
Risk Management Policy

DEMOCRATIC AND
CORPORATE SERVICES



Council of the
ISLES OF SCILLY

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RISK MANAGEMENT POLICY STATEMENT

THE COUNCIL OF THE ISLES OF SCILLY (CIOS) RECOGNISES AND ACCEPTS ITS RESPONSIBILITY TO MANAGE RISKS EFFECTIVELY IN A STRUCTURED MANNER IN ORDER TO ACHIEVE ITS OBJECTIVES AND ENHANCE THE VALUE OF SERVICES PROVIDED TO THE COMMUNITY.

In pursuit of this policy CIOS has adopted a risk management strategy that captures the following key objectives:

- Enables corporate, departmental and programme objectives to be achieved in the optimum way and to control risks and maximise opportunities which may impact on CIOS's success;
- CIOS recognises its responsibility to manage risks and support a structured and focused approach that includes risk taking in support of innovation to add value to service delivery.
- Risk management is seen as an integral element of the corporate culture;

These key objectives will be achieved by:

- Establishing clear roles, responsibilities and reporting lines for risks and their controls at all levels;
- Ensuring that Members, Chief Officers, external regulators and the public at large can obtain necessary assurance that the Corporation is mitigating the risks of not achieving key priorities and managing opportunities to deliver more value to the community, and is thus complying with good corporate governance;
- Complying with relevant statutory requirements, e.g. the Bribery Act 2010, the Health and Safety at Work Act, the Local Government Act and more;
- Providing opportunities for shared learning on risk management across the Corporation and its strategic partners;
- Monitoring arrangements on an on-going basis.

APPETITE FOR RISK

The Council of the Isles of Scilly seeks to minimise unnecessary risk and manage residual risk to a level commensurate with its status as a public body so that:

- i. The risks have been properly identified and assessed;
- ii. The risks will be appropriately managed, including the taking of appropriate actions and the regular review of risk(s);

The Council of the Isles of Scilly will also positively decide to take calculated risks in pursuit of its strategic aims where it has sufficient assurances that the potential benefits justify the level of risk to be taken.

INTRODUCTION

- 1.1 The Council of the Isles of Scilly recognises that the next few years will present unprecedented challenges for the Authority in delivering its services and business priorities. The interlocking challenges faced from budget re-organisation, supplier failures, data security issues, and so on, has created a complex matrix of risks, all requiring some level of management.
- 1.2 However, amongst these challenges opportunity can be created for and by those who are best placed to embrace, innovate, collaborate and manage new risks.
- 1.3 This strategy has been developed to provide guidance on the Authority's approach to managing both opportunities and threats within the business environment. Adopting this strategy will help to create an environment which meets the needs of the islands' citizens, partners and other key stakeholders.
- 1.4 Aligned with this we will aim to be an exemplar of good practice and we will continue to meet our statutory responsibility to have in place satisfactory arrangements for managing risks, as laid out under Regulation 4 of the [Accounts and Audit Regulations 2011](#):

"The relevant body is responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk."
- 1.5 Only by active management of risks will the Council of the Isles of Scilly be able to meet its corporate objectives which in turn will enhance the value of services provided to the islands.

DEFINITIONS

- 1.6 The Authority has defined risk as an event which can affect, positively or negatively, the delivery and achievement of the Local Authority's agreed outcomes, pledges and objectives.
- 1.7 Risk management is a business discipline that every working sector uses to achieve objectives in an efficient, effective and timely manner. Our risk management definition is *"the systematic application of principles, approach and processes to the tasks of identifying and assessing risks, and then planning and implementing risk responses"*.

PURPOSE OF THIS STRATEGY

- 1.8 The Council of the Isles of Scilly is a complex organisation, comprising a number of departments with very diverse operations. By adhering to this strategy, the Council of

the Isles of Scilly will be better placed to meet all its objectives in an efficient, effective and timely manner.

1.9 Every risk is linked to a strategy from the Corporate Plan. This will help enforce a proactive stance to managing these risks, ensuring that less time is spent reacting to situations and more time is spent taking advantage of opportunities.

