Uchelgais Gogledd Cymru
Ambition North Wales

Corporate Risk Management Strategy (Draft)

2025

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Contents

Introduction

Risk management is a critical process for identifying, assessing, and mitigating potential risks that could impact an organisation's operations, objectives, and reputation. This strategy outlines a comprehensive approach to managing risks effectively and ensuring organisational resilience.

The Corporate Joint Committee (CJC) under the brand of Ambition North Wales leadership team recognises that effective risk management is an integral part of good corporate governance and as such should be a part of everyday management processes across the organisation. Ambition North Wales is committed to ensuring robust risk management arrangements are in place and operating effectively at all times.

The Leadership Team will champion risk management by ensuring that appropriate arrangements are maintained, monitored and controlled.

This strategy clearly sets out the roles and responsibilities of the day-to-day management of the risks affecting Ambition North Wales.

Ambition North Wales will ensure risk management is:

- Structured and consistent to focus decisions, prioritise resources and enable justified risk-taking.
- Applied in a proportionate way.
- Utilising of the right management information to create a complete picture of the key risks and issues to enable effective performance management.
- Regularly reviewed following feedback to ensure our risk management processes remain fit-for-purpose.
- Managed at the most effective and pragmatic managerial level.

Effective Risk Management

This will be achieved by adopting effective systems of internal control through:

- Embedding clear risk management roles and responsibilities and formal risk reporting lines.
- Integrating a process for continuous review of risks, including proactive management and monitoring of mitigating actions.
- Incorporating risk management into the decision-making arrangements.
- Applying principles of risk management to budget and project planning processes.
- Actively involving elected members in the risk management process.

- Regularly monitoring and reviewing our risk management arrangements to ensure they remain effective and comply with risk management standards, legislation and good practice.
- Establishing best practice across the organisation to promote the Corporate Risk Strategy.
- Embedding risk management into the business planning process and incorporating risk actions into individual performance reviews.
- Providing relevant and easy-to-use risk management guidance and information, based on industry best practice.
- Production of the Annual Governance Statement and in consultation with the Internal Audit Team.

Defining Risk Management

What is a risk?

A risk is the possibility that an event or condition will occur that could have a negative (or sometimes positive) impact on objectives, operations, or outcomes.

HM Treasury Orange Book describes a risk as:

“Risk is most commonly held to mean "hazard" and something to be avoided. But it has another face - that of opportunity. Improving public services requires innovation - seizing new opportunities and managing the risks involved.” – HM Treasury

“Risk management covers all the processes involved in identifying, assessing and judging risks, assigning ownership, taking actions to mitigate or anticipate them, and 3 monitoring and reviewing progress. Good risk management helps reduce hazard and builds confidence to innovate.” – HM Treasury

Key Elements of Risk:

- Uncertainty: Risk involves unknowns—something may or may not happen.
- Impact: If the event occurs, it could affect goals, performance, finances, reputation, or safety.
- Likelihood: The probability that the risk event will occur.

What is the difference between a risk and issue?

The difference between a risk and an issue lies mainly in timing and certainty:

Aspect	Risk	Issue
Definition	A potential event that *might* happen and could impact objectives.	A current event or problem that *has already happened* and is impacting objectives.
Timing	Future-oriented (uncertain).	Present or past (certain).
Certainty	Uncertain – may or may not occur.	Certain – it has occurred.
Management	Managed through risk identification, assessment, and mitigation plans.	Managed through issue resolution and corrective actions.
Example	“There is a chance the supplier may delay delivery.”	“The supplier has delayed delivery.”

Risk Appetite

Risk appetite refers to the amount and type of risk that an organisation is willing to accept in pursuit of its objectives.

It reflects the organisation's strategic goals, values, and capacity to manage risk, and it helps guide decision-making by setting boundaries for acceptable risk-taking.

Risk Appetite Framework

Ambition North Wales has a low appetite for risks that could compromise statutory legal compliance, reputational, financial, or service continuity; and a moderate appetite for managed risks that enable strategic (innovation), transformation, technology and efficiency within legal/ethical boundaries.

Risk Category	Appetite	Rationale
Strategic	Moderate	We support controlled innovation to improve service delivery and efficiency.
Operational (Service Continuity)	Low	Reliable services and resilience are prioritised; accept limited risk with strong controls.

