# Risk Strategy Policy

# Policy Number – G16

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## 1. Introduction

1.1. All businesses, whatever their size and shape are constantly faced with a multitude of risks, large and small.

1.2. Within the Clyde Valley Group we need to strike the correct balance between risk and potential reward; to maximise our opportunity risks and minimise our threat risks. To succeed we need to manage risk appropriately, not to try and eliminate or avoid it, as in any case, that simply isn't possible. It is therefore essential that we understand the major risks to our business operations to enable us to manage them to our advantage.

1.3. Some risks are so minor as to be insignificant, whereas others have the potential to seriously affect our business's continued well-being. So, it is important to understand the likelihood and the potential consequences of our own particular risks, and to take sensible, cost effective mitigation measures for the more significant ones.

1.4. The Clyde Valley Group (CVG) has a moral and statutory duty of care to its customers, employees and assets. It will meet this duty by ensuring that risk management plays an integral part in the day-to-day management of the business at a strategic and operational level. All employees must understand the nature of the risks and accept responsibility for these associated with their area of control and authority. The necessary support, assistance and commitment of the Board will be provided.

1.5. This policy describes CVG's strategy for managing the risks inherent in its current and future activities and how these risks are controlled and monitored.

## 2. Aims and Objectives

2.1. Whilst risk is commonly regarded as negative, risk management is as much about exploiting potential opportunities as preventing potential problems. The main aims and objectives of this Policy are to manage our risk effectively in order to achieve the following benefits:

- Informed decision making
- A more resilient business
- Increased likelihood of successful risk taking (capitalising on opportunities)
- Protection of financial resources and assets
- Protection of reputation
- Improved products, service quality and reliability
- Increased likelihood of achieving strategic objectives
- Reduced overheads and/or increased profits
- Less failures and downtime
- Competitive advantage
- Fewer nasty surprises

2.2. All business undertaken by CVG is contained within its Corporate Strategy and associated activity plans and as such all-risks link back to the strategic themes of the business. Integrating risk management into the way CVG delivers services is essential for the achievement of its vision, values and ambitions.

## 3. What is a Risk?

3.1. A risk is anything that can impede or enhance our ability to meet our current or future objectives. Risk taking can create opportunity. This risk is an adverse or worse than planned event typically resulting from:

- **Things we do** - Pursuit of objectives (e.g., the change programme failed to achieve the desired efficiencies)
- **Things done to us** - External condition out with your control (e.g. Brexit, pandemic).

3.2. Risks arise when the vulnerabilities in our systems, processes, facilities or resources are exploited by or exposed to threats. Examples might include the hacker who exploits the vulnerabilities in our IT security system, or a fire that starts due to an electrical fault and spreads because of weaknesses in our fire detection systems, errors made by inexperienced or insufficiently trained staff, or a whole host of other things.

3.3. The following are examples of some of the possible risks to the CVG.

| | | |
|---|---|---|
| Fire | Flood | Computer failure/data loss |
| Theft | Unforeseen Bad debts | Failure to exploit opportunities |
| Workplace accidents | Equipment failure | Contractor failure |
| Loss of key staff | Power failure | Fraud |
| Interest rate fluctuations | Human error | Breach of contracts/disputes |
| Negative cash flow | Pollution/contamination | Design defects |
| Breach of regulation | Litigation | Vandalism |
| Business failure | Negative publicity | Insolvency |

3.4. Risks can arise as a result of our own business activity or as a result of external factors such as legislation, market forces, the activities of others or even the weather. They can be a product of the business environment, the natural environment, the political or economical climate or of human failings or errors.

3.5. Ultimately risk may impact on our business objectives or even threaten the business itself. Investing time and effort in managing our risks is a worthwhile investment and makes good business sense. Ultimately effective risk management could be the difference between the survival and failure of the business.

3.6. It is not possible to create a completely risk free environment, but what we can do is manage risk effectively. We can identify risks, quantify them and once we understand what we are up against we can make informed, considered decisions regarding what (if anything) to do about them.

## 4. What is Risk Management?

4.1. Risk management is a process that allows individual risk events and overall risk to be understood and managed proactively, optimising success by minimising threats and maximising opportunities and outcomes (Association for Project Management).

