

Risk Assessment Model

The risk assessment model was approved by Corporate Governance Panel in December 2009.

The model requires potential risks to be evaluated against a set of pre-determined criteria for likelihood/frequency and impact. Individual risk levels can then be determined by plotting the risks onto a risk matrix.

Likelihood / Frequency

	Alternatively this could be expressed as likely to happen within the next:	When considering Health & Safety related risks, the likelihood should be expressed as being likely to happen within the next:
5 = Almost Certain	Month	
4 = Likely	Year	Monthly
3 = Occasional	3 years	Year
2 = Unlikely	10 years	5 years
1 = Improbable	20 years	

Impact

Risks will be evaluated against the following scale. If a risk meets conditions for more than one category, a judgement will need to be made as to which level is the most appropriate. For example, if a particular health and safety risk was significant, could result in minor short-term adverse publicity in the local media but had only a trivial financial impact, it might still be categorised as significant.

1 = trivial event or loss, which is likely to:

- cause minor disruption to service delivery on one or two consecutive days, not noticeable to customers
- increase the Council's net cost over the 5 year MTP period by £50,000 or less
- be managed with no reporting in the local media
- cause localised (one or two streets) environmental or social impact

2 = minor event or loss, which is likely to:

- cause minor, noticeable disruption to service delivery on one or two consecutive days
- increase the Council's net cost over the 5 year MTP period by more than £50,000 but less than £100,000
- result in minor short-term (up to a fortnight) adverse publicity in the local media
- be a Health & Safety concern that results in an injury but little lost time (e.g. less than 3 days off work)
- have a short term effect on the environment i.e. noise, fumes, odour, dust emissions etc., but with no lasting detrimental impact

3 = significant event or loss, which is likely to:

- cause disruption for between one and four weeks to the delivery of a specific service which can be managed under normal circumstances
- affect service delivery in the longer term
- increase the Council's net cost over the 5 year MTP period by more than £100,000 but less than £250,000

- result in significant adverse publicity in the national or local media
- be a Health & Safety concern that results in more than 3 days off work or is a major injury, dangerous occurrence or disease that is required to be reported to the H&S Executive in accordance with RIDDOR
- has a short term local effect on the environment, or a social impact, that requires remedial action.

4 = major event or loss, which is likely to:

- have an immediate impact on the majority of services provided or a specific service within one area, so that it requires Director involvement.
- increase the Council's net cost over the 5 year MTP period by more than £250,000 but less than £500,000
- raise concerns about the corporate governance of the authority and / or the achievement of the Corporate Plan
- cause sustained adverse publicity in the national media
- significantly affect the local reputation of the Council both in the long and short term
- results in the fatality of an employee or any other person
- have a long term detrimental environmental or social impact e.g. chronic and / or significant discharge of pollutant

5 = critical event or loss, which is likely to:

- have an immediate impact on the Council's established routines and its ability to provide any services, and cause a total shutdown of operations.
- increase the Council's net cost over the 5 year MTP period by more than £500,000
- have an adverse impact on the national reputation of the Council both in the long and short term
- have a detrimental impact on the environment and the community in the long term e.g. catastrophic and / or extensive discharge of persistent hazardous pollutant

Likelihood / Frequency	Highly Likely	5	Medium	High	Very High	Very High	Very High
	Likely	4	Medium	High	High	Very High	Very High
	Occasional	3	Low	Medium	High	High	Very High
	Unlikely	2	Low	Low	Medium	High	Very High
	Improbable	1	Low	Low	Medium	High	High
			1	2	3	4	5
			Trivial	Minor	Significant	Major	Critical
			Impact				

Risk Treatment Option Form - 15

Risk Treatment – Action Plan						
Description of risk from register:	Risk ID No:	15	Current residual risk score: Likelihood x Impact	2	5	10
ICT Security is breached causing both the loss of data and a loss of confidence in the integrity of the data being held.						
Controls already in place as listed on the risk register:						
<ul style="list-style-type: none"> Access controls – Software controls such as network log on controls and complex password. Physical controls such as signify fobs for remote access and lock/pass card controls on doors. Anti-virus and Firewalls preventing unauthorised access by viruses. Back up tapes - off site storage of tapes. Booking procedures for use of laptops away from the office. 			<ul style="list-style-type: none"> Email filtering reduces reducing viruses, trojan software & spam. Fire / security protection – network infrastructure such as network cabinets on the floors of PFH and the server rooms have fire protection. Locks on notebook computers. Monthly floor walk of PFH for laptops and mobile kit to check if secure. 			
Are these controls operating effectively? Yes / No						
Risk Action Plan (All actions listed in priority order)						
Proposed actions to reduce risk using existing resources				New residual risk score ¹		
				L	I	
a. To assess what security measures are in place for portable IT devices and to implement software to control the access of portable IT devices to the Council's IT network.				2	4	
b.						
Actions requiring additional resources						
1. Compliance with Government Connect is forcing the council to look at many controls such as an alternative Remote Access Solution, Security Hardening of servers, computers and network attached devices, undertaking an annual external Health Check, Intrusion Detection Solutions and hardening of wireless within the council. The cost of being compliant with Government Connect is currently set at in excess of £300k.						
2.						
Decision						
Agreed Option:		Implementation Date		Risk Owner		
				Head of Information Management Division		
Decision taken by:			on:			

