

Corporate Risk Management Policy – Quick Guide

Why is it important to manage risk?

- Internal and external factors may prevent the Council from delivering services and achieving objectives
- To successfully deliver services and achieve objectives requires management of risks, threats and opportunities

Everyone is responsible for identifying risks in their roles. Effective management of that risk helps ensure services are delivered and objectives are achieved

How do we manage risk?

The documenting:

- Other considerations section in Committee reports
- Built into the Council's corporate plans
- Incorporation into your service plans and business plans (also should be integrated with performance and project management)
- The Corporate Risk Register
- Review at Corporate Risk Management Group, MAT, and Audit Committee

The doing:

- You manage risks (and indeed opportunities) by:
 - Identifying and analysing their likelihood and impact, then
 - Determining the most appropriate action to control or respond
- Use risk assessments to articulate the risks
- Plot the risk on the risk matrix model
- Prioritise risk for action **red, amber, green**
- SMART mitigation actions

Risk Scoring

This is the matrix that is used across the Council.

Red risks require prompt, planned management

Amber risks require planned management

Green risks are accepted risks

Impact	4				
	3				
	2				
	1				
		1	2	3	4
		Likelihood			

How they are scored:

We score risks, with their current controls in place, for likelihood and impact as shown below.

Score	Impact	Likelihood (over 4 years or timescale deemed appropriate)
1	Trivial	Rare (once)
2	Medium	Unlikely (a few times/less than annual)
3	Major	Likely (several times/more than annual)
4	Catastrophic	Almost certain (many times a year)

Impact can be measured in many ways and will be specific to what you are assessing, but the most common are on objectives, finances and reputation.

This quick guide is supplemental to the corporate risk policy where full details are provided on how the Council manages risk.