SPELTHORNE
BOROUGH COUNCIL

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.

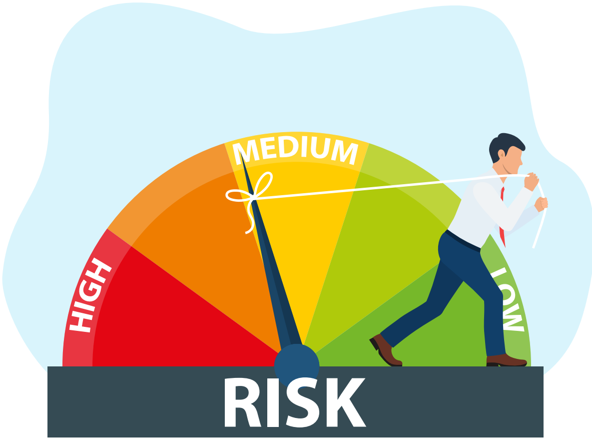
How do we manage risk?

The documenting:

- risk management section in Committee reports
- built into the Council's corporate plans
- incorporation into the service plans and business plans
- 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



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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

How they are scored:

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.