Financial	Low	Protecting financial sustainability and stewardship of public funds outweighs potential upside
Legal	Very Low	Zero tolerance for unlawful activity; cautious approach to areas with regulatory exposure.
Reputational	Very Low	Maintain public trust and transparency; avoid actions likely to erode confidence.
Projects/Programmes (Change/Transformation)	High	Accept higher risk to deliver transformational benefits, with stage-gate assurance
Governance	Very Low	Clear accountabilities, strong oversight, and compliance with codes/regulations.
Commercial (partnerships)	Moderate-High	Seek value from commercial arrangements and partnerships where benefits justify risk
People (Workforce/Culture)	High	Support change and capability building while safeguarding wellbeing and compliance.
Technology & Information (incl. Cyber Security)	Moderate	Embrace digital improvements with robust security and data protection.

Risk Management Approach

Risk Registers

Completion of all risk registers requires effective management. Regular risk discussions should occur as a formality to ensure corrective action before live issues happen. This will reduce time, costs and use of resources. Raising risks does not mean ownership. This will be owned by the appropriate manager who can provide the necessary mitigating action. All staff involved in risk management have a responsibility to raise risks.

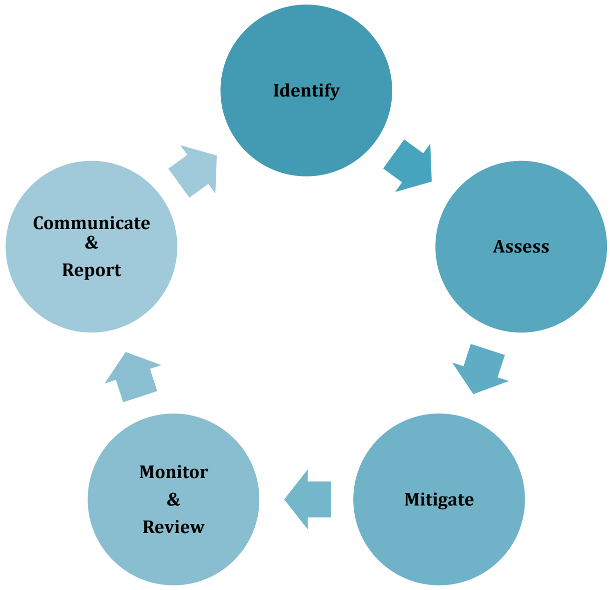
Register	Lead Officer	Purpose
Corporate	Chief Finance Officer (Section 151)	The Corporate Risk Register is used to record, monitor, and manage risks that could impact its strategic objectives, operations, or reputation at the 'enterprise' level. It provides a centralised view of all 'significant' risks and enables 'risk-informed' decision making be leadership and governance bodies. These risks are owned and managed by the Leadership Team. The Corporate Risk register is reviewed at every meeting of the Governance & Audit Sub-Committee
Growth Deal Portfolio	Portfolio Director	The Portfolio Management Risk Register is used to record, track, and manage risks across the Growth Deal portfolio of programmes and projects. It helps the Portfolio Management Office and stakeholders maintain visibility over potential threats that could impact the achievement of Portfolio objectives. These risks are owned and managed by the Economic Wellbeing Sub Committee (Members) and supported by a Portfolio Board (Officers). The register is updated and reported on by the Portfolio Management Office. Risks within the Portfolio Risk Register can be escalated to the Economic Wellbeing Sub Committee by the Portfolio Board.
All Programme(s)/ Projects	Senior Responsible Owners/ programme Managers	A Programme Management Risk Register is used to identify, assess, and manage risks across all programmes, which is a coordinated group of related projects managed in a way that delivers benefits not achievable if managed individually. It provides a centralised view of all risks that could affect the programme's ability to deliver its intended outcomes, ensuring proactive risk management. Programme Managers are responsible for the day-to-day management of

		their risk registers. Risks within these registers can be escalated to the to the relevant boards/committee's.
Service	Teams Managers	A service risk register is used to identify, assess and manage risks across a service to deliver corporate objectives. It provides service specific risks to the operations and processes within each team. Risks within service can be escalated through to the leadership team.

All risk registers must be stored in line with our information governance policies and made available to Legal, Governance & Compliance or Internal Audit on request.

