

Risk Management Return Form Guidance

1. Risk Title

All identified risks should be entered into the risk management return form, refer to the risk management section (ext 1156) for assistance if required.

2. Risk Owner

A risk owner should always be the person best positioned to assess, monitor and manage the risk.

3. Gross Score - See annex A for examples and follow the steps below.

This is the inherent risk impact and likelihood – if all mitigating measures were removed how severe could the impact be and how often could the risk occur?

- Determine the risk's potential impact.
- Determine the potential likelihood of the risk occurring.
- Using table 1 in Annex B find the relevant score in the matrix.

4. Controls

List the mitigating measures that are in place to reduce the likelihood and/or the impact of the risks. These can be policies, procedures, monitoring, reporting, training etc.

5. Control Owner

A control owner should be the person responsible for ensuring the implementation and effectiveness of the control.

6. Net Score - See annex A for examples and follow the steps below.

This is the residual risk impact and likelihood – the same as in point three, however, now the score takes into account the risk reduction measures. What is the **current** potential impact if the risk did materialise and how often is it likely to occur?

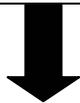
- Determine the risk's current potential impact.
- Determine the current likelihood of the risk occurring.
- Using table 1 in Annex B find the relevant score in the matrix.

Risks with a net score of 16 or above should be included in the cross-cutting template.

Example Assessment of Impact

	Financial Impact	Compliance & Regulation Impact	Local Community	Authority Reputation	Health & Safety
Catastrophic	> 25% of budget	Action in national court. Imprisonment of employees	>25% affected	National media coverage	Multiple deaths
Major	10-25% of budget	Action in national court. Major fine	Larger group affected (10-25%) or smaller group for more than 6 months	National media coverage	Single death/ multiple serious injury
Moderate	5-10% of budget	Action in local court. Substantive fine	Larger percentage affected (5-10%) or small % for 3-6 months	Local media coverage	Serious injury
Minor	2-5% of budget	Local restrictions or minor fine	Limited to a small percentage (<5%) and for a short duration (< 3 months)	Little or no media coverage	Single serious injury
Insignificant	>2% of budget	Notification of non-compliance but no further action	Little impact outside the Council itself	Little impact outside the Council itself	Minor injuries

Example Assessment of Likelihood

Highly Probable		More likely to occur or will occur more often
Probable		
Possible		
Unlikely		
Remote		Less likely to occur or will occur less often

Risk Rating Matrix

Table 1

Impact

Catastrophic	17	22	23	24	25
Major	12	18	19	20	21
Moderate	6	13	14	15	16
Minor	2	8	9	10	11
Insignificant	1	3	4	5	7
	Remote	Unlikely	Possible	Probable	Highly Probable

Likelihood

Table 2

Colour	Score	Assessment	Required Action
Blue	1 – 5	Very Low (tolerate)	Periodic passive monitoring
Green	6 – 10	Low (tolerate)	Regular monitoring
Yellow	11 – 15	Medium (tolerate)	Frequent monitoring
Red	16 – 20	High (treat)	Include in cross-cutting template - action plan and measures to be put in place to reduce exposure
Red	21 – 25	Critical (treat)	Include in cross-cutting template - requires immediate action