WILTSHIRE COUNTY COUNCIL   **AGENDA ITEM NO. 9**

FINAL ACCOUNTS AND AUDIT COMMITTEE
13 December 2007

RISK MANAGEMENT UPDATE

Purpose of the Report

1.   To inform and consult the Committee on the developments and progress with regard to the County Council's risk management arrangements, with particular reference to:

- The management of strategic risks
- The ongoing work of the Corporate Risk Management Group
- Participation in the revision of the Risk Management Strategy
- Progress in improving the link between the management of resources, performance, and risk, and strengthening risk management arrangements and assurance arrangements in general.

Background
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2.   Risk Management is a key aspect of Corporate Governance and the Annual Governance Statement (previously the Statement of Internal Control).

3.   Members will be aware that the County Council's Risk Management Strategy was approved by Cabinet in 2003 and the risk management process has been developed since then with regular updates to the Finance Accounts and Audit Committee.

4.   It would be helpful to update the Risk Management Strategy to reflect new developments such as the Annual Governance Statement and changing risk management within our activities and partnerships. We are also taking the opportunity to smarten the risk management assessment methodology.

5.   Members will be aware that the County Council's Corporate Plan includes a summary of key strategic risks i.e. those risks which pose an uncertainty to the operation of the County Council, and the achievement of its objectives. The management of these risks is reviewed regularly by the Corporate Leadership Team (CLT).

Main Considerations for the Committee

6.   CLT continues to review the management of strategic risks each month, in order to keep these risks in focus and ensure the position is regularly updated. The current matrix of strategic risks reviewed by CLT on 22nd November 2007 is attached as appendix A to this report.

7.   At the last meeting of the Committee on 27th September 2007 members were informed that Excelsis had been acquired to support stronger links between the management of resources, performance and risk, and would be implemented to report on progress to September 2007. Excelcis would hold the risk register within its overall role of supporting effective performance and risk management.

8.   Migration of existing data for performance and risks was completed and the system made available for use via the intranet. This has enabled data to be recorded once and held centrally to be used by different people. Quarter 2 (September) data was input directly by users and used for the report to Cabinet on the performance of the Council. The system is

available and learning from this first round of reporting will be used to improve the completeness of information and inform the development of reports.

9.   It was noted that further strengthening of the County Council's risk management arrangements should also be achieved following the appointment of a full-time Risk Manager. The Risk Manager took up post in October, and is working for the Assistant Director, Performance and Risk, who has assumed responsibility for the reporting of risk management issues and future reports to the Committee.

10. The Risk Manager has carried out an initial review of the risk mananagment arrangements, and proposals were approved by CLT on 22nd November 2007.

- The Risk Management Process Action Plan appendix B which the Corporate Risk Management Group will progress
- An Operational Risk Group will be established
- Strengthening of the risk management assessment methodology appendix C
- Introduction of an emergent risk register

11. A revised Risk Management Strategy is planned for approval by Members in March 2008. Finance Accounts and Audit Committee next meet end of March 2008. Members may wish to convene a special meeting in January / February to participate in the development of the new Strategy.

Environmental Impact of the Proposal

12. No environmental impact has been identified from the issues raised in this report.

Financial Implications

13. There are no additional costs arising from the proposal, although strengthening the Council's risk management arrangements should help financial management and control.

Reasons for the Proposal

14. To inform the Committee of developments and progress in relation to the County Council's risk management arrangements.

Proposal

15. The Committee is asked to note and comment on current developments and progress in the County Council's risk management arrangements, specifically:

- The management of strategic risks, as outlined in paragraph 6 above, and in the appendix A to this report
- Consider convening a special meeting to participate in the development of the new Strategy
- The Risk Management Action Plan set out in appendix B
- The strengthening of the risk management assessment methodology appendix C
- Progress in improving the link between the management of resources, performance, and risk, and the strengthening of risk management arrangements in general.

Sharon Britton
Assistant Director, Performance and Review

Report author: Janette Collins, Risk Manager

Unpublished documents relied upon in the preparation of this Report: None

STRATEGIC RISKS AND THEIR MANAGEMENT

> *The Council manages risk on a daily basis throughout its services. In addition, we have assessed the major risks to the operation of the Council and to the achievement of its Council's goals, aims and priorities*

A full analysis of risks is contained in the Council's Risk Register. The Register identifies the following strategic issues which constitute significant potential risks, and which will be managed by the Corporate Leadership Team, reporting to the Cabinet. The principal strategic risks to the operation of the Council and the achievement of its objectives are shown below. Updated comments provided from Departments since CLT on 18 October are shown in red below.