1.10 Listed below are some of the benefits of successfully implementing this strategy:

- Ability to satisfy statutory requirements (under the Local Government Act 1999), government regulations (e.g. Corporate Manslaughter Act, Health and Safety at Work Act, Children's Act 2004, Care Bill 2014 and more) and compliance related matters (e.g. financial and contractual regulations, Bribery Act 2010, and more);
- Protecting and enhancing the Council of the Isles of Scilly's reputation;
- Better management and partnership working with partners, improving safeguards against financial loss and reducing chances of organisational failure;
- Increased innovation, value for money and improvements in service delivery;
- Improved ability to justify decisions being taken and reduced risk of mistakes, reducing complaints and improving customer satisfaction;
- Ensuring teams achieve goals and objectives, and increasing their competitiveness (against other organisations);
- Common understanding of risk management for consistency and ease of application;
- Improved assurance levels arising from audit and external inspections, providing confidence to customers that risks are being controlled;
- Effective resilience to changing environmental conditions, to protect key services.

MANAGING RISKS

WHY MANAGE RISKS?

2.1 Effective risk management is an on-going process with no overall end date as new risks (threats and opportunities) arise all the time.

2.2 The Council of the Isles of Scilly is fully committed to developing a culture where risk is appropriately and effectively managed for which the following benefits will be achieved:

- An increased focus on what needs to be done (and not done) to meet objectives;
- More effective allocation of resources reducing incidences of mistakes and providing greater control of costs – demonstrating value for money; Greater transparency in decision making and enhanced ability to justify actions taken;
- Improved resilience against sudden changes in the environment including, but not limited to, natural disasters and risks related to supplier failures;
- Reduction of the Council of the Isles of Scilly insurance costs, in turn protecting the public purse;

- Improved safety for staff, partners and residents; and
- Minimised losses due to error or fraud across the Council

CHOOSING WHETHER TO ELIMINATE OR INNOVATE

2.3 Innovation by its very nature involves taking risks, and as a consequence, places greater demand on all staff to ensure that those risks are well managed. One of the key aims of risk management is to ensure that the process supports innovation, not by preventing it - but rather helping to take well thought through risks that maximise the opportunities of success.

ROLES AND RESPONSIBILITIES

3.1 The Council of the Isles of Scilly considers risk management to be an intrinsic part of the system of corporate governance. It is recognised that for this to be effective it is vital that everybody within the organisation understands the role they play in effective management of risk.

Body/Tier/Role	Responsibility
Full Council	Overall accountability for risk management. Setting of risk appetite for the Authority. Approval of the risk management strategy and annual statement on risk processes, management and any improvements required.
Finance, Audit and Scrutiny committee	Providing assurance to Full Council on the effectiveness of the risk management framework and its application. Scrutinising significant corporate risks.
Service Committees	Oversee the significant risks faced by Business Units in the delivery of their service responsibilities.
Senior Leadership Team	Collective responsibility for management of corporate risks. Promoting, steering and monitoring risk management for the Authority. Oversee the strategic elements of risk management.
Individual Senior Managers	Accountable for effective risk management within their department, reporting to their relevant service Committee(s) – this responsibility cannot be delegated.
151 Officer	Owens corporate financial risk
Senior Information Risk Owner	Owens corporate information risk
Risk Owner	The person that is accountable for the overall management of the risk, including allocating and budgeting for resources to control the risk.
Control Owner	The person that has accountability for a particular task to control an aspect of the risk, either the Cause or the Effect. The role is accountable to the Risk Owner.
Senior Officer: Corporate & Governance	Provides risk management support and advice to the Authority. Also responsible for promoting the consistent use of risk management, developing the risk framework and

