

Introduction

NRW has agreed to split its Corporate Risk Register (CRR) to outline operational and strategic risks separately. This document outlines the operational risks facing the organisation.

Both the operational and strategic risk registers will be presented to the NRW Board in line with the latest performance dashboard to present a more complete picture of the status and progress of the organisation.

This document will be updated at least every four months in advance of presentation to the NRW Board meeting.

Background

A CRR is an important mechanism by which an organisation can manage the significant risks it faces and in turn supports good governance within the organisation. Use of a CRR by the Executive Team (ET) and periodic consideration of the CRR, both in general and specific, by the Audit and Risk Assurance Committee (ARAC) on behalf of the Board are key requirements.

This operational risk register sits alongside a strategic risk register focused on the strategic environmental and natural resource management risks that NRW is seeking to help mitigate alongside others.

The operational risks in this document were proposed by ET and agreed by ARAC in September 2014. ET members were identified as 'risk owners' and will take responsibility on behalf of ET for further development and monitoring of 'their' risks.

This risk register shows a link between the operational risks and the 'We Will' statements or relevant section in our Corporate Plan 2014-17.

Further actions

Identified Executive Team members will continue to develop the mitigating actions for 'their' risks, update the Register and oversee the management actions that are ongoing or proposed.

The Chief Executive will select a risk from the operational risk register to be scrutinised in further detail at future ARAC meetings. The 'risk owner' will attend ARAC meeting to contribute to the discussion.

Operational Risk Register

Link to Corporate Plan	Risk Description	Inherent Risk			Risk control measures in place and active	Current Residual Risk			Further risk control measures proposed and timescales	Owner
		I	L	O		I	L	O		
O3 (Pg 36)	Operational Risk (OR) 1 Leadership – if we fail to provide clear and strong leadership within the business, then we risk not engaging staff sufficiently to ensure the development of a high-performing and fully integrated organisation.	4	4	16	Regular senior management and leadership team meetings. Email and face to face cascade occurs regularly. ‘Conversation’ sessions with all staff – sharing key messages. Collecting and acting on feedback from staff. High levels of ‘visibility’ from senior staff listening and engaging with staff and communicating the aspirations of the organisation. Embed the approach of the Corporate Plan’s ‘Good for Boards’ to support our strategic planning. Finalise Roadmap and Transformation Programme to support organisational development.	4	3	12	Extend the induction programme developed for the management tier to other managers and mainstream Leadership & Management Development Complete a ‘scarce skills’ audit and subsequent action plan. Develop Directorate Workforce Plans for the next five years tailored to affordability and skills needed for the organisation. Develop clear strategic planning processes linked to ‘SMART’ objectives/outcomes, accountability and affordability. Run a first People Survey in early 2015.	Executive Team

Operational Risk Register

Link to Corporate Plan	Risk Description	Inherent Risk			Risk control measures in place and active	Current Residual Risk			Further risk control measures proposed and timescales	Owner
		I	L	O		I	L	O		
K1 (Pg 17)	OR2 - Transformational Change (Natural Resource Management) (NRM) – if we fail to develop an integrated approach and respond with 'one voice', then we risk not delivering integrated natural resources management through an ecosystems approach.	4	4	16	Knowledge, Strategy and Planning, and Operations Directorates new structures include teams required to coordinate delivery of the work. Steer and oversight of NRM programme through Good Knowledge Board. Ecosystem Approach and Natural Resources Management Board set up to focus on delivering the NRM approach with cross directorate representation. KSP NRM Team responsible for regular liaison with WG to assist in developing the duties NRW will gain under the Environment Bill, influencing Ministerial priorities for NRM in Wales and identifying the resources needed to deliver the NRM approach. Interim NRM position statement and easy read guide agreed by the Board in July and available on the intranet. Communication strategy agreed by the Board in October 2014, designed to deliver the NRM approach. Draft interim SoNaRR report with WG Three trial area approaches underway.	4	3	12	Build the requirements of the Wellbeing of Future Generations Bill into the NRM & E programme approach. (04/15) In line with the new communications strategy develop a communications plan for NRM to ensure that stakeholders understand the benefits of the ecosystem/NRM approach. (04/15) Programme in place to review and realign all our processes, policies and guidance to make it NRM compliant to embed NRM across the organisation. (ongoing) Develop and publicise good quality case studies to explain what NRM looks like in practice. (04/15 + ongoing) Finalise interim SoNaRR and programme to develop first SoNaRR report by 2016. (12/14 & 04/16) ET, LT and MT meetings to develop the Roadmap for transformational change with NRM as a key delivery programme. (12/14)	Executive Director of Knowledge Strategy and Planning (KSP)