Risk	Underlying Cause	Severity	Probability	Comments on Control and Mitigation Development	Cabinet and Chief Officer Responsible
		LMH			
Business Continuity					
Failure to maintain plans to ensure the resilience of County Council Operations.	Any event which might cause major disruption to the continuity and delivery of WCC operations and business activities.	H	L	*Mitigation/ Control:* An ongoing programme of achievable objectives and actions is in place. • Revised corporate plan to include revised department teams to be circulated early in the New Year. • Department working group reps have been tasked to revisit their respective business impact analysis for each service. • It has been decided to prepare section plans prior to issuing new department plans. • Details of the 134 properties currently used by the CC have been obtained. The breakdown of occupants by departments for each building will assist the preparation of specific plans. • Current planning still includes the use of alternate sites at Bowerhill and Braeside. This will be reviewed as part of the 1C4W process. *Mitigation* • Meetings are taking place with team/section leaders to establish equipment requirements and which staff are home/mobile workers. • Meetings with CICTU, Lean Business Change Officer, ICT Strategy Coordinator are being arranged to ensure changes that result are monitored and included in revised plans.	*Cabinet Member* Fleur de Rhe Philipe Director of Environmental Services

Risk	Underlying Cause	Severity	Probability	Comments on Control and Mitigation Development	Cabinet and Chief Officer Responsible
			LMH		
	The risk of an Influenza pandemic	H	M	• Section plans will define specific risks to each location as opposed to generic risks only. • A series of table top and live exercises to test the plans will be held in 2008. • Liaison with the main contracted companies continues to ensure they maintain BC plans for their organisation. *Control:* • The Local Resilience Forum Joint Influenza Pandemic plan is currently being revised. • Wiltshire County and District Council's Pandemic Influenza Framework Response Plan will also be amended to reflect changes as appropriate. • The LRF working group is currently addressing the requirements of dealing with mass fatalities and the knock on effects to services that will produce. *Mitigation:* • A Business Impact Analysis has • highlighted critical service areas and minimum staff totals required to continue each service. • HR have been tasked with carrying out a skills audit of staff. The capability of the Registration Service has been assessed. It is likely that during a pandemic the workload could increase by 125%.	
Supply, Demand and Cost					

Risk	Underlying Cause	Severity	Probability	Comments on Control and Mitigation Development	Cabinet and Chief Officer Responsible
		LMH			
Market pressures and complex cases create increasing cost pressures for children's care placements in 2007/08 and subsequent years	Market pressures and the rising number of complex cases significantly affect the County Council's ability to influence or control the continuing increase in costs of services for children.	H	H	*Control:* • the implementation of the Children's Placement Strategy is providing a co-ordinated framework which includes: • tighter commissioning; • senior management oversight of placement procurement; • improving budget management and forecasting and work towards implementation of Member Scrutiny recommendations. • Also, in-house residential services are being externalised from September 2007. This should reduce costs in the medium term although there may be some initial cost pressures until the new service has reached its full occupancy level. The County is also engaged with the regional Commissioning Forum in seeking to develop an effective engagement with the independent sector. *Mitigation:* Children's placements budgets remain under pressure and are currently projected to overspend. The budget process for 2008/09 will include service workshops which will identify in further detail the pressures and the recommended actions.	*Cabinet Member* Children's Care: Bridget Wayman Director for Children and Education Jimmy Doyle Assistant Director Children and Education
Market pressures and complex cases create increasing cost pressures for adult care placements in 2006/7 and subsequent years.	The 2007-08 budget takes account of the risks associated with cost pressures and the delivery of recovery plans to achieve a sustainable service and financial base. However, risks remain with regard to: • the cost pressures from the management of the 'whole systems' approach to delayed transfers of care in acute hospitals and community hospitals. There is also an increasing risk of legal challenge from those on the waiting list. • the implications from community hospital re-provision • market availability in certain parts of Wiltshire which could have an	H	H	*Control* • Monthly budget management which tracks both cost pressures and actions in order to manage service and take corrective action where necessary. • Senior management oversight of the current and projected position. • Service and budget workshops to plan the position for 2008-09 to achieve a sustainable position. *Mitigation:* • The implementation of a commissioning unit which will lead to strategies and plans to manage some of the in-year causes and a sustainable future base. • Joint working with Acute Trusts and the PCT to implement services which will improve the opportunities for people to remain in their own homes rather than provide long term	*Cabinet Members* Adult Care: John Thomson Director of Community Services Keith Hillman, Assistant Director