4.2. Risk management involves understanding, assessing and addressing risk.

4.3. Risk management should be a central part of any organisation’s strategic management

## 5. Risk Management Process

5.1. There are five stages to the CVG's risk management process, which are detailed in the diagram below:

| | |
|---|---|
| Identify Risks | 5. Monitor and Review |
| Quantify Risks | |
| Identify Mitigation Measures | |
| Implement Mitigation Measures | |

**Stage 1 – Identify Risks**

Before we can take any meaningful action to address our risks we need to know what we are up against. So, we need to identify the risks that we face.

**Stage 2 – Quantify Risks**

Once we have identified our risks we need to quantify them. As the risks that we are really interested in are those we consider to be significant enough to do something about we need to separate these out. We do this by assessing the likelihood of the risk occurring and the impact if it does.

**Stage 3 – Identify Mitigation Measures/Controls**

Once we know what risks are most serious we can start to deal with them by identifying and implementing possible mitigation measures – methods of removing, reducing, controlling or recovering from adverse events. The mitigation measures already in place are those which are included in the mitigations strategies. Mitigations identified but not currently in place should be included in the actions until these are implemented.

**Stage 4 – Implement Mitigation Measures**

Having determined which mitigation measures we feel are sensible and cost effective and decided which ones we want to invest in we go ahead and manage these and in addition implement any mitigations identified that are not in place.

**Stage 5 – Monitor**

To complete the process, we must monitor the effectiveness, or otherwise, of the controls we put in place.

5.2. <u>Identifying Risks</u>

5.2.1. We need to concentrate on the risks to the most important parts of our business or to its critical assets. The identification of risk creates a risk profile for the organisation that should provide an overview of risks that may affect the achievement of objectives. Clear link between the process of developing strategy and policy and the identification of risks. Risk levels identified may fall into either:

- Strategic
- Operational
- Project

5.2.2. Having identified the most critical elements of our business we can set about assessing the risks to them.

## 5.3. Quantifying Risks

5.3.1. Our vulnerability to any particular risk is a combination of the **likelihood** of the risk materialising and the **impact** if it does. When determining this, we use a simple 1-5 scale shown. The narrative will depend on the risk category and those used at CVG are attached at Appendix 1.

5.3.2. When considering likelihood this can be based on statistical information or evidence, but generally it is an experienced and sensible assumption.

5.3.3. Following scoring the likelihood and impact scores are multiplied together; for example, if a risk was almost certain and the impact was catastrophic the score would be 5 x 5 = **25.** This allows us to then consider which risks are significant enough to do something about, in line with the matrix below.

| | | LIKELIHOOD | | | | |
|---|---|---|---|---|---|---|
| | | Rare -1 | Unlikely -2 | Possible -3 | Likely -4 | Almost Certain -5 |
| IMPACT | Catastrophic 5 | 5 | 10 | 15 | 20 | 25 |
| | Major 4 | 4 | 8 | 12 | 16 | 20 |
| | Moderate -3 | 3 | 6 | 9 | 12 | 15 |
| | Minor 2 | 2 | 4 | 6 | 8 | 10 |
| | Insignificant 1 | 1 | 2 | 3 | 4 | 5 |

**Overall Rating**

| |
|---|
| Low |
| Medium |
| High |

5.3.4. The risk rating and traffic light colour coding indicates the seriousness and priority for action for any given risks, and this is carried through to the Risk Registers.

5.3.5. Risk registers detail the following key areas:

- Link to Corporate Strategy ambition.
- Category of risk

- Description and impact of risk
- Risk owner
- Inherent likelihood of risk (before mitigation)
- Inherent impact of risk (before mitigation)
- Inherent risk score (before mitigation)
- Mitigation and control measures
- Mitigation and control measures owners
- Residual likelihood of risk (after mitigation)
- Residual impact of risk (after mitigation)
- Residual risk score (after mitigation)
- Target Risk Score
- Actions required to achieve target risk
- Assurance level
- Review date
- RAG status on review of controls
- Movement of risk since the last review date

5.3.6. We quantify risks both before and after mitigation in order to determine the effectiveness of the control measures in place. The pre mitigation risk is always scored on the assumption that nothing has been done or been put in place as a starting point. This ensures consistency of scoring across the business.