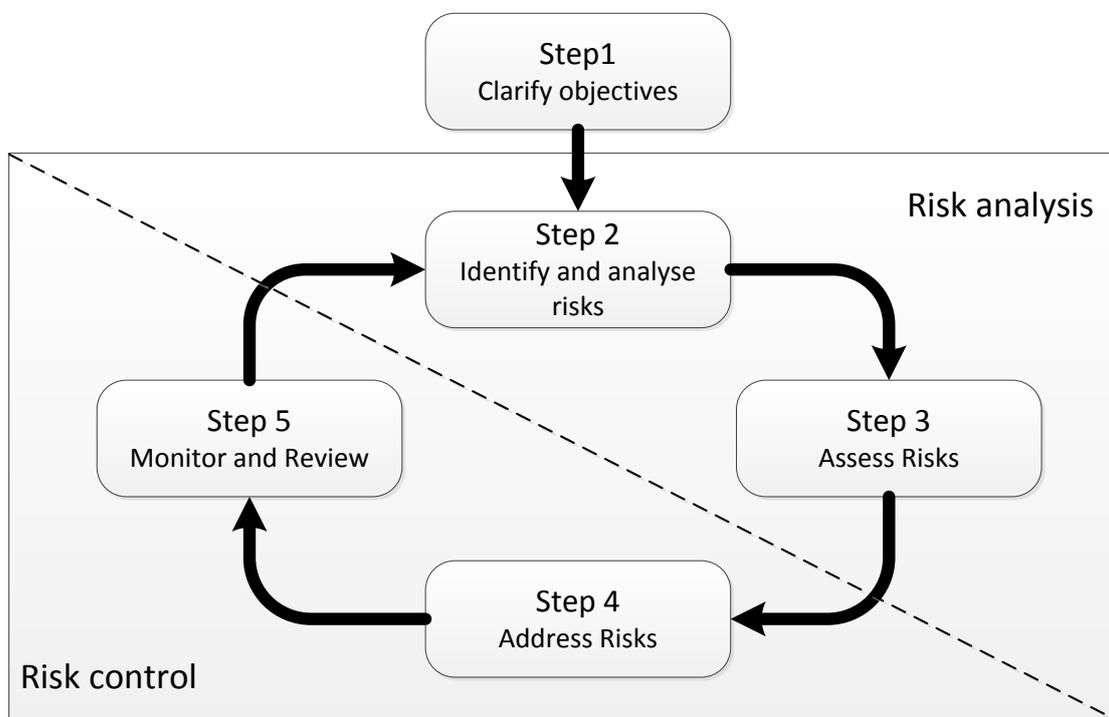
	facilitation of Corporate risk register. Provides assurance on the effectiveness of the internal control environment.
Service/project managers	Accountable for effective management of risk within their areas of responsibility.
Employees	Maintaining an awareness and understanding of key risks and management of these in day-to-day activities.

THE RISK MANAGEMENT PROCESS

- 4.1 Essentially risk management is the process by which risks are identified, evaluated, controlled and monitored at regular intervals. It is about managing resources wisely, evaluating courses of action to support decision-making, protecting clients from harm, safeguarding assets and the environment and protecting the Local Authority's public image.
- 4.2 Whenever an activity takes place, there will be an outcome that will either lead to a success or failure. In undertaking this activity there will be a number of factors which need to be right to determine whether the activity is a success or not, or to put it the other way round, there are a number of risk factors which, if they are not managed properly, will result in failure rather than success.
- 4.3 Risk Management is also a business planning tool designed to provide a methodical way for addressing risks. It is about:
- Identifying the objectives and what can go wrong ;
 - Acting to avoid risk or to minimise its impact;
 - Realising opportunities and reducing threats.

THE RISK MANAGEMENT CYCLE

4.4 The risk management process is broken down into five steps illustrated below:



STEP 1: CLARIFY OBJECTIVES

4.5 It is difficult to think about risks in isolation, so the first step is to be clear about the objectives and key deliverables. This part of the process requires information about the (planned) activity.

4.6 This will include an understanding of:

- The corporate/departmental/project objectives;
- The scope of the activity;
- The assumptions that have been made;
- The list of stakeholders; and
- How the activity sits within the corporate/departmental/project structure.

This includes:

- Making sure that everyone is clear about the relationship between the services and its wider environment;
- Identifying internal and external stakeholders;
- Understanding the Council of the Isles of Scilly and its capabilities, as well as its objectives and strategies that are in place to achieve them.

Note: Risks will always be linked to a strategy from the corporate plan.