Risk	Underlying Cause	Severity	Probability	Comments on Control and Mitigation Development	Cabinet and Chief Officer Responsible
			LMH		
	impact on fee levels.			care home placements.	
Management of Complex and Large Changes					
Not achieving desired efficiencies and service improvements described in the Corporate Plan.	This risk refers to identified critical paths for the various projects not being achieved.	H	M	*Control:* Establishment of Programme and Project Boards at appropriate levels for major programmes and projects • Adoption of programme and project management practices • Performance monitoring systems to identify low performing areas *Mitigation:* • Staff development programmes in project management • Implementation of the Programme Office function to manage and monitor the delivery of programme and project benefits • Application of risk management across programmes and projects	*Cabinet Member* Jane Scott Chief Executive
	This risk also refers to the need to improve IT development to maximise our ability to deliver service improvements. Inability to deliver projects on time and to an agreed specification could lead to failure to deliver change and benefits and to cost growth.			*Control:* • Establishment of ICT steering group to review business cases prior to funding being approved, and agree suitable timescales for implementation • Business cases to include suitable contingency planning *Mitigation:* • Resources provided to ensure Business Analysts can support preparation of business cases • ICT Steering group approval required before ICT projects proceed • Programme management of ICT programme	*Cabinet Member* John Noeken Chief Financial Officer Head of ICT
Cost overruns on major capital projects reducing reserves and ability to deliver capital expenditure plans.	The risk increases with the complexity of major projects.	H	H	*Control:* The corporate management of the Capital Programme, including the actions of the Capital programme Working Group, and the management of its individual projects, has been effective in managing these risks. *Mitigation:* • The governance structure of the Capital Programme Working group is mitigating in its operation	*Cabinet Member* Jane Scott Director of Resources /Capital Assets Board

Risk	Underlying Cause	Severity	Probability	Comments on Control and Mitigation Development	Cabinet and Chief Officer Responsible
			LMH		
				• monitoring capital expenditure in all services and reporting to the County Treasurer on a monthly basis. • The County Treasurer in turn reports to Cabinet on a quarterly basis. • There is strong application of project management at all levels in all departments, from planning to delivery of capital schemes. • Significant capital projects have detailed risk registers that contain mitigation measures • Directors are to define, and ensure that adequate capacity is provided in Departments to deliver their departmental programme.	
The risk that Government policy on LGR and other major changes may destabilise the Council and impair relations with partners	Actual or potential substantial policy changes arising from the White Paper in relation to LGR – the One Council for Wiltshire Submission, the Lyons Review , the Varney Report and the Barber Report with regard to Strategic Planning.	M	M	*Control:* Risk assessment is being undertaken as and when policy proposals are signalled to become implemented through potential legislation, regulation, budget policy towards local government or inspection requirements. Risk assessment is included in work on the Business Case for the One Council for Wiltshire Submission. *Mitigation:* Appropriate strategic action reflected in high level corporate planning – the Corporate Plan and the Medium Term Financial Strategy or in separate reports to County Council and Cabinet on major issues. Communications planning and implementation in relation to partners.	*Cabinet Member* Jane Scott Chief Executive and Director of Resources
The risk that the Comprehensive Spending Review 2007 may adversely impact on overall County Council resource levels in the medium term	Advance indications are that resource constraints for local authorities may increase	M	M	*Control:* Anticipation - further risk assessment as and when firmer advance information becomes available. *Mitigation:* Appropriate strategic considerations reflected in the Medium Term Financial Strategy and in separate reports to Cabinet when timely.	*Cabinet Member* Jane Scott Chief Executive and Director of Resources
Failure of Partners and Partnerships					
Failure of partnership working to deliver joint service objectives	Instability of some of the County Council's partner agencies and the risk of inadequate governance arrangements in important partnerships.	H	M	*Control:* The significant impacts on the County Council of the NHS actions have clearly indicated that partnership arrangements must be sufficiently robust in relation to accountability including accountability for identified risks. • Work is being taken forward to assess how models of governance can be further developed to encompass improvements to accountability. This area of work is critical to the development of the	*Cabinet Member* Jane Scott Chief Executive