5.3.7. Once we have assessed the various risks to our business we then decide what to do about them.

5.3.8. Assurance Rating – we also have a section on the risk registers that relate to assurance rating. Each risk also has an assurance level which is classed as:

- Substantial
- Reasonable/Limited
- Little/Low

This level is determined by the external factors and how much control/mitigation the Group is able to put in place. For example, residual risk rating might be Medium due to mitigation measures and activity in place, however, Assurance Level might be substantial due to ability to control external factors in relation to changes or timing/impact of changes to system.

5.4. <u>Mitigating Measures</u>

In general terms, the responses to our various risks can largely be divided into four categories. It should be noted that some risks may cross over into several of the boxes, however, the ultimate aim is to select and implement measures that reduce the likelihood or impact (or both) to a level that CVG is prepared to accept.

| | | LIKELIHOOD | |
|---|---|---|---|
| | | Low | High |
| IMPACT | High | Insure/ Contingency Plan | Reduce/Transfer |
| | Low | Accept | Manage |

5.4.2 Accept - if the likelihood is low and the impact is low it may be a perfectly reasonable decision to do nothing and to accept certain risks. Also, the fact that many risks cannot be completely eliminated means that there is likely to be a level of residual risk remaining, even after implementing our mitigation measures. The ultimate aim of an effective risk management process is to reduce all of our risks to a level that we are willing to accept.

5.4.3 Manage – for risks with a low impact but a higher likelihood a sensible approach might be to manage and control them, for instance by improving and documenting processes, by providing training or putting in place controls and procedures to monitor the situation.

5.4.4 Insure/Contingency Planning – if the likelihood is low but the impact is high (such as loss of operational capability, serious damage to our business, large financial losses or even complete failure) contingency plans should be developed. These are contained with CVG's Crisis Management Plan which is to ensure that our business critical functions or processes can continue to an acceptable level, perhaps emergency level in the event of some sort of catastrophic disaster.

5.4.5 Reduce/transfer – For risks with a high likelihood and high impact risk reduction measures are absolutely essential. For instance, hazardous or dangerous procedures should be modified, monitored or outsourced to someone more qualified or better equipped to carry them out safely. This can also be achieved by taking out insurance for some areas, but consideration must be given to the non-financial aspects of the risks.

5.4.6 For risks that CVG are unable to accept there are numerous possible mitigation measures that we can consider within the categories above. These mitigation measures will vary depending on the type of risk, its rating, the appetite for risk and budgets.

5.5. Implementing Mitigation Measures

5.5.1 Once the mitigation measures have been identified it is important that the implementation of these are properly managed. This is done through the management of risk registers, which is a document which summarises the risks and opportunities identified, along with likelihood and impact (before and after mitigation), mitigation measures, actions taken and current status of these. The residual risk score i.e., the score after mitigations can only take into account mitigations already in place.

5.5.2 The risk registers are working documents and are regularly updated and reviewed. Within CVG we have a Strategic Risk Register along with an Operational Risk Register for each function, as well as Clyde Valley Property Services. There are also enhanced risk registers for standalone projects or more significant and complex areas.

## 5.6. Target Risk

The target risk is the risk level CVG wants to achieve and may be lower than the residual risk to achieve the target risk further actions may be required to be identified and implemented to achieve this level of risk. These actions will be included within the Risk Register and monitored via risk register reviews.

## 5.7. Monitoring and Reviewing

The final stage in the risk management process is to monitor and evaluate the results of the risk mitigation measures. As well as reviewing the effectiveness of the risk control measures and identifying changes or improvements to existing mitigation measures, regular monitoring and review ensures that new and emerging risks, changes to existing risks and new opportunities are captured and addressed appropriately.