¹**New Residual Risk Score:** after the action has been introduced

²**Extra Resources:** only complete if extra resources will be required to allow the proposed action to be introduced e.g. financial costs and staff time

Risk Treatment Option Form - 47

Risk Treatment – Action Plan						
Description of risk from register:	Risk ID No:	47	Current residual risk score: Likelihood x Impact	2	5	10
Council's funds not invested appropriately leading to losses or poor returns resulting in unexpected service cuts.						
Controls already in place as listed on the risk register:						
Treasury Management strategy updated annually and approved by Council which specifically addresses balance between risk and reward. It includes: <ul style="list-style-type: none"> Limitations on investment periods. Limiting maximum loan to a counterparty or group of related counterparties or country. Restricts investments to counterparties that have high credit ratings and Building Societies Discussion of emerging issues with Capital Receipts Advisory Group.			External consultant appointed. Prompt reaction to daily notification of changes to credit ratings. Prompt review of strategy in light of information received. Suitably qualified and experienced staff. Half Yearly reports to COMT, Cabinet, O&S and Council. External Audit reviews.			
Are these controls operating effectively? Yes						
Risk Action Plan (All actions listed in priority order)						
Proposed actions to reduce risk using existing resources				New residual risk score ¹		Extra resources required ²
				L	I	
a. None						
b.						
Actions requiring additional resources						
The Council's Treasury Management Strategy, approved by Council in February, is based on continuing to make investments with organisations with high credit ratings and Building Societies. It also places other limitations on investments regarding amounts and periods. It would be very easy to remove the possibility of default by borrowers if all investments were made with the Debt Management Office which is Government backed but this would be at the price of significantly lower investment returns. In the circumstances it is still considered that the approved Strategy is sound and so no further actions are proposed.						
Decision						
Agreed Option:		Implementation Date		Risk Owner		
				Head of Financial Services		
Decision taken by:			on:			

¹**New Residual Risk Score:** after the action has been introduced

²**Extra Resources:** only complete if extra resources will be required to allow the proposed action to be introduced e.g. financial costs and staff time

Risk Treatment Option Form - 58

Risk Treatment – Action Plan						
Description of risk from register:	Risk ID No:	58	Current residual risk score: Likelihood x Impact	2	5	10
Information Security Policy is not followed leading to an inability to provide an appropriate service, litigation against the Council and a failure to respond to requests for information.						
Controls already in place as listed on the risk register:						
Information Security Policy covers all aspects of IT and information security. Policy agreed by COMT and HoS advised that their staff must follow the training. Guidance and training provided by IMD.	<ul style="list-style-type: none"> Regular reminders / training given to staff regarding the need for confidentiality. Regular updates to Business systems and database Register. Online Information Security Training (issue – this is essential training however only a limited amount of staff have taken it) 					
Are these controls operating effectively? Yes / No						
Risk Action Plan (All actions listed in priority order)						
Proposed actions to reduce risk using existing resources				New residual risk score ¹		Extra resources required ²
				L	I	
a. Encryption software needs to be implemented in order to protect against the loss of data and control portable devices.				2	4	
b. All staff to undertake the online Information Security training.				2	4	
c.						
Actions requiring additional resources						
1.						
2.						
3.						
4.						
Decision						
Agreed Option:		Implementation Date		Risk Owner		
				Head of Information Management Division		
Decision taken by:			on:			

¹**New Residual Risk Score:** after the action has been introduced

²**Extra Resources:** only complete if extra resources will be required to allow the proposed action to be introduced e.g. financial costs and staff time

Risk Treatment Option Form - 130

Risk Treatment – Action Plan						
Description of risk from register:	Risk ID No:	130	Current residual risk score: Likelihood x Impact	3	5	15
Inability to identify sufficient new income or expenditure reductions to achieve spending adjustment targets included in the MTP over the coming three years.						
Controls already in place as listed on the risk register:						
Overview & Scrutiny consider the budget at regular intervals. Close Cabinet oversight of the Budget Plan. Special reserve fund set-up to meet up-front costs of achieving savings.			Progress on achievements reported to Cabinet. Situation frequently discussed at COMT & Cabinet.			
Are these controls operating effectively? Yes No						
Risk Action Plan (All actions listed in priority order)						
Proposed actions to reduce risk using existing resources				New residual risk score ¹		Extra resources required ²
				L	I	
a. None						
b.						
c.						
Actions requiring additional resources						
1.						
2.						
3.						
4.						
Decision						
Agreed Option:			Implementation Date		Risk Owner	
					Director of Commerce & Technology	
Decision taken by:			on:			

¹**New Residual Risk Score:** after the action has been introduced

²**Extra Resources:** only complete if extra resources will be required to allow the proposed action to be introduced e.g. financial costs and staff time