Risk – and opportunity - management process and toolkit

Step 5 - Monitor

Review the Register with colleagues (for example, as part of your Service Plan) at least quarterly
- What has changed?
- New risks or opportunities?
- Need to report or escalate risks?
- Have rankings changed?

Step 4 – Mitigate

- Assess current actions and controls: Are they adequate or more needed?

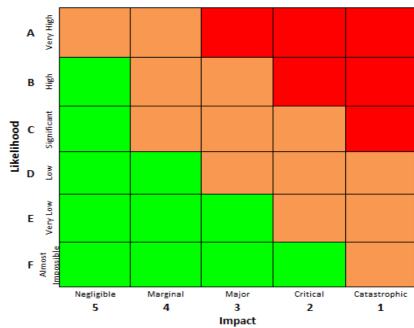### Treat – Accept -Stop - Transfer

- Within your Service Plan - develop specific SMART actions that will either reduce the likelihood of the risk, or minimise the impact – or maximize an opportunity and increase its likelihood.
- What should score be after taken action taken?
- Should this risk be escalated?

Step 1: RISK IDENTIFICATION
Step 2: RISK ANALYSIS
Step 3: PRIORITISATION
Step 4: MITIGATION
Step 5: MONITORING

Step 3 – Prioritise using the matrix below
- How likely is this?   How soon might it happen?
- How big an impact will it have?

Likelihood		%	Description	Proximity/ Timing
A	Very High	90%	Event is very likely to occur.	Within current financial year
B	High	60% - 90%	Strong possibility the event will occur.	Will occur at least once per year
C	Significant	30% - 60%	Will probably occur in most circumstances	Will occur within next 4 years
D	Low	15% - 30%	Risk event likely to occur at some time.	Likely to occur once in 4 to 6 yrs
E	Very Low	5% - 15%	Risk event could occur at some time.	Likely to occur within 6 to 10 yrs
F	Almost Impossible	0% – 5%	May occur only in exceptional circumstances. Extremely unlikely or virtually impossible.	May occur once within 10 to 50 yrs

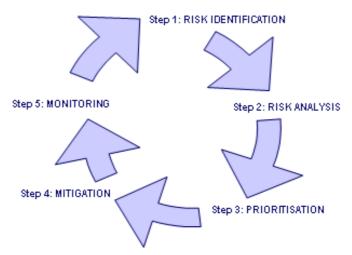|	Impact	Service / Operational	Project or programme	Strategic	Financial	Opportunity
1	Catastrophic	Service suspended long-term or taken over. Statutory duties not delivered.	Milestones missed, key deliverables not achieved.	Corporate objectives not met . Mass staff leaving/unable to attract staff. Remembered for years, mentioned in Parliament.	In excess of each authorities available balances, finances/ reserves wiped out.	Significant performance improvement, savings or income of 70%, service transferred.
2	Critical	Service suspended medium-term or taken over temporarily. Key objectives missed.	Project reduced/suspended in the medium-term. Major milestones & KPIs missed (red)	Statutory requirements not met. Industrial action, adverse national publicity.	£5m and above	Service transferred, savings/income 50%-70%
3	Major	Service reduced / suspended short-term / taken over for a minimal period. Key objectives or KPIs missed (annual - red) within one team/ service, or more than one service affected.	Project delayed / suspended short-term. Some major milestone, or KPIs missed (red).	Industrial action, adverse local and national publicity.	Over £1m less than £5m	Part of service transferred, savings/income 30%-50%.
4	Marginal	Service slightly reduced Within one team/service some objectives or KPIs missed (amber annual, red quarter).	Project slightly delayed Some objectives or KPIs missed (amber).	Adverse local media, impact on an external inspection (s), some hostile relationships and minor non-co operation.	Over £½m less than £1m	Positive local media, Financial impact 10%-30%, all PIs met, some partnership working.
5	Negligible	No impact on annual service, performance or team objectives.	No impact on: final project due date, performance or objectives.	No effect on morale No effect on reputation or partnership. No media attention.	Less than £½ m	No impact on team objectives or performance. Financial impact below 10%.

For more information on risk management, performance and policy, contact Stacey.ransby@eastsuffolk.gov.uk 01394 444232, Financial Services, Corporate Performance and Risk Management

Risk – and opportunity - management process and toolkit

This process is used to manage corporate, service, project, business case, and partnership risks and opportunities.

Roles

All members and officers have a responsibility to manage risk in their work. There are also specific responsibilities:

Cabinet	Consider risk when making decisions. Review key risks
Audit & Governance	Review strategy
CMT/SMT	Manage corporate risks. Escalate risks to CRR. Move corporate risks into team or service registers. Raise risks at meetings.
Team Leaders	Manage own risks. Update senior managers Escalate risks

Step 1: RISK IDENTIFICATION
Step 2: RISK ANALYSIS
Step 3: PRIORITISATION
Step 4: MITIGATION
Step 5: MONITORING

Step 1: Identify
Do this at least once a year
- Look at the business plans, especially priorities. What might stop your team delivering the Councils' priorities – or delivering your service plan?
- Consider the types of risk
- Brainstorm with colleagues
- Examine trends
- Analyse last year's problems
- Review information from other councils / situations
- Be aware of new initiatives / agendas and regulations
- What opportunities are there?

Do this frequently
- What might stop you delivering your service?
- Review situation. Brainstorm with team

Step 2: Analyse - Capture the main elements to a risk or opportunity

Cause	If / As a result of…	**As a result of** bad weather
Event	Then / There is a risk that…	**there is a risk that** staff will not be able to get to the office to do their work
Effect	So / Which will result in…	**which will result in** unhappy service users and increased complaints

Step 1: Types of risk / opportunities (with examples): *What if…?*

Political	Change of political control locally or nationally
External	Changes outside our councils and control
Economic & Financial	Interest rate change; recession
Social	Population growth; aging population
Governance	Compliance requirements; controls
Communication & Relationships	Failure of systems; potential new partnerships
Legislative or Regulatory	Fail to meet requirements; law changes
Strategic / operational	Fail to meet business plan or team objectives
Resources (incl. HR, IT, Finance)	Staff illness; succession planning; system failure; new software; budget cut
Legal	Breach of contract; improved terms
Environmental	Extreme weather events; floods; good summer
Roles & Responsibilities	Using staff skills; lack of qualified staff
Stakeholders	Disagreements; changed priorities
Change Management	Low staff morale; improved efficiency

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19