The risk review process for CVG is as follows:

| What | Who | When | How |
|---|---|---|---|
| CVHA Strategic Risk Register | CVHA Board | Bi-annually | Consideration of risk appetite, review mitigation measures, changes to scoring and new risks. |
| CVPS Strategic Risk Register | CVPS Board | Quarterly | Consideration of risk appetite, review mitigation measures, changes to scoring and new risks. |
| Strategic Risk Register – CVHA and CVPS | Audit Committee | Quarterly | Review system and ensure that being reviewed accordingly by Board and staff. Consideration of risk appetite, review mitigation measures, changes to scoring and new risks. |
| Strategic Risk Register | Executive Team | Monthly | Consideration of existing and new risks, re-scoring or risks, escalation and de-escalation of strategic/ operational risks. |
| Operational Risk Registers | Chief Executive | Annually | Annual assurance of management of systems to Board/Audit Committee. |
| Operational Risk Registers | Directors and Managers | Monthly | Review of functional operational risk registers at monthly one to ones. |
| Operational Risk Registers | Leadership Team | Monthly | Review of functional operational risk registers. |

| What | Who | When | How |
|---|---|---|---|
| Operational Risk Registers | Team Meetings | Quarterly | Review of functional operational risk registers. |

## 6. Risk Appetite

6.1. CVG has a corporate risk appetite which dictates the types and levels of risk that the organisation, or at least the Board are willing to take or to accept. One of the key roles of the Board is to decide on the level of risk that the business is willing to take in seeking to exploit opportunities. It can be very difficult to define the corporate risk appetite, partly because it is quite difficult to put into words, and because it can be quite subjective and change depending on factors such as the prevailing business environment, the timing, personal experiences, or professional (or emotional) judgement.

6.2. The way in which the Board determines its corporate risk appetite is through the review of its risk matrix at 4.3.3 above. The traffic light rating sets the boundaries for the level of risks and for these to be quantified and considered in more detail. Guidance will be sought from the Board at each meeting on the Strategic Risk Register to ensure that risks are acceptable. In addition, risk appetite will also be sought at Board sessions to review its overall Corporate Strategy.

6.3. In addition to the Corporate Risk Appetite each individual risk is allocated a risk appetite, and this will differ in accordance with the type of risk.

6.4. The Risk Appetite categories used at CVG are:

- Hungry – eager to innovate
- Open – willing to consider/tolerate
- Balanced – limited risk but with limited reward potential
- Cautious – low inherent risk level with limited or no potential for reward
- Averse – avoidance of risk

## 7. Risk Awareness Culture

7.1. The most successful organisations are those who embed risk management into their culture – where Board support is visible, where risks and associated mitigation measures are identified at all levels, where risk registers are maintained by Directors and Managers and where risk management is seen by all employees as just a normal part of the way they do their jobs. As a result, various people within the organisation have various responsibilities:

7.1.1. Board

Visibly support the risk management process
Agree and set the Risk Management Policy
Set and communicate the organisation’s risk appetite (acceptable levels of risk)
Be aware of strategic risks facing the business
Report to customers on the effectiveness of the risk management process in achieving the strategic objectives.

7.1.2. Audit Committee

Visibly support the risk management process
Be aware of strategic risks facing the business

Monitor the effectiveness of the risk management policy
Seek assurance on the effectiveness of internal controls

7.1.3. Executive Team

Establish a risk management process
Support and facilitate the risk management process
Report on the status of key risks and mitigation measures to Audit Committee and Board
Consider escalation and de-escalation of risks and reporting of these to Audit Committee and Board
Ensure appropriate levels of awareness and involvement throughout the business.

7.1.4. Leadership Team

Be aware of the risks within their particular function
Be aware and review the risks and controls in their ownership in a timely manner
Apply the risk management process to identify significant risks and implement or recommend mitigation measures
Manage risks on a day to day basis
Facilitate staff awareness
Report on the status of risks and mitigation measures to the Leadership Team and onward reporting to their director.

