Risk Management Overview

Process overview

- Identify key operation and / or service objectives and priorities
- Manage threats that may hinder the delivery of these objectives / priorities
- Maximise opportunities that will help to deliver them
- Monitor and report on the progress and impact of actions
- Review – the process is a continuous cycle

1. Identify the risks

- What could go wrong?
- What type of risk is it?
- What category of risk is it? 4 categories: Reputation, Operational and Policy Delivery, Financial, Legal and Regulatory Compliance
- Specify any strategic risks or barriers to the council meeting its corporate objectives
- Create and maintain the corporate risk register
- Identify and record operational, project and partnership risks
- Include risk assessments in all committee reports

2. Assess and score the risks

- How likely is it to happen?
- Calculate risk rating: likelihood x impact
- What is the impact?
  Low, Medium, High, Very High, Unacceptable
- List the key controls and actions to achieve 'mitigated' risk score
- For negative risks, consider 4 Ts - Tolerate, Treat, Terminate, Transfer
- For positive risks, consider whether to – Enhance, Exploit, Share, Reject

Likelihood
Very Likely ------------------- ▼ Remote

Low 4	High 8	Very High 12	Unacceptable 16
Low 3	Medium 6	High 9	Very High 12
Low 2	Low 4	Medium 6	High 8
Low 1	Low 2	Low 3	Low 4

Impact
Minor --- ▶ Unacceptable

3. Record the risks

Allocate an accountable risk owner to ensure controls remain effective and appropriate actions are taken

4. Monitor, report and review the risks

- Risks scoring 9 or above after mitigation must be recorded and monitored actively in:
  - Project risk register
  - Service register (if related to a service specific operational risk)
  - Corporate risk register (if strategic)
- Risks scoring 12-16 should be reviewed quarterly by Leadership Team
- Departmental management teams should review service risk registers at least quarterly
- Project managers should review project risk registers at every project board meeting
- Corporate risk register should be reported to Audit Committee at least annually