Operational Risk Register

Link to Corporate Plan	Risk Description	Inherent Risk			Risk control measures in place and active	Current Residual Risk			Further risk control measures proposed and timescales	Owner
		I	L	O		I	L	O		
O3 (Pg 36)	OR3 - Transformational Change (culture & values) – if we fail to foster and align a common set of values and customer focused culture, then there is a risk that we will fail to realise and deliver the required benefits from the creation of NRW – which will in turn lead to weak brand and reputational damage.	4	4	16	Corporate Plan 2014/17 and Business Plan 2014/15 in place. Restructuring of organisation taking place. Change Programme Board in place. Total Reward Package agreed with Trades Unions. Communications channels including The Conversation, a revised Intranet and regular communications in place.	4	3	12	Executive Director of Organisational Development and People Management (ODPM) appointed, due to start November 2014. Undertake a first People Survey in early 2015. Finalise Code of Conduct and other People Policies that support development of a positive NRW culture Implement Job Evaluation as the final 'big step' in establishing a unified workforce Develop and implement staff engagement approach to internal communications. Take forward the People Change Group under the Chairmanship of Director of External Relations and Communications.	Executive Director of Organisational Development and People Management (ODPM)

Link to Corporate Plan	Risk Description	Inherent Risk			Risk control measures in place and active	Current Residual Risk			Further risk control measures proposed and timescales	Owner
		I	L	O		I	L	O		
O1 (Pg 36)	OR4 - Transformational Change (technical) – if we fail to transform our business processes and workforce structure, then we risk failing to achieve “three into one” efficiencies and being unable to deliver our corporate objectives within our available resources.	4	4	16	Restructuring plans underway. Gateway process remains in place – external recruitment very limited. Out of grade working regularised. Links to pay harmonisation around the ‘rules’ for describing work and roles, grades etc. The Skills Audit summary paper and recommendation now complete and accepted by Executive Team. Programme Boards are in place to oversee change projects. Some technical skills have been retained by staff transferring to NRW from all legacy bodies and some achieved by recruitment e.g. air quality modelling.	4	3	12	We fully understand our cost/resource base and what is funding respective activities. Voluntary Exit Scheme (VES) is timed to optimise knowledge transfer and savings. Gateway process reviewed and changed. Implementation of My NRW. Audit of key processes to ensure they are fit for purpose. Taking forward the actions from the Skills Audit. Programme of service reviews. Develop a programme to deliver customer care Develop a programme to increase the benefits from our enterprise activities	Director of Transition

Operational Risk Register

Link to Corporate Plan	Risk Description	Inherent Risk			Risk control measures in place and active	Current Residual Risk			Further risk control measures proposed and timescales	Owner
		I	L	O		I	L	O		
O1 (Pg 36)	OR5 - Transition - if we fail to deliver the Change Programme by the agreed timescales, then we risk not having the required Information Communication technology (ICT) and business infrastructure in place and we will not realise the benefits of the business case leading to resource pressures and brand/reputational damage.	4	4	16	Project management structure around ICT transition. This has its own Board and reviewed regularly by Executive Team. Change Board in place and regular communication. NRW Board and Remuneration Committee fully engaged. Transition team oversee major change projects. Gateway Reviews for projects.	4	3	12	Transition Plan for 2015/16. Development of the Vision Journey road map to move from transition to transformation. Audit of effectiveness of and benefits realised from change programme implementation. Communicate/celebrate benefits realisation.	Director of Transition

Operational Risk Register

Link to Corporate Plan	Risk Description	Inherent Risk			Risk control measures in place and active	Current Residual Risk			Further risk control measures proposed and timescales	Owner
		I	L	O		I	L	O		
Report (Pg 37)	OR6 - Performance – if we fail to perform effectively and efficiently within our available staff resources skills and capabilities, then there is a risk that we will not deliver on our roles and responsibilities, achieve our corporate objectives or deliver on the business case.	4	4	16	Developing a financial model which will allow high level modelling of business activity to measure affordability. Develop an Efficiency Programme to deliver savings to support business activity. Progressing short-term options, such as accommodation tactical moves. External charge income is monitored against targets. Charge rates are already set for 2014/15 (flat cash). Modelling is ongoing to ensure full cost recovery. Regular liaison with WG to understand funding and explain pressures. Corporate and Benefits scorecards are reviewed regularly at Board and Executive Team. Good For Boards established to challenge and scrutinise Corporate Plan delivery. Workforce plan and regular skills audits track progress in realigning current skills and appropriate roles.	4	3	12	Ensure that the Transformation Programme reconfigures the business to ensure that we have the right skills in the right place. Understand the cost and resource base of activities to support decision making including strategic planning Corporate planning, Finance and ODPM to establish clear format for Directorate dashboards for 2015/16 that integrates budget, headcount and people issues to enable full scrutiny and accountability Implement first stage of integrated corporate reporting	Director of Governance

