

TEST TO APPLY TO IDENTIFY CORPORATE LEVEL RISKS – TO BE USED BY CORMG ONLY

Corporate risks are those risks “concerned with ensuring overall business success, vitality and viability. Materialisation of a corporate risk will be perceivable externally by stakeholders and will affect the reputation of the organisation. These risks, if they occurred, would have significant and serious impact on the delivery of corporate objectives”. (M_O_R 2010)

Inclusion of a risk in the corporate risk register indicates that it is one of a small number of risks that the Corporation (particularly elected members and senior managers) need to be aware of and ensure that appropriate management arrangements are in place to manage/mitigate them.

Corporate risks tend to be more medium to long term but some risks, because of a significant event or planned business activity e.g. business transformation, may feature for shorter periods.

The Test:

Apply the following question/challenge to each potential/existing corporate risk. If the risk were realised, would it

1. **Significantly** impact upon the delivery of the Strategic Aims and/or ability to meet Key Policy Priorities?
2. Result in **significant** attention from outside the Corporation (e.g. general public/ Media/ Government agencies etc.) which has the potential to cause considerable damage to its reputation? *(Example risks could those that may lead to legislative (non) compliance; regulatory requirements not met; areas that are externally inspected that are not meeting required standards.)*
3. **Significantly** impact upon the availability and use of the Corporation’s key resources (e.g. financial, human and physical assets etc.)?
4. Result in **significant disruption** to one or more **critical** services/operations provided by the Corporation?
5. Have **significant political** implications for the Corporation?

Challenge

6. Is the risk related to business activities that could be considered to be **innovative or different** to the Corporation’s experience, functions or operating parameters?

For a risk to be considered for corporate risk status there must be a positive response to one or more of the above questions and challenge. The Chief Officer’s Summit Group will make the decision to accept risks on to the corporate risk register.