STEP 2: IDENTIFY AND ANALYSE RISKS

- 4.7 The aim of this step is to identify the risks to the (planned) activity that may affect the achievement of the objective(s). This can be either positive or negative. Consultation is required from different levels of management and staff members, and sometimes customers and stakeholders, asking the following questions:
- What might prevent the achievement of the stated objectives?
 - Has it gone wrong before?
 - Who should own this risk?
 - When should we start managing this risk?
- 4.8 It is widely recommended to identify risks through workshops and/or training sessions. However, there are many other methods which can be used such as questionnaires, Strengths - Weaknesses - Opportunities - Threats analysis, brainstorming sessions, and more.
- 4.9 During the identification stage the following information needs to be gathered:
- The description of the risk, in terms of Cause - Risk - Effect;
 - The category of the risk – for example, political, financial, reputation etc. For a list of categories and their definitions please see Appendix 2; and
 - The name of the individual taking responsibility for the risk (i.e. the risk owner).

STEP 3: ASSESS RISKS (5x5)

- 4.10 Every risk should be assessed to help determine how much attention is given to the particular event. This is done by ranking the risks with a set of scores determined by their individual likelihood and impact rating.
- 4.11 The Council of the Isles of Scilly will use a points scale to determine the risk profile. See Appendix 1 for details on how risks should be scored.
- 4.12 The risk score is placed on the risk matrix and is used to help prioritise and assist risk owners in the actions they need to take to manage the risk.

		Impact				
		Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Likelihood	Almost Certain (5)	5	10	15	20	25
	Likely (4)	4	8	12	16	20
	Possible (3)	3	6	9	12	15
	Unlikely (2)	2	4	6	8	10
	Rare (1)	1	2	3	4	5

STEP 4: ADDRESS RISKS

- 4.13 Without this step, risk management would be no more than a bureaucratic process. Addressing risk involves taking practical steps to manage and control it.

- 4.14 Not all risks need to be dealt with in the same way. The common risk response outlined below should help in considering the range of options available when responding to risks.
- 4.15 Importantly, when agreeing actions to control risk, consideration is required on whether the actions themselves introduce new risks.

Threat responses

- 4.16 When managing threats, the controls that are put in place should help to effectively reduce the risk to a manageable level. There are four approaches that can be taken when deciding on how to manage threats:
- **Reduce:** A selective application of management actions, by applying internal control to reduce either the likelihood or the impact, or both, designed to contain risk to acceptable levels, e.g. mitigation action, contingency planning and more;
 - **Transfer:** Shifting part of the responsibility or burden for the loss to another party, e.g. through outsourcing, insurance, etc;
 - **Avoid:** An informed decision not to become involved in a risk situation. This can be challenging as the Authority may not be able to avoid risks associated with its statutory functions;
 - **Accept:** An informed decision to accept the likelihood and impact of a particular risk. For example, the ability to do anything about a risk may be limited, or the cost of taking any action may be disproportionate to the potential benefit

Ownership of Risks and Controls

- 4.17 Having identified and defined the risks, it is essential that someone "owns" them (i.e. the risk owner). This is not the same as being responsible for carrying out the tasks or actions for the risk (i.e. the control owner). This is a critical part of the step as without a named individual it is unlikely that the risk will be managed.

Risk Owner

- 4.18 It is important that the risk owner, where possible, be:
- A person who has the ability to influence the outcome of the event, one way or another;
 - A person who can be accountable for the delivery in the area where the risk would have an effect;
 - A person who can take charge and lead nominated control owners.
- 4.19 From a departmental viewpoint, the risk owner should be a member of the department's management team.

Control Owner

4.20 Control owners are responsible for carrying out the tasks or actions for the risk, as assigned by the risk owner.

4.21 It is important to note that:

- Control owners can be different from the risk owner;
- Control owners can be from a different department to the risk owner;
- A risk may contain many controls, therefore many control owners, however only on an exceptional basis would one control be assigned to multiple risks.

4.22 Control owners can be any officer within the organisation, but must have an adequate reporting line to the risk owner.

Best Scenario planning

4.23 This section encourages 'Blue Sky' thinking – if the Council had unlimited resources, what could the Council do to mitigate and manage the risks identified.

4.24 This will encourage and promote positive, innovative outcomes to perceived threats and will provide a bank of ideas and suggestions for the Local Authority to enable it to take advantage of risks and opportunities.