7.1.5. All Staff

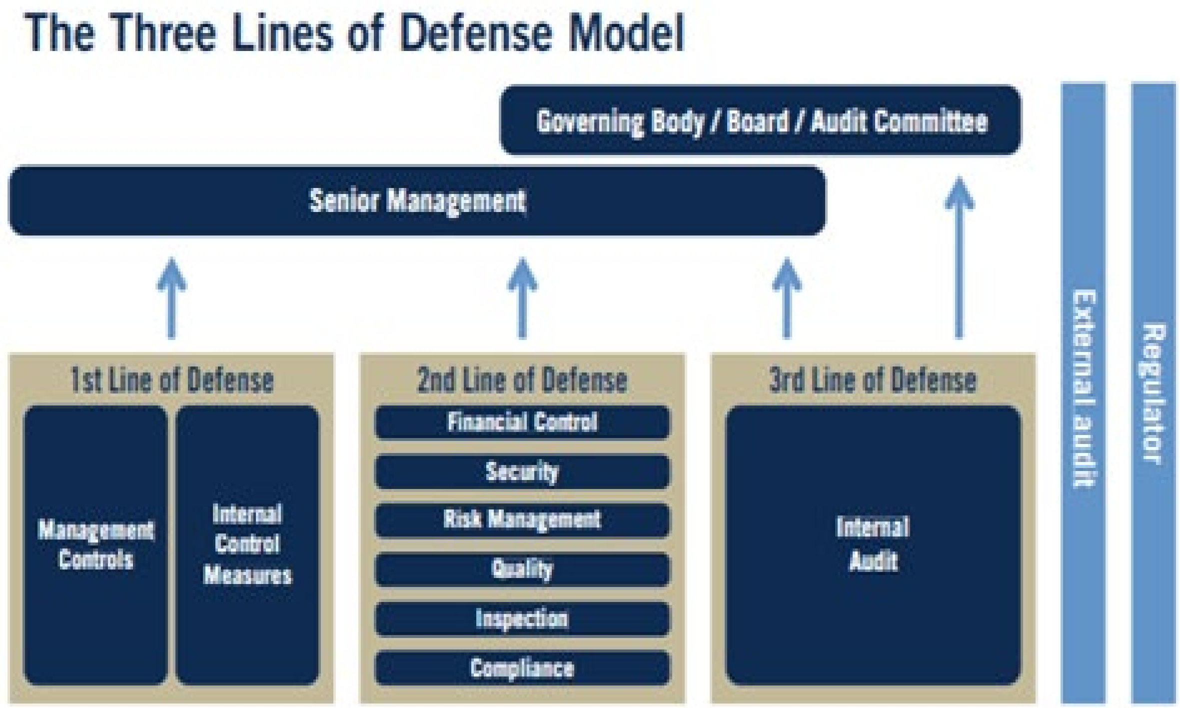
Understand role, responsibilities and accountabilities within the risk management process
Identify and rate risks and suggest possible mitigation measures through 121 meetings with manager
Report on the status of risks and mitigation measures to Executive and Leadership Teams.

## 8. Risk and Assurance

8.1. Risks are managed through the effective operation of internal controls for assurance. Assurance is understood and recorded, sources of assurance are identified and quality of assurances in assessed. The 3 lines of defence model as outlined below is applied.

- The first line of defence (functions that own and manage risks)
- The second line of defence (functions that oversee or who specialise in compliance or the management of risk)
- The third line of defence (functions that provide independent assurance)

8.2. External auditors, regulators, and other external bodies reside outside the organisation’s structure, but they can have an important role in the organization’s overall governance and control structure.




**Appendix 1 – CVG Risk Categories**

| Risk Categories |
| --- |
| Financial |
| Governance |
| Health & Safety |
| Legal & Regulation |
| Reputation & Communication |
| Investment & Growth |
| Digital & IT |
| Customer Engagement |
| People |
| CV Lets |
| Factoring |
| Development |

| Risk Appetite |
| --- |
| Hungry - Eager to innovate |
| Open - Willing to consider / tolerate |
| Balanced - Limited risk but with limited reward potential |
| Cautious - Low Inherent risk level with limited or no potential for reward |
| Averse - Avoidance of risk |

| Risk Treatment |
| --- |
| Accept |
| Manage |
| Insure/Contingency Plan |
| Reduce/Transfer |

| Assurance Rating |
| --- |
| Substantial |
| Reasonable/Limited |
| Little/Low |

| Risk Status |
| --- |
| New |
| Open |
| Closed |

**Risk Description**

**No Category selected**

| Likelihood | | Impact | |
|---|---|---|---|
| 1 | A - Rare | 1 | Insignificant |
| 2 | B - Unlikely | 2 | Minor |
| 3 | C - Possible | 3 | Moderate |
| 4 | D - Likely | 4 | Major |
| 5 | E - Almost Certain | 5 | Catastrophic |