Risk	Underlying Cause	Severity	Probability	Comments on Control and Mitigation Development	Cabinet and Chief Officer Responsible
			LMH		
				Local Area Agreement proposal for Wiltshire. • Timescale – CMB Planning March 2007 • The role of the Strategic Board is developing and more structured performance management arrangements will be introduced with the development of the Local Area Agreement. Indicative timescale – Autumn 2007 *Mitigation:* A review of partnership agreements is taking place – mitigation will then be identified for each agreement. Present actions include updating the documentation agreed by CLT for submission to Cabinet in May. It is anticipated that the procedure will roll out for use in June, with the review work on existing major partnerships be completed by 31 Dec 2007	
Failure of major contractors to deliver joint service objectives	Risk factors could arise in relation to a contractor's business that affects their strategic management or operational capacity, during the period of an established contract.	H	L	Major delivery partners include Sodexho, Hills Waste, Ringway, Mouchel Parkman and the Order of St John (OSJ). *Control:* • Our overall approach to the current procurement strategy is kept under review. Further work is ongoing. • Full and thorough contract evaluation takes place at the time of award of contract. *Mitigation:* • There is an annual review of performance of all contracts with an annual value of over £1m. • Emergency planning staff are working with our major contractors to ensure adequate business continuity plans are in place – see comment under Business Continuity.	*Cabinet Member* Fleur de Rhe Philipe Director of Environmental Services Tracy Carter Assistant Director, Environmental Services
Poor Performance					
Failure to achieve landfill reduction targets for waste, resulting in large fines	This risk relates to the European landfill directive. Fines have been set at £150 per tonne.	M	M	*Control:* Significant action has been put in place to improve waste minimisation and increase waste diversion from landfill. *Mitigation:* • One contract for the diversion of waste from landfill has been awarded • A planning application for construction of a MBT plant in Westbury should be considered by Regulatory Committee in due course. Contract negotiations are ongoing. • A business case is being prepared	*Cabinet Member* Fleur de Rhe Philipe Director of Environmental Services Tracy Carter Assistant Director, Environmental Services

Risk	Underlying Cause	Severity	Probability	Comments on Control and Mitigation Development	Cabinet and Chief Officer Responsible
			LMH	for a joint procurement exercise with Swindon BC to divert from landfill waste arising in North Wilts and Swindon.	
Death or Serious Injury from Negligence or Failure					
Personal injuries, harm or litigation through the absence of robust and comprehensive risk assessments relating to employee tasks and circumstances and to the services provided for, or accessed by, third parties.	Departmental inconsistency, lack of management diligence, misunderstanding of rationale of process. 2006 Annual H&S Performance Reports indicate less than full compliance.	M	M	*Control:* • Strategic managers and safety liaison officers to identify gaps in risk assessment records and instigate completion of outstanding ones. • Departments to move towards safe systems of work based on outcomes of risk assessments. • Training and communication to adopt HSE "sensible risk management" principles. *Mitigation:* • Best practice model available within ESD. Generic on-line assessments under development.	*Cabinet Member* Mark Baker All Chief Officers Head of OH&S

Appendix B - <u>Risk Management Action Plan</u>

Risk Management is an integral part of good corporate governance and as part if it's internal control Wiltshire County Council is committed to managing risk to maximise opportunities to achieve its objectives in the most economic, efficient and effective way. This makes Wiltshire a better place to live and work, through:

1. Excellent low cost services
2. High public satisfaction with the Council; and
3. Effective and transparent local government

In order for Wiltshire County Council to manage risk the following objectives have been identified:

1. To further embedded risk management as part of the Council's culture of governance, with members, managers and partners at all levels recognising that risk management is part of their job and held accountable for managing risks

2. To integrate the partnership policy within the risk management arrangements

3. To establish a robust and systematic approach for identifying, managing and responding to risk including evaluation, review, development, consultation and communication to support well thought- through risk taking and decision making

4. To develop appropriate training and awareness arrangements for Members, Senior Officers, Staff, Partners and the Community

5. To promote good corporate governance and contribute to the annual governance statement

In delivering the risk management objectives the focus for the next six months will be on the key actions set out on the following table. The Corporate Risk Management Group will be responsible for delivering the actions and providing assurances of the successful outcomes.

