

# Cyngor Sir Gâr Carmarthenshire County Council

Carmarthenshire County Council

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## Risk Appetite Statement

July 2023

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**Overarching Statement**

The County Council delivers a wide range of services to the residents, communities, organisations and businesses of Carmarthenshire. Whilst risk is inherent in all of its activities the council aspires to be transformational and innovative within the resources available. An acceptance of risk is necessary for the organisation to evolve and excel.

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The following seven principal risks categories have been identified and each has been assigned a specific risk appetite statement.



## Risk Appetite Scale

In forming the risk appetite statements the following scale and definitions have been developed and applied.

### Averse

- Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.

### Minimalist

- Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.

### Cautious

- Preference for safe options that have a degree of inherent risk and some limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a higher degree of inherent risk that is deemed controllable to a large extent.

### Open / Receptive

- Willing to consider all options and choose one most likely to result in successful outcomes while providing an acceptable level of benefit.
- Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.

### Ambitious

- Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

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**Operational  
Risk**

The Council has a **receptive** appetite to the risks that allows it to manage service demand, continuously improve service delivery and performance.

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The Council is **ambitious** for taking well managed risks when opportunities provide clear benefits allowing for improvement, innovation and transformation.

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The Council has an **ambitious** appetite for risks that provide and contribute to the economic prosperity of the County.

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The Council is **cautious** to risks which may threaten the delivery of critical services

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**Legal /  
Regulatory /  
Governance  
Risk**

The Council is **minimalist** to any risks that will result in breaches in statutory obligations, regulations and law. Activities will only be undertaken where they have a low degree of inherent risk.

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**Financial Risk**

The Council is **cautious** to risks associated with significant financial risks, adopting safe delivery options. Avoidance of financial loss is a key objective.

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We maintain a **minimalist** approach to activities involving exposure to financial fraud and so will apply robust control measures to safeguard the Council's finances.

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We maintain a **minimalist** approach to maintaining the security of our financial investments.

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The Council maintains a **cautious** approach to managing its budgets.

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**People Risk**  
(including  
Stakeholders /  
Health &  
Safety /  
Safeguarding)

Accepting that there are risks associated with most of its activities, the Council is **minimalist** in respect of risks that may compromise the health and safety, diversity and equality of its staff and elected members.

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In respect of service delivery, we recognise that there are inherent risks associated with many aspects of service delivery which may impact service users. We are committed to do everything we can to minimise the risks to which our employees and service users are exposed to.

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The Council maintains an **receptive** approach to issues of recruitment and retention in order to become the employer of choice, including the adoption of innovative approaches to modern employment practices.

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The Council has a **cautious** approach to managing risks associated with its safeguarding policies and procedures for adults and children.

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**Technology /  
Information /  
Security Risk**

The Council is **averse** to any risks that will result in the loss of critical IT systems and expose the Council to potential threats from malicious cyber security attacks.

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The Council is **averse** to any risks that will result in non-compliance or breaches of the Data Protection Act.

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However, it has an **receptive** appetite for taking well managed technological risks to improve efficiencies, resilience and sustainability.

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**Environmental  
Risk**

The Council has a **cautious** appetite to risk to enable a sustainable and socially responsible contribution to the environment. We aspire to strike a balance between social, economic and environmental considerations.

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Where the nature of service delivery or development may cause environmental harm, the council will maintain a **cautious** and sustainable approach that seeks to achieve a balance between the environmental impact and benefit,

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The Council is **ambitious** for well managed risks in pursuit of its commitment to becoming a net carbon zero local authority by 2030.

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## Reputational Risk

The Council relies on reputation in order to secure the engagement of key stakeholders, businesses, partners, communities and residents. The support of these parties is essential to achieving the Council's objectives and strategic outcomes. The Council has a strong commitment to being seen as a responsible, efficient and effective organisation whilst maintaining the confidence of residents, communities, organisations and businesses of Carmarthenshire. The Council retain an overall **cautious** approach with regard to reputation.

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The Council will maintain high standards of conduct and will not accept risks that could cause reputational damage to the Council and undermine public and stakeholder confidence associated with the day to day delivery of services. Overall the Council has a **cautious** approach to reputation.

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