STEP 5: MONITOR AND REVIEW

- 4.23 Once risks have been identified and appropriate controls and action plans put in place to manage them, it is essential to routinely monitor their status. Risks change due to many factors, and it is essential that they are periodically reviewed to capture any new events which may affect the delivery of objectives.
- 4.24 As a guide, risks should be reviewed in management meetings using the following criteria:

Risk type	Standard review	Programmes. Projects and partnerships
Red threats	1-3 months	Monthly
Amber threats	3-6 months	Monthly
Green threats	6-12 months	quarterly

Note: Each risk register should be reviewed in its entirety at least annually.

REPORTING RISKS

REPORTING FRAMEWORK

- 5.1 It is essential that risk management is used as a tool to assist good management and to provide assurances to relevant officers and Members that adequate measures have been taken to manage risk.
- 5.2 Escalation of risks ensures that managers have a clearer picture on risks or potential issues facing service areas. This helps in the overall decision making process by allowing senior staff to allocate resources or review areas of concern.
- 5.3 The diagram on page 16 illustrates the reviewing and reporting framework to support this escalation and assurance process.

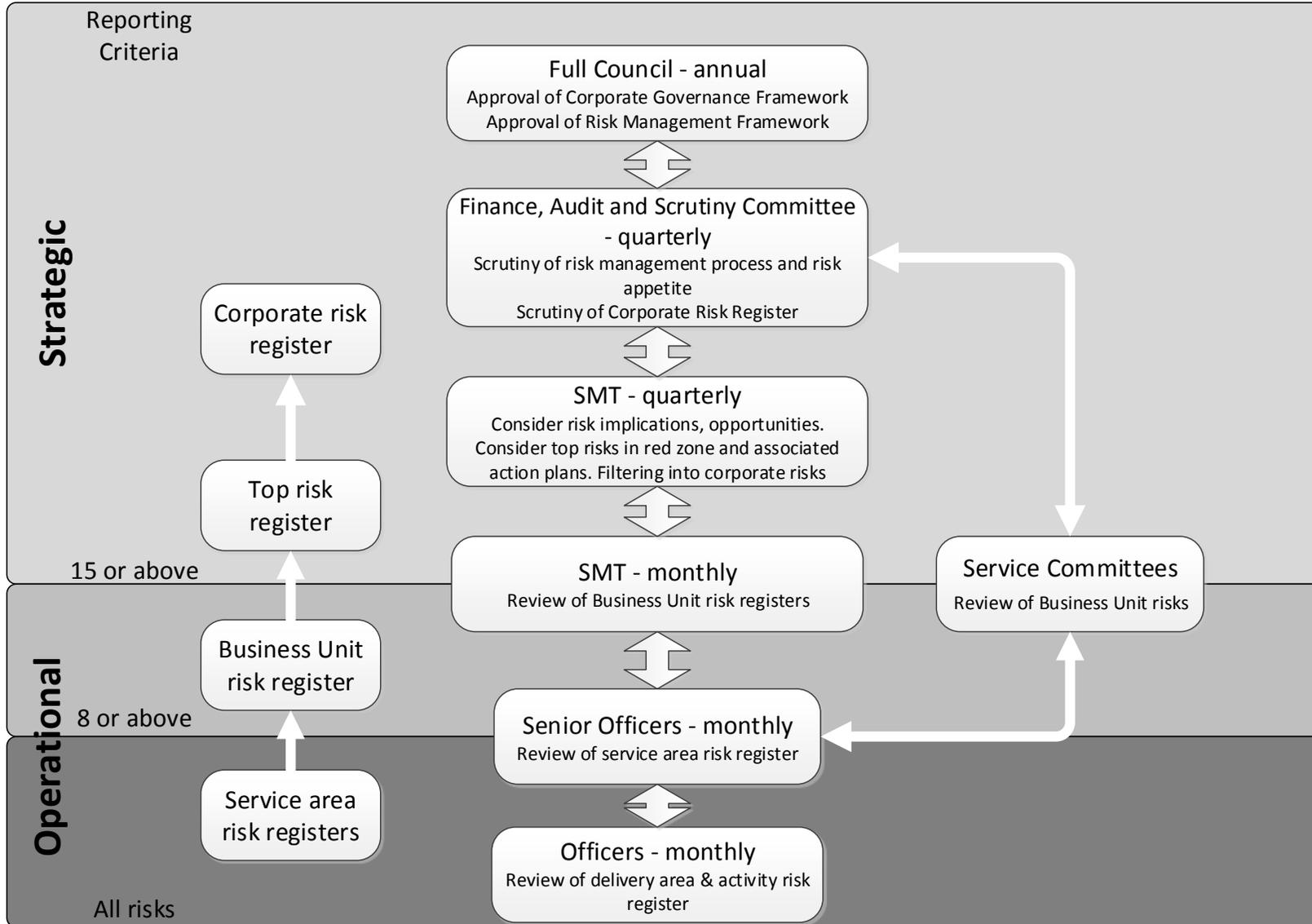
ROLE OF FINANCE, AUDIT AND SCRUTINY COMMITTEE