Appendix A - Risk Management Key Outputs October 2007 to April 2008

Actions	Success Criteria	Timescale
Review and communicate the Risk Management Strategy	• Review and revision of Risk Management Strategy • Strategy approved by Corporate Leadership Team / Final Accounts and Audit Committee and Cabinet • Strategy Adopted, published and communicated	Feb 2008 Mar 2008 Mar 2008
Re establish Corporate Risk Management Group - Review and Challenge (Links to other groups) (Annual Governance Group & Operational Risk Group)	• Group review & challenge • Representatives identified and New Terms of Reference agreed and communicated • Quarterly meetings established • Regular Risk reporting to Finance Accounts & Audit Committee, Corporate Leadership Team and Cabinet (as outlined in strategy)	Dec 2007 Ongoing Ongoing
Review risk assessment methodology	• Existing process and presentation material under review. Methodology refined, communicated • Development of risk registers on performance management system - Data updated on Excelsis • Development of monitoring and review of risk registers on performance management system and appropriate reporting (inclusion in training programme)	Dec 2007 Feb 2008 Mar 2008 onwards
Strategic Risk Register (CLT) up to date and regularly reviewed and communicated	• Transfer of existing risks re-evaluated • Review of cross organisational risks • Strategic Risk Register and Risk Management Strategy communicated to Cabinet annually as part of the Annual Governance Statement • Introduction of an Emergent Risk Register	Ongoing
Review and establish a programme of appropriate risk management training and awareness	• Review of current arrangements • Training programme in place • Dates secured and communicated	Mar 2008
Facilitation of risk assessment workshops as appropriate (One Council , LAA)	• Programme of workshops identified and delivered	Jan 2008 and ongoing
An established programme to share good practice with peer authorities and partners	• Benchmarking arrangements identified - Surveys and maturity assessments	Mar 2008
Annual review of effectiveness of risk management process to support the Annual Governance Statement	• Review of the effectiveness of the risk management arrangements carried out • Participation in the report to Corporate Leadership and Final Accounts and Audit Committee	Mar 2008 Ongoing
Provision of general support advice and guidance on the management of risk		

Appendix C – Risk Assessment (Categories of risk)

It is important that there is a common and shared understanding within the organisation of the risk models to be adopted during implementation of the strategy. What is meant by risk models is the decision:-

- Which risk categories will be used in identifying risk
- How the measures of severity and frequency of risk will be defined
- How many measures of severity and frequency will be used?

It is worth emphasising that there are no right and wrong answers to these questions. Different organisations choose different solutions. What is the best solution for a particular public body will depend, to a large extent, on what is acceptable within its culture.

Risk Categories

There are a variety of approaches to deciding which risk categories should be used during the risk management process. Strategic and operational risks can be categorised to assist with the analysis and classification of where the Councils key risks are. Categories are useful to focus on risks but are not limited. They are best used as an aide memoir during the identification of risk.

The current categories of risk used by Wiltshire are:

Business Continuity, Death & Serious Injury, Managing Complex & large change
Reputation and Supply demand and cost

Other examples of categories of risk are:

Example 1

Strategic Categories	Operational Categories
Political	Professional
Leadership	Financial
Economic	Legal & Ethical
Social	Human Resources
Technological	Physical / Assets
Legislative	Health, Safety & Wellbeing
Environmental	Contractual / partnerships
Change	Technological
Competitive	Environmental
Customer/citizen	Data / Information
Reputation	Service Delivery
Other	Other

Example 2

Strategic, Operational, Information, Reputation, Financial, People and Regulatory risks

In revising the risk management assessment consideration should be given to strengthening and reviewing the use of categories of risk to ensure that they add value in the identification of risk and if used for reporting and communication of risks.