**Financial**

| Likelihood | | Impact | |
|---|---|---|---|
| 1 | A - Rare | 1 Insignificant | Minimal financial loss, less than £50K |
| 2 | B - Unlikely | 2 Minor | £50K - £250k in uninsured losses. |
| 3 | C - Possible | 3 Moderate | £250k - £1m in uninsured losses. |
| 4 | D - Likely | 4 Major | £1m - £5m in uninsured losses. |
| 5 | E - Almost Certain | 5 Catastrophic | Above £5m in uninsured losses. |

**Governance**

| Likelihood | | Impact | |
|---|---|---|---|
| 1 | A - Rare | 1 Insignificant | Resolved in day-to-day management (no impact on assurance) |
| 2 | B - Unlikely | 2 Minor | Minor Impact and doesn’t lead to con compliance. (no impact on assurance) |
| 3 | C - Possible | 3 Significant | Significant impact and requires reporting to Regulator (no impact on assurance) |
| 4 | D - Likely | 4 Major | Major impact and requires Regulatory Intervention (impacts assurance) |
| 5 | E - Almost Certain | 5 Catastrophic | Catastrophic impact and results in regulatory intervention and financial losses (impacts assurance) |

**Health & Safety**

| Likelihood | | Impact | |
|---|---|---|---|
| 1 | A - Rare | 1 Insignificant | None or minor personal injury; First Aid needed but no days lost. |
| 2 | B - Unlikely | 2 Minor | Minor injury; Medical treatment required and one or two days lost. |
| 3 | C - Possible | 3 Significant | Injury; Possible hospitalisation and multiple days lost. |
| 4 | D - Likely | 4 Major | Long-term illness or multiple serious injuries. |
| 5 | E - Almost Certain | 5 Catastrophic | Fatalities or permanent disability or ill-health. |

**Legal & Regulation**

| Likelihood | Impact |
|---|---|

| | | | |
|---|---|---|---|
| 1 | A - Rare | 1 Insignificant | Resolved in day to day management and no financial or reputational impact |
| 2 | B - Unlikely | 2 Minor | Resolved in day to day management with financial impact of <£5k and no reputational impact |
| 3 | C - Possible | 3 Significant | Reportable event/legal case with financial impact of £5k-£250k |
| 4 | D - Likely | 4 Major | Reportable event/legal case with financial impact of £250k-£1m |
| 5 | E - Almost Certain | 5 Catastrophic | Reportable event/legal case with financial impact of >£1m |

**Regulation & Communication**

| Likelihood | | Impact | |
|---|---|---|---|
| 1 | A - Rare | 1 Insignificant | Negligible impact |
| 2 | B-Unlikely | 2 Minor | Adverse local media coverage only |
| 3 | C - Possible | 3 Significant | Adverse wider media coverage |
| 4 | D - Likely | 4 Major | Adverse and extended national media coverage |
| 5 | E - Almost Certain | 5 Catastrophic | Legal, political or regulatory scrutiny with sever impact on reputation |

**Investment & Growth**

| Likelihood | | Impact | |
|---|---|---|---|
| 1 | A - Rare | 1 Insignificant | Resolved in day-to-day management Minimal financial loss, less than £50K |
| 2 | B - Unlikely | 2 Minor | Minor Impact on Meeting objectives within the month. £50K - £100k in uninsured losses. |
| 3 | C - Possible | 3 Significant | Significant impact to quarterly objectives/performance £100k - £500k in uninsured losses. |
| 4 | D - Likely | 4 Major | Major impact to annual objectives and performance. £500k - £1m in uninsured losses. |
| 5 | E - Almost Certain | 5 Catastrophic | Catastrophic impact over multiple years on objectives or performance Above £1m in uninsured losses. |