- 5.4 As set out in its formal terms of reference, the Finance, Audit and Scrutiny Committee is responsible for “monitoring the effectiveness of the Authority’s risk management arrangements and the control environment, including undertaking reviews of the Council’s risk profile”. It is through this Committee that Full Council discharges its responsibility for obtaining assurance that those risks faced by the Council of the Isles of Scilly are being appropriately managed.

ROLE OF OTHER COMMITTEES

- 5.5 It is the role of each Service Committee and Department to maintain and act on its own risks, working closely with the Corporate & Governance team if need be. The criteria for escalating risks should be agreed by the relevant Service Committee and Senior Manager.
- 5.6 The Finance, Audit and Scrutiny Committee will concentrate on monitoring the Corporate Risks faced by the Authority, and the measures taken to control the risk. The Finance, Audit and Scrutiny Committee will also seek assurance regarding the effective operation of this framework at Committee level.

Review and Reporting Framework



TYPES OF RISK REGISTER

Corporate risk register	The Corporate Risk Register is used to highlight and assure Members that key risks are being effectively managed. These risks are extracted from various areas of the Corporation's risk system as directed by the Service committees and approved by the FAS Committee. (See Glossary for definition of Corporate Risk).
Top risk register	This register flows out from the Business Unit risk registers and is challenged and moderated quarterly by the Senior Leadership Team (SLT). Risks which are escalated here are those with a risk score of 15 or more.
Business Unit risk register	This register flows out from the Service risk registers and is challenged and moderated quarterly by the Business Unit team meetings. Risks which are escalated here are those with a risk score of 8 and above.
Service risk register	This register flows out from the Service area/Team risk registers and is challenged and moderated quarterly by the Service Team. Risks which are escalated here are those with risk score of 6 and above.
Programme and Project risk registers	Where it is considered appropriate, major partnerships, programmes and projects will produce and maintain their own risk registers.

CHALLENGE AND SCRUTINY

Finance, Audit and Scrutiny Committee	On a periodic cycle the Corporate risk and a nominated Departmental risk register is challenged by Members of the Finance, Audit and Scrutiny Committee. These sessions allow Senior Managers to demonstrate how risks are being managed and allow Members to directly question any areas of interest.
Senior Leadership Team	Each quarter the Senior Leadership Team review all the top risks for the Authority (score 15 and above) and challenge and moderate as necessary. Corporate risks are escalated by the Business Unit Teams and upon approval are escalated to the Finance, Audit and Scrutiny Committee.
Service Committees	The service committees will provide scrutiny of top risks (score 8 and above) for each relevant Business Unit. This will allow Senior Officers to provide assurance that risk are being managed and provide a route for members to recommendation/escalate risks

	to the FAS committee.
Corporate and Governance team	The Corporate and Governance team provide advice and guidance on the application of the Risk Management Strategy. They are the first point of call for risk related matters and will provide operational support.