The focus should be on the management of the significant risks outlined on page 7.
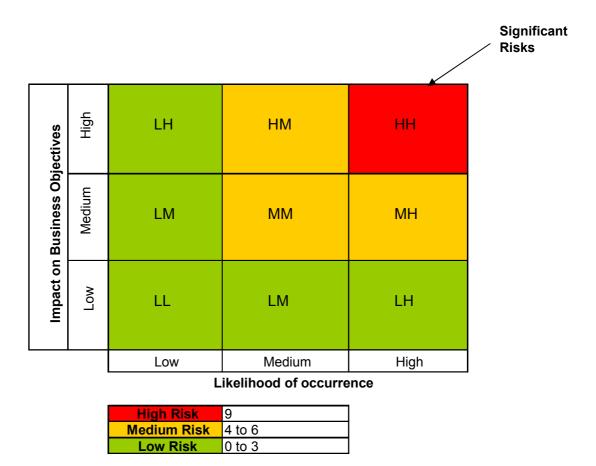
Risk Measurement / Ranking

The purpose of risk assessment is not just to identify and categorise the risks but also to score (evaluate) them. This ranking or measurement of risk is important, as it will influence the allocation of resources to implementing risk control and mitigation activity. The focus being on the significant risks.

Risk is measured in two ways: -

- The likelihood/frequency of the risk event occurring
- The impact/severity on the organisation should the risk event occur

It is important to decide on measures of likelihood and impact so as to provide a consistent and continuity of risk measurement across the organisation and to promote general understanding of what the risk measures mean.

Currently Wiltshire uses a 3 x 3 risk matrix for measuring likelihood and impact. As shown below:

High Risk	9
Medium Risk	4 to 6
Low Risk	0 to 3

Using a larger scoring system such as a 4 x 4 or a 5 x 5 risk matrix removes the easy option of a medium score. This provides a greater definition of rating. A 4 x 4 matrix is shown on the following page as an example and a suggested preferred option for assessing risk in Wiltshire.

Suggested scoring arrangement

Significant Risks

		Rare(1)	Unlikely (2)	Possible (3)	Probable (4)
Impact on Business Objectives	Significant (4)	Continuity Planning — M	M	Urgent action- reduce likelihood and/or impact — H	H
	Moderate (3)	M	M	M	H
	Minor (2)	Monitor — L	L	Manage review and tolerate — M	M
	Insignificant (1)	L	L	L	L

Likelihood of occurrence

High Risk	Significant Risks to be addressed and monitored
Medium Risk	Major Risks to be addressed and monitored
Low Risk	Minor / Moderate risks to be considered and monitored

The risk assessment must be robust and systematic and as part of this the measures for impact or likelihood have criteria that can be expressed in several ways: -

- In monetary terms (% of income or budget or simply direct cost)
- By service "down time" and the organisation's ability to recover from the
- Loss event
- By the degree to which the organisation's reputation is affected
- By the general affect on the organisation (i.e. minor, moderate, major,
- catastrophic)
- and how often

An example of scoring criteria for Impact and Likelihood for Wiltshire County Council is outlined on the following two pages.

Appendix C – Risk Assessment (Example of scoring criteria for impact)

Factor	Score	Effect on Service	Embarrassment /reputation	Personal Safety & Wellbeing	Personal privacy infringement	Failure to provide statutory duties/meet legal obligations	Financial	Effect on Programme /Project Objectives/ Schedule Deadlines
Significant	4	Major loss of service, including several important areas of service and /or protracted period. Service Disruption 5+ Days	Adverse and persistent national media coverage Adverse central government response, involving (threat of) removal of delegated powers Officer(s) and/or Members forced to resign	Death of an individual or several people	All personal details compromised / revealed	Litigation/claims/fines from Departmental £250k + Corporate £500k +	Costing over £1m	Complete failure of project/ extreme delay – 3 months or more All benefits fail to be realised
Moderate	3	Complete loss of an important service area for a short period Moderate effect to services in one or more areas for a period of weeks Service Disruption 3-5 Days	Adverse publicity in professional/municipal press, affecting perception/standing in professional/local government community Adverse local publicity of a major and persistent nature	Severe injury to an individual or several people	Many individual personal details compromised / revealed	Litigation/claims/fines from Departmental £50k to £125k Corporate £100k to £250k	Costing between £250,000 and £1m	Significant impact on project or most of expected benefits fail/ major delay – 2-3 months Majority of benefits fail to be realised
Minor	2	Minor effect to an important service area for a short period Adverse effect to services in one or more areas for a period of weeks Service Disruption 2-3 Days	Adverse local publicity /local public opinion aware Statutory prosecution of a non-serious nature	Minor injury to an individual or several people	Some individual personal details compromised / revealed	Litigation/claims/fines from Departmental £25k to £50k Corporate £50k to £100k	Costing between £50,000 and £250,000	Adverse effect on project/ significant slippage – 3 weeks–2 months Some benefits fail to be realised
Insignificant	1	Brief disruption of important service area Significant effect to non-crucial service area Service Disruption 1Day	Contained within section/Unit or Directorate Complaint from individual/small group, of arguable merit	Slight injury or discomfort to an individual or several people	Isolated individual personal detail compromised / revealed	Litigation/claims/fines from Departmental £12k to £25k Corporate £25k to £50k	Costing less than £50,000	Minimal impact to project/ slight delay less than 2 weeks Minimal benefits fail to be realised