Risk Management Stages

Ambition North Wales will adopt a standard approach to the management of risk lifecycle stages:



- Risk Identification - The first step in risk management is identifying potential risks that may affect the organisation. This includes internal and external risks such as financial uncertainties, legal liabilities, strategic management errors, accidents, and natural disasters. Risk identification involves gathering information from various sources including stakeholder input, historical data, and industry analysis.
- Risk Assessment - Once risks are identified, they must be assessed to determine their potential impact and likelihood of occurrence. This involves qualitative and quantitative analysis to prioritize risks based on severity and probability. Tools such as risk matrices and impact assessments are used to evaluate and rank risks.
- Risk Mitigation - Risk mitigation strategies are developed to reduce or eliminate the impact of identified risks. This includes implementing controls, developing contingency plans, transferring risk through insurance, and avoiding risk through strategic decisions. Effective mitigation requires collaboration across departments and continuous improvement of risk controls.
- Monitoring and Review - Risk management is an ongoing process that requires regular monitoring and review. This ensures that risk mitigation measures are effective and that new risks are identified promptly. Periodic audits, performance reviews, and feedback mechanisms are essential for maintaining an up-to-date risk management strategy.
- Communication & Reporting - Communication and reporting requires effective stakeholder engagement about risks and responses. It should promote a risk aware culture across the organisation.

Risk Assessment

Once a risk has been identified it needs to be assessed. The assessment process considers the likelihood that the risk may occur and its potential impact. This allows for risks to be ranked and prioritised as not all risks are of equal significance.

Using a risk scoring matrix to work out the inherent risk score (probability multiplied by the 'impact') will give an inherent risk score. This will help to make decisions about the significance of the risk, how it will be managed, the controls required and the treatment of the risk

	Impact				
	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
5 Highly likley	5	10	15	20	25
4 Likely	4	8	12	16	20
3 Possible	3	6	9	12	15
2 Unlikely	2	4	6	8	10
1 Highly unlikely	1	2	3	4	5

Score	How the risk should be managed
16-25	Risk requires active management to manage down and maintain the exposure at an acceptable level. Escalate upwards
10-15	A robust contingency plan may suffice together with early warning mechanisms to detect any deviation from the profile
1-19	May require some risk mitigation to rescue the likelihood if this can be done costs effectively but good housekeeping to ensure that the impact remains low should be adequate. Reassess frequently to ensure conditions remain the same.

Monitoring Arrangements

The Governance & Audit Sub-Committee has responsibility which includes oversight of the risk management arrangements. This is set out in the sub-committee's Terms of Reference, which in reference to functions states risk management must:

"Review and assess the CJC's risk management, internal control, performance management assessment and corporate governance arrangements"

"Make reports and recommendations to the CJC regarding the adequacy and effectiveness of those arrangements"

To support the sub-committee in the performance of its duties, the Corporate Risk Register will be taken to each meeting of the Governance & Audit Sub-Committee for review and comment. The Leadership Team review the Corporate Risk Register on at least a quarterly basis.

The Risk Management Strategy and any amendments will be reviewed by the Governance & Audit Sub-Committee ahead of being taken to the CJC for approval.

Risk Management Responsibilities

Risk management is everyone's responsibility, but there are clearly defined, specific roles and responsibilities for different individuals and groups. These are set out below:

Role	Responsibility
CJC	➢ Provides challenge and input to the Risk Management Strategy and Risk Register ➢ Approves the Risk Management Strategy and register including and any material changes as required ➢ Monitors progress in the management of Corporate Risks ➢ Holds the Leadership Team accountable for the effective management of risk
Governance & Audit Sub-Committee	➢ Review and assess the risk management strategy and register ➢ Provide recommendations to the CJC ➢ Support and promote effective risk management. ➢ Monitors adherence
Leadership Team	➢ Contribute and approve the Risk Management Strategy and register for consideration by the Governance & Audit Committee ➢ Deliver the CJC's Risk Management Strategy ➢ Effective management action of the Corporate Risk Register ➢ Support and promote effective risk management.
Chief Finance Officer (Section 151 Officer)*	➢ Prepare and promote the CJC's Risk Management Strategy ➢ Develop risk management controls in conjunction with the leadership ➢ Active involvement in all material business decisions to ensure short, medium and long-term implications, opportunities and risks are fully considered ➢ Foster and embed a culture of risk management across the organisation.

Operations Team	➢ Develop and deploy systems and processes that allow for the ongoing capturing and monitoring of all risks across the organisation.
Internal Audit*	➢ Assess the effectiveness of the Risk Management Strategy and the system of internal control. ➢ Support and promote effective risk management. ➢ Provides independent assurance
Risk Owners	➢ Accountable for the management action and control of all assigned risks ➢ Support the identification and management of risks. ➢ Ensure effective risk management arrangements are in place for their area. ➢ Promote risk-based decision making across the department.
All staff	➢ Support the identification of risks and contribute to their management, as appropriate.

* via Service Level Agreement