

**What is a risk?**

A risk is an action or event that could have a potential impact on the Council's business because it could lead to:

- personal injury or ill health
- loss or damage to assets and property
- financial loss
- loss of reputation
- environmental damage
- failure to achieve strategic priorities
- failure to meet statutory requirements

**Risk classification**

A risk can be classified as:

- **Strategic** - The biggest issues affecting delivery of the council's priorities
- **Financial** - Issues that affect financial commitments or the Council's overall budget
- **Operational** - Risks connected with the internal resources, systems, processes, and employees of the council
- **Hazard** - Exogenous factors, which affect the environment in which the council operates

**How to assess a risk**

The risk register records the following information, all of which should be considered when evaluating a risk.

**Risk and Impact** - this should include a brief summary of the risk and the impact of what could happen if the risk occurred

**Date risk identified** - this should be the date the risk was originally identified

**Risk Owner** - this should be the name of the person who has overall responsibility for controlling the risk

**What has been done to control the risks** - this should detail any actions that have been taken to reduce the risk of the action or event happening

**Current risk assessment** - the risk owner must determine if the risk is High, Medium or Low by allocating a risk score. A score is calculated by firstly scoring the severity of the impact (scale 1 - 4), then scoring the likelihood of the event occurring (scale 1 - 4). These figures are multiplied together to give a Risk Score. The following tables will help to assess the severity and the impact.

Severity of impact matrix						
Score	Personal safety	Failure to provide statutory duties or meet legal obligations	Financial loss	Service disruption	Personal privacy infringement	Embarrassment or reputation
1 Minor	Minor injury or discomfort to an individual or several people	Litigation, claims or fines - Section/ Unit up to £5k	Up to 5% of budget	1 day	Isolated individual personal detail compromised or revealed	Contained within section or unit
2 Significant	Severe injury to an individual or several people	Litigation, claims or fines - Section/ Unit £5k to £10k	Up to 10% of budget	2-3 days	Some individual personal details compromised or revealed	Local public or press interest

3	Major injury to an individual or several people	Litigation, claims or fines - Section/ Unit £10k to £50k	Up to 25% of budget	3-5 days	Many individual personal details compromised /or revealed	National public or press aware
Serious						
4	Death of an individual or several people	Litigation, claims or fines - Unit over £50k	Over 25% of budget	5+ days	All personal details compromised or revealed	Ass't or Strategic Director forced to resign
Major						

Likelihood matrix			
Score	Definition	Likelihood of occurrence	Environmental event (e.g. flooding)
1 Remote	Rare/may occur in exceptional circumstances	0% to 15%	Once in 50 years
2 Unlikely	Could occur at some time	15% to 55%	Once in 20 years
3 Likely/possible	Will/might occur at some time	55% to 90%	Once in 5 years
4 Very likely	Almost certain/is expected to occur in most	90% +	Annually

Likelihood	Impact	Risk score (likelihood x impact)
Very Likely (90%+)	Major 4	12-16 = High
Likely/possible (55-90%)	Serious 3	6-9 = Medium
Unlikely (15 - 55%)	Significant 2	1-4 = Low
Unlikely (<15%)	Minor 1	

**Mitigation actions/controls** - This should detail any further action that needs to be taken to further reduce the risk of the action or event happening.

**Mitigation Owner** - The person responsible for the mitigation action

**Mitigation Target date** - the date when the mitigation action will be completed. This should be a specific date not 'ongoing'

**Post Mitigated Score** - recalculate the score using the scoring tables above