. a service risk being escalated to a portfolio risk register, or a portfolio risk to the corporate risk register.

A risk needs to be de-escalated:

- When the risk score is reduced to a tolerable level and can be managed at the appropriate level i.e. a corporate risk now being managed at portfolio level, or a portfolio risk now being managed at a service level.



The diagram below provides an overview of roles and responsibilities when an escalating risk has been identified.

7.0 Roles and responsibilities

Everyone at the Council is responsible for ensuring risks and opportunities are identified and managed at all governance levels.

The table below explains in more detail the key roles and responsibilities to ensure risk management is effective, within the Council, with consideration given to the **Constitution**.

Governance Arrangements, Members and Officer Roles	Description of Roles and Responsibilities
Cabinet Members	• Ensuring that the Council's risks and opportunities are managed effectively, and controls and governance arrangements are adequate to monitor strategic risks • Setting the appropriate level of risk appetite for the Council • To review the Council's full Corporate Risk Register on a quarterly basis • To ensure that all risks are fully assessed and consulted upon when making strategic decisions • To have political oversight and responsibility of the Corporate Risk Register • Complete Risk Management e-learning module
Overview and Scrutiny Committees	• Challenging the detail of individual risks related to the Council Plan priorities, or a risk specific to a service/function • Quarterly reporting of the Corporate Risk Register to individual Overview and Scrutiny Committees challenging the details of risks specific to their scrutiny functions • Promote the use of risk management to inform effective strategic decision making • Complete Risk Management e-learning module
Governance and Audit Committee	• Reviewing the effectiveness of the Council's Risk Management Framework, processes, and systems • Effective forward work planning for risk management • To receive a bi-annual risk profile report on the Corporate Risk Register • High level overview of escalated and deteriorating risks as part of the Corporate Risk Register • Consider and approve annual reviews of the Risk Management Framework • To call in Risk Owners / Senior Managers when concerns are raised regarding a corporate risk • Complete Risk Management e-learning module
Chief Officer Team	• The Chief Officer Team owns and leads the risk management process • Implementation of the risk management process and related policies • Ensuring that risks are managed, monitored and reviewed within their relevant statutory roles • Set strategic risk management controls for any initiatives, projects, action plans

Governance Arrangements, Members and Officer Roles	Description of Roles and Responsibilities
	• Discussing the appropriate level of risk for the Council (risk appetite) • Identification and assessment of risk levels • Challenging the outcomes of risk management • Monitoring and reviewing risks in accordance with the Risk Management Operational Procedures • Assurance of Business Continuity Planning • Reviewing information within monthly reports to ensure continuous risk identification, assessment, monitoring, and escalation takes place • Ensuring that all risks are reviewed and updated in line with the Council's Risk Management Framework • Discuss and agree risks that need to be escalated and added to the corporate risk register or de-escalated to portfolio risk registers • Risks on the corporate risk register should be escalated and discussed with Cabinet Members • Complete Risk Management e-learning module
Service / Departmental Management Team	• Risk management and ownership of risk is a key element of any management role within the Council • The identification, assessment, control, and monitoring / reporting of Portfolio risk registers, (this includes Council Plan, Business as Usual, Partnerships or emerging risks) in accordance with the Risk Management Framework • Reviewing and managing the risks identified for which they are responsible for regularly and escalating risks deteriorating or exceeding the portfolio's risk appetite • Sharing relevant information regarding risks with colleagues in other service areas • Risk management to be discussed at Senior Management Team meetings • Complete Risk Management e-learning module
Performance and Risk Management Team (PRM Team) & Internal Audit, Performance and Risk Manager	• Ensuring the Risk Management Framework is adhered to • Providing advice and support where appropriate • Quality control and challenge (if applicable) of any new risks identified • Providing a monthly risk dashboard for each Portfolio detailing their risk profile • Providing risk profile and trend analysis for relevant Committees • Informing Chief Officers of new or escalating risks • Providing a quarterly corporate risk register report to the Chief Officer Team (COT), Cabinet and Overview and Scrutiny Committees • Developing and providing training for the performance and risk management system as a tool for risk management • Annual review of the Risk Management Framework and relevant internal procedure • Review portfolio risk registers periodically to raise risk awareness and embed risk management

Governance Arrangements, Members and Officer Roles	Description of Roles and Responsibilities
Risk Owners	• Responsible for managing and monitoring a specific risk (each risk in the Portfolio risk register is assigned a risk owner) • Ensure that appropriate resources and importance are allocated to the risks they own • Confirm the existence and effectiveness of controls and ensure that any further mitigating actions are implemented where required • Escalate risks that exceed the agreed risk appetite with their manager • Provide assurance that the risks for which they are the risk owner are being effectively managed • Any risks which are escalating are reported to relevant Senior / Departmental Management Team • Complete Risk Management e-learning module
Performance Leads	• Effective implementation of the risk management process and related policies within their Portfolio • Ensuring continuous risk identification, assessment, control, monitoring, reporting, and escalation takes place within their Portfolio • Ensuring that all risks are updated in line with the Council's Risk Management Framework • Responsible for having oversight of Portfolio risks and use of the Performance and Risk Management System • Where an operational risk may need to become a strategic risk, this will be highlighted to Chief Officer Team (COT) and corporately owned as a corporate risk, if applicable
Internal Audit Team	• Periodic reviews of the Council's risks (strategic, operational and project) • Sharing audit report findings with the Performance and Risk Management Team
All Employees	• Maintain an awareness and understanding of risk in their workplace • Comply with council policies and procedures for risk management • Notify their line manager of any identified risk and proposed actions to mitigate the risk • Report any incident or event to their line manager, discuss the potential risks which could occur and agree those which need to be included in a risk register

8.0 Further information

For further information, please contact the Performance and Risk Management Team **PRM@flintshire.gov.uk**

11.0 Appendix A - Risk reporting overview