CONTINUOUS IMPROVEMENT

- 6.1 This strategy is based on strengthening and improving the Authorities approach to risk management, enhancing its ability to deliver its corporate aims and objectives successfully. It is recognised that to significantly improve the risk management capability and the maturity of the Local Authority will be a journey requiring continuous review and improvement activity.
- 6.2 The Risk Management Strategy will be regularly reviewed. Further activities to enhance existing arrangements will be identified by reviewing emerging best practice and assessing their suitability for implementation in the context of the aims, objectives and organisational culture of the Local Authority. Once assessed and agreed, further improvement activities will be implemented through a risk management improvement plan.

GLOSSARY

Term	Definition
Best Scenario	If there were unlimited resources, what would the Risk Owner/Service manager do to mitigate/exploit the risk.
Cause	Definite events or sets of circumstances which exist in the department, programme/project, partnership or their environments, and which give rise to uncertainty. Causes themselves are not uncertain since they are facts or requirements.
Control Evaluation	A measure to determine how effective the controls are.
Control Owner	The person that has accountability for a particular task to control an aspect of the risk, either the Cause or the Effect. The role is accountable to the Risk Owner.
Controls	Measures taken to control the impact or likelihood of risks to an acceptable level.
Corporate risk	Strategic or Operational risks reported to the Finance, Audit and Risk Committee for assurance purposes. One or more of the following criteria must apply: <ul style="list-style-type: none"> • The risk relates directly to one or more of the corporate aims. • A risk that has significant impact on multiple operations if realised. • There are concerns over the adequacy of departmental arrangements for managing a specific risk.
Current risk	The re-assessed level of risk taking in to account the existing controls.
Effect	Unplanned variations from objectives, either positive or negative, which would arise as a result of risks occurring. Effects are contingent events, unplanned potential future variations which will not occur unless risks happen.
Operational risk	Risks arising from or relating to the execution of day-to-day operations and service delivery.
Risk	The effect of uncertainty on objectives.
Risk Management	The systematic application of policies, procedures and practices to the tasks of identification, evaluation, and mitigation of issues that threaten the achievement of defined objectives.
Risk Owner	The person that is accountable for the overall management of the risk, including bidding for resources to control the risk.
Strategic risk	Risks arising from or relating to long term departmental objectives.
Target risk	The level at which the risk will be deemed as acceptable.

APPENDIX 1: RISK SCORING

- 7.1 Risk scoring is purely subjective. Perceptions of a risk will vary amongst individuals and hence it is better to score the risk collectively than leave it to one person's judgement.

DEFINITIONS

Term	Definition
Current Risk score	The level of risk currently perceived by the user/management, with no mitigation.
Mitigated Risk score	The level of risk currently perceived by the user/management, with current mitigations in place.
Best Scenario Risk score	If the Authority had unlimited resources, what would the Risk owner/Service manager do to mitigate/exploit the risk.

RISK SCORING METHOD

- 7.2 Risks are scored in terms of likelihood and impact
- Risk should be scored by first determining how likely it is to occur (Likelihood)
 - It should then be rated according to the worst case scenario if it should arise (Impact).

LIKELIHOOD SCORING GUIDE

	Rare	Unlikely	Possible	Likely	Almost certain
	1	2	3	4	5
	Less than 10%	10-40%	40-75%	More than 75%	75%-100%
Probability	Has happened rarely/never before	Unlikely to occur	Fairly likely to occur	More likely to occur than not	Hard to imagine event not happening
Time period	Unlikely to occur in a 10 year period	Likely to occur in a 10 year period	Likely to occur within a one year period	Likely to occur within three months	Likely to occur every month or more often

IMPACT SCORING GUIDE

	1 Negligible	2 Minor	3 Moderate	4 Major	5 Catastrophic
Strategic	Minor impact on Council objectives. Failure to achieve team objectives. No damage to reputation. No damage to sustainability	Partial impact on Council objectives but quick, low cost recovery. Failure to achieve one or more service plan objectives. Minor damage to reputation, story runs in local media 1-3 days. Transformational projects take longer to deliver	Partial impact on Council objectives but long term affects on main targets. Failure to achieve one or more corporate plan objectives. Moderate damage to reputation, local media coverage 3-8 days. National government comment. Moderate impact on sustainability. Council needs to redesign to address issue.	Significant impact on Council wide service provision. Major impact on stakeholders. Major impact on reputation, national media interest. Major loss of confidence. National government action. Major impact on sustainability.	Unable to fulfil statutory obligations. Failure to achieve one or more major corporate plan objectives. Major damage to reputation. Ministerial concern/public enquiry/court action. Severe loss of confidence from public and partners.

