

Appendix C: Risk Management Scoring

Risks are rated through a combined assessment of: PROBABILITY (how likely the risk is to occur) and IMPACT (the potential impact/ consequences, taking into account the controls already in place to manage/ mitigate the risk).

A '5x5' scoring mechanism is used to carry out the assessment of probability and impact to ensure that the risks are rated in a consistent way. This allows the risk scores to be plotted onto a risk map which can be used to illustrate and compare a group of risks. The 'red risks' are these that need to be prioritised for further mitigation treatment. Detailed descriptors are attached below.

Risk Map

Impact	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
		Probability				

Rating	Action
Very High	Immediate and significant control action required. Continued proactive monitoring required.
High	Seek cost effective control actions. Continued proactive monitoring required.
Medium	Seek cost effective control improvements. Monitor and review regularly.
Low	Seek improvements to controls if cost effective to do so. Routine monitoring and review.

Risk Impact and Likelihood scores are attributed from within a sliding scale. Definitional statements are described in broad terms and there is a requirement to consider each risk within the continuum and apply specialist understanding or experience to apply a risk score.

Score	Impact	Likelihood
5	<p>Life threatening / multiple serious injuries.</p> <p>Intense political and media scrutiny i.e. national media coverage / prolonged local media coverage.</p> <p>Possible legislative, criminal, or high profile civil action against the Council, members or officers.</p> <p>Cessation of core activities.</p> <p>Failure of major projects/programmes.</p> <p>Finance impacts that cannot be managed from within financial Directorate resources.</p> <p>Statutory intervention triggered.</p> <p>Severe impact on Priority 1 or Key Service performance / Impact on the whole Council.</p>	<p>Highly likely that risk will be realised (60%)</p>
3	<p>Threat to the health and wellbeing of one or more individuals. Potential for workdays lost to injury/stress</p> <p>Additional scrutiny required by management and internal committees.</p> <p>Service impacts require co-ordinated directorate response.</p> <p>Some local media attention requiring corporate intervention.</p> <p>Failure of projects with directorate impact</p> <p>Core activities continue to be delivered but reasonable adjustment required to focus resources at priority areas</p> <p>Budgetary realignment required to manage impacts.</p>	<p>Medium/Low likelihood (circa 30%)</p>
1	<p>Injuries / stress requiring only limited medical intervention.</p> <p>Limited additional scrutiny required by management.</p> <p>Risk unlikely to receive local media coverage.</p> <p>Short-term disruption of activities / service performance.</p> <p>Internal policies and regulations not complied with.</p> <p>Finance impacts managed with minimal impact.</p>	<p>Whilst possible the likelihood of the risk being realised is considered low (<5%)</p>