Operational Risk Register

Link to Corporate Plan	Risk Description	Inherent Risk			Risk control measures in place and active	Current Residual Risk			Further risk control measures proposed and timescales	Owner
		I	L	O		I	L	O		
O1 (Pg 36)	OR7 - Expectation management and stakeholder relationships – if we fail to manage stakeholder expectations clearly outline our role and priorities and build a strong brand/reputation; there is a risk of a lack of confidence in our ability to deliver on our roles and responsibilities.	4	3	12	Strategic approach to Communications and priorities agreed in the form of a Communications Strategy. Regular and topic specific meetings with Ministers, Committees, Assembly Members, Members of Parliament and stakeholders. Excellent level of service in response to correspondence, questions etc. Internal weekly senior management 'hot issues' discussion. Communications tools: Internal: Yr Wythnos, Monthly Managers' Guide, and Intranet. External: Cyfoeth, website, traditional/social media and content development. Director of External Relations and Communication recruited.	4	1	4	Develop our approach to strategic stakeholder management empowering the Directorates to take an intelligence led approach to their stakeholder management as well as developing our understanding of who our stakeholders are (primarily the external ones) and how we will work with them – dialogue, shared priorities, projects etc. Develop a customer focused approach that informs every aspect of the organisation Develop stakeholder feedback /survey mechanism and share findings.	Director of External Relations and Communications

Operational Risk Register

Link to Corporate Plan	Risk Description	Inherent Risk			Risk control measures in place and active	Current Residual Risk			Further risk control measures proposed and timescales	Owner
		I	L	O		I	L	O		
O3 (Pg 36)	OR8 - Health, Safety and Wellbeing – if we fail to protect the health, safety and wellbeing (HSW) of staff, contractors or customers, then there is a risk of fatalities, personal tragedy, injury or illness – leading to investigation, potential prosecution and reputational damage	5	3	15	HSW policy agreed and approved by the Board. Accountability for HSW clearly set out in contribution statements and Non-Financial Scheme of Delegation. Corporate governance arrangements in place through Health, Safety and Wellbeing Committee with routine reporting to ARAC. Performance measures embedded in dashboard. Board champion appointed. Initial risk review undertaken and Corporate Improvement Plan in draft. Leadership Group have attended appropriate IOSH (Institution of Occupational Safety and Health) training courses.	5	2	10	Communicate HSW messages, celebrate success and achievements. More visible leadership in HSW including NRW wide reporting of statistics. Review of health and safety and wellbeing governance. Developing NRW technical guidance to support potentially dangerous operations our staff undertake.	Executive Director of National Services

Operational Risk Register

Link to Corporate Plan	Risk Description	Inherent Risk			Risk control measures in place and active	Current Residual Risk			Further risk control measures proposed and timescales	Owner
		I	L	O		I	L	O		
P1 (Pg 26)	OR9 - Incident Management – if we fail to respond effectively and efficiently to serious incidents as they arise, then there is a risk of negative social, economical and environmental impact for the communities affected; leading to a lack of confidence in our response to such incidents and cause adverse reputational damage.	5	3	15	Incident management strategy in place including communication element. Incident reviews take place regularly and lessons shared with all incident management staff. Incident management training plan in place and routine exercises undertaken.	5	2	10	Reviewing our overall approach to incidents – what we respond to – developing partnerships to be overall more effective. Reviewing incident response strategy (if necessary) in line with future funding scenarios, and develop external comms plan to manage expectations. Based on early experiences, review and update approach to self-regulation through our multiple roles.	Executive Director(s) of Operations North and South

Operational Risk Register

Link to Corporate Plan	Risk Description	Inherent Risk			Risk control measures in place and active	Current Residual Risk			Further risk control measures proposed and timescales	Owner
		I	L	O		I	L	O		
B4 (Pg 32)	OR10 - Enterprise and new business development – if we fail to generate additional net income from existing and new activities then there is a risk that we will reduce our investment in other priorities.	4	4	16	Enterprise Strategy, with managed 'pipeline' in place and regular engagement with Board Enterprise and Economy Groups. Focus mainly restricted to teams in National Services Directorate Enterprise department. Timber Marketing Strategy and Long Term timber contracts in place to mitigate risks from Larch tree disease. Strategic partnerships with Welsh Government, The Crown Estate, key businesses in place.	4	3	12	Extend our Enterprise capacity and capability across the organisation. Enterprise Yammer YamJam before 31 December 2014, and Road-Map Vision Critical Programme in place before 1 April 2015. Updated Timber Marketing Strategy in place before 1 April 2015. Continue to develop existing and new strategic partnerships – ongoing. Explore use of experimental powers and 'testing' of vires limits in conjunction with Welsh Government to extend scope for new enterprise opportunities – ongoing.	Executive Director of National Services

Operational Risk Register

Risk Ranking

1 - 6	Manageable Risks: Overall rating is 6 or less. Content to carry these risks. Keep an eye on them though.
7 - 14	Material Risks: Overall rating is 7-14. Concerned about these risks. Need to be managed by the cost centre in which they have been identified.
15 - 25	Significant Risks: Overall rating is 15 or above. Most concerned about these risks. These risks are significant and should be referred to NRW Board.

Risk Heat Map

Impact		Scores				
Critical	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
Low	1	1	2	3	4	5
Likelihood		1	2	3	4	5
		Remote	Unlikely	Possible	Probable	Highly probable