Financial	Financial loss up to 5% of budget	Financial loss up to 10% of budget	Financial loss up to 20% of budget	Financial loss up to 35% of budget	Financial loss of 50% of budget
Staff	Minimal disruption to staff. Minor disruption in recruitment process, staff retention as expected. Morale as normal. Industrial relations as normal	Minor staff complaint. Disruption in recruitment processes. Some loss of staff but minimal impact on service delivery. Capacity easily maintained. Minor impact on staff morale	Staff unrest, small pockets of industrial relations breakdown. Key posts vacant for some time impacting on delivery in short/medium term	Industrial action. Unable to recruit staff in to key roles for an extended period. Serious non-compliance due to lack of training, monitoring, capability or capacity. Poor moral impacting on services	Prolonged industrial action. Sustained loss of key staff groups. Severe non-compliance resulting in widespread disciplinary action and loss of experienced staff which cannot be replaced.
Operational	Negligible impact on service, still achieve service outcomes. Limited impact on service delivery. Can be resolved easily.	Service disruption 1-5 days. Minor impact on service delivery, with short term impact to customers. Can be easily resolved with limited additional resources.	Service disruption 1-2 weeks putting stakeholders at moderate risk. Resolution of issue will need substantial resource. Temporary governance failure leading to disruption of transparency, accountability.	Service disruption 2-4 weeks. Complete failure of service. Service unable to be delivered which puts stakeholders at significant risk. Complete lack of governance leading to lack of transparency, accountability.	Service disruption > 4 weeks. Complete failure of service. Service unable to be delivered which puts stakeholders at significant risk. Complete lack of governance leading to lack of transparency, accountability.
Integrity/Hazard	No obvious harm to staff. Minimal disruption to staff. Injury requiring first aid treatment NOT hospital treatment. Non-compliance but no legal proceedings.	Minor H+S complaint. Minor staff complaint. Minor injury requiring hospital treatment (1-2 days off work). Non-compliance but no legal or financial penalty	Significant injury or illness resulting in liability. Non-compliance leading to a fine (£1,000 to £50,000) and reputational damage	Serious injury or illness resulting in death. Serious breach of council policies leading to a fine (£50,000 to £500,000) and stopped activities	Death causing termination of operations. Multiple civil or criminal suits. Litigation claim or fine in excess of £500,000.

RISK MATRIX

7.3 The following chart shows the area the risk will fall in to dependant on its score, with red being the most severe and green being the least. The scores within the chart are multiples of the likelihood and impact.

e.g. (Likelihood of) **4** x (Impact of) **4** = (Risk Score of) **16**

		Impact				
		Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Likelihood	Almost Certain (5)	5	10	15	20	25
	Likely (4)	4	8	12	16	20
	Possible (3)	3	6	9	12	15
	Unlikely (2)	2	4	6	8	10
	Rare (1)	1	2	3	4	5

RISK CATEGORY DEFINITIONS

- 8.1 In order to systematically identify risks and pick out themes and it is helpful to categorise risk into groups. Categorising risks also helps to clarify what the actual risk is. The following table lists the risk categories currently in use.

Definition of categories	
Categories	Sub Categories
Strategic	Partnerships
Strategic	Council vision, outcomes, objectives
Strategic	Transformational change
Strategic	Reputation
Strategic	External environment
Strategic	Future Sustainability
Staff	Recruitment and retention
Staff	Workforce planning
Staff	Capability and Capacity
Staff	Conduct
Staff	Morale/Wellbeing
Staff	Industrial relations
Financial	Budgeting
Financial	Capital planning
Financial	Procurement
Financial	Efficiency savings
Financial	Financial sustainability
Operational	Achievement of measures/targets
Operational	Stakeholders
Operational	Governance
Operational	Organisational change
Operational	Environmental
Operational	Technical
Integrity/Hazard	Fraud
Integrity/Hazard	Legal and compliance
Integrity/Hazard	Health and Safety compliance
Integrity/Hazard	Resilience