

NEW RISK MATRIX

APPENDIX I

| <div> <div>↑</div> <div>IMPACT</div> <div>↑</div> </div> | | RISK RATING | | | | |
|--|--------------------|--|---------------------------|-------------------------|------------------------------------|-----------------------------------|
| | Catastrophic 5 | Medium 5 | Significant 10 | High 15 | High 20 | High 25 |
| | Major 4 | Low 4 | Medium 8 | Significant 12 | High 16 | High 20 |
| | Moderate 3 | Low 3 | Medium 6 | Medium 9 | Significant 12 | High 16 |
| | Minor 2 | Low 2 | Low 4 | Medium 6 | Medium 8 | Significant 10 |
| | Insignificant 1 | Low 1 | Low 2 | Low 3 | Low 4 | Medium 5 |
| | | Remote 1 10 yearly | Unlikely 2 3 yearly | Likely 3 Annually | Highly Likely 4 Quarterly | Almost Certain 5 Monthly |
| | | <div> <div>→</div> <div>LIKELIHOOD</div> <div>→</div> </div> | | | | |

| RISK RATING | | SCORE |
|-------------|--|----------|
| HIGH | | 15 to 25 |
| SIGNIFICANT | | 10 to 12 |
| MEDIUM | | 5 to 9 |
| LOW | | 1 to 4 |

Recommended actions (with an overall aim of reducing the net risk rating):

High: Review controls and actions every month

Significant: Review controls and actions every 3 months

Medium: Review controls and actions every 6 months

Low: Review controls and actions at least annually

NEW RISK IMPACT GUIDELINES

| Score / Risk Examples | Compliance and Regulations | Financial | Service Delivery | Reputation | Health and Safety |
|----------------------------|---|---|--|--|---|
| Insignificant 1 | Minor breach of internal regulations, not reportable | Less than £50,000 (prev. £5k) | Disruption to one service for a period of 1 week or less | Complaints from individuals / small groups of residents Low local coverage | Minor incident resulting in little harm |
| Minor 2 | Minor breach of external regulations, not reportable | Between £50,000 and £100,000 (prev. £5k to £50k) | Disruption to one service for a period of 2 weeks | Complaints from local stakeholders Adverse local media coverage | Minor Injury to Council employee or someone in the Council's care |
| Moderate 3 | Breach of internal regulations leading to disciplinary action Breach of external regulations, reportable | Between £100,000 and £1,000,000 (prev. £50k to £500k) | Loss of one service for between 2-4 weeks | Broader based general dissatisfaction with the running of the council Adverse national media coverage | Serious Injury to Council employee or someone in the Council's care |
| Major 4 | Significant breach of external regulations leading to intervention or sanctions | Between £1,000,000 and £5,000,000 (prev. £500k to £5m) | Loss of one or more services for a period of 1 month or more | Significant adverse national media coverage Resignation of Director(s) | Fatality to Council employee or someone in the Council's care |
| Catastrophic 5 | Major breach leading to suspension or discontinuation of business and services | More than £5,000,000 | Permanent cessation of service(s) | Persistent adverse national media coverage Resignation / removal of CEX / elected Member | Multiple fatalities to Council employees or individuals in the Council's care |

NEW RISK LIKELIHOOD GUIDELINES

| Score | Description | Expected Frequency |
|-------|---|------------------------------|
| 1 | Remote | 10-yearly |
| 2 | Unlikely | 3-yearly |
| 3 | Likely (Prev. Possible) | Annually |
| 4 | Highly Likely (prev. Probable) | Quarterly (Prev. Monthly) |
| 5 | Almost Certain (Prev. Highly Probable) | Monthly (Prev. Weekly) |

New Risk Reporting Structure