**Digital & IT**

| Likelihood | Impact |
|---|---|

| | | | |
|---|---|---|---|
| 1 | A - Rare | 1 Insignificant | Resolved in day-to-day management Critical systems unavailable for a few hours |
| 2 | B - Unlikely | 2 Minor | Minor Impact on Meeting objectives within the month. Critical systems unavailable for less than one day |
| 3 | C - Possible | 3 Significant | Significant impact to quarterly objectives/performance. Critical systems unavailable for more than one day |
| 4 | D - Likely | 4 Major | Major impact to annual objectives and performance. Critical systems unavailable for one day or a series of prolonged outages |
| 5 | E - Almost Certain | 5 Catastrophic | Catastrophic impact over multiple years on objectives or performance Critical systems unavailable for more than 2 days |

**Customer Engagement**

| Likelihood | | Impact | |
|---|---|---|---|
| 1 | A - Rare | 1 Insignificant | Resolved in day-to-day management |
| 2 | B - Unlikely | 2 Minor | Minor Impact on Meeting objectives within the month. |
| 3 | C - Possible | 3 Significant | Significant impact to quarterly objectives/performance |
| 4 | D - Likely | 4 Major | Major impact to annual objectives and performance |
| 5 | E - Almost Certain | 5 Catastrophic | Catastrophic impact over multiple years on objectives or performance |

**People**

| Likelihood | | Impact | |
|---|---|---|---|
| 1 | A - Rare | 1 Insignificant | Resolved in day-to-day management |
| 2 | B - Unlikely | 2 Minor | Minor Impact on Meeting objectives within the month. |
| 3 | C - Possible | 3 Significant | Significant impact to quarterly objectives/performance |
| 4 | D - Likely | 4 Major | Major impact to annual objectives and performance |
| 5 | E - Almost Certain | 5 Catastrophic | Catastrophic impact over multiple years on objectives or performance |

**CVLets**

| Likelihood | | Impact | |
|---|---|---|---|

| | | | |
|---|---|---|---|
| 1 | A - Rare | 1 Insignificant | Resolved in day-to-day management Minimal financial loss, less than £5K |
| 2 | B - Unlikely | 2 Minor | Minor Impact on Meeting objectives within the month. £5K - £10k in uninsured losses. |
| 3 | C - Possible | 3 Significant | Significant impact to quarterly objectives/performance. £20k - £50k in uninsured losses. |
| 4 | D - Likely | 4 Major | Major impact to annual objectives and performance. £50k - £100k in uninsured losses. |
| 5 | E - Almost Certain | 5 Catastrophic | Catastrophic impact over multiple years on objectives or performance. Above £100k in uninsured losses. |

**Factoring**

| Likelihood | | Impact | |
|---|---|---|---|
| 1 | A - Rare | 1 Insignificant | Resolved in day-to-day management Minimal financial loss, less than £5K |
| 2 | B - Unlikely | 2 Minor | Minor Impact on Meeting objectives within the month. £5K - £10k in uninsured losses. |
| 3 | C - Possible | 3 Significant | Significant impact to quarterly objectives/performance. £20k - £50k in uninsured losses. |
| 4 | D - Likely | 4 Major | Impact to annual objectives and performance. £50k - £100k in uninsured losses. |
| 5 | E - Almost Certain | 5 Catastrophic | Catastrophic impact over multiple years on objectives or performance. Above £100k in uninsured losses. |

**Development**

| Likelihood | | Impact | |
|---|---|---|---|
| 1 | A - Rare | 1 Insignificant | Resolved in day-to-day management No financial impact |
| 2 | B - Unlikely | 2 Minor | Minor Impact on Meeting objectives within the month. Financial impact <£50k |
| 3 | C - Possible | 3 Significant | Significant impact to quarterly objectives/performance. Financial Impact £50k-£250k |
| 4 | D - Likely | 4 Major | Major impact to annual objectives and performance. Financial Impact £250k-£1m |
| 5 | E - Almost Certain | 5 Catastrophic | Catastrophic impact over multiple years on objectives or performance. Financial impact >£1m |

**Policy Change History**

| Version | Substantive Change | Author of Change | Approval | Date | Website |
|---|---|---|---|---|---|
| 1.0 | New front cover & version history applied | A Cavinue | | 17/02/23 | Y |
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