Appendix C – Risk Assessment (Example of scoring criteria for likelihood)

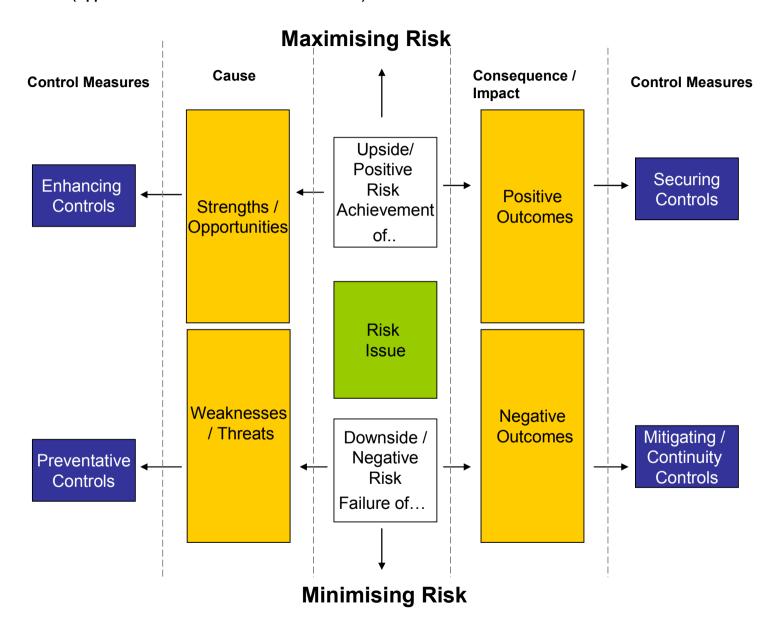| FACTOR	SCORE	DESCRIPTION	INDICATORS
Probable	4	More than 75% chance of occurrence	Regular occurrence Circumstances frequently encountered - daily/weekly/monthly
Possible	3	40% - 75% chance of occurrence	Likely to happen at some point within the next 1-2 years Circumstances occasionally encountered (few times a year)
Unlikely	2	10% - 40% chance of occurrence	Only likely to happen 3 or more years
Rare	1	Less than 10% chance of occurrence	Has happened rarely/never before

Appendix C – Risk Assessment (Approach to identification and control of risk)

It is important when identifying risk that opportunities are considered as well as the threats. Often when assessing risks only the negative aspects are considered. Opportunities as well as the threats should be considered to ensure that when the control measures are considered, resources made available and informed decision made. The focus is on the actions that enhance and secure the positive outcomes whilst preventing, mitigating and contingency planning the negative outcomes.

This is shown below and the following page:

Upside Positive risks	Approaches to maximise the risk Managed by enhancing and securing controls Maximising (by realisation, enhancement, exploitation), Retention	
	Things already there	Things you wish to consider / take advantage of
	Strengths	**Opportunities**
	Weaknesses	**Threats**
	Things already there	Things you want to avoid
Downside Negative risks	Approaches to the reduction of risk Managed by preventative controls and mitigating controls Transfer, Terminate, Treat, Tolerate (By Avoidance, Reduction, Contingency and acceptance)	Current area of focus

Appendix C – Risk Assessment (Approach to identification and control of risk)

Appendix C – Risk Assessment (Approach to identification of risk example) - Staffing

Risks	Impacts / Consequences
Opportunities / Strengths	**Positive Outcomes**
Positioning Wiltshire positively through recruitment / advertising	Positive / dynamic recruitment
Opportunity to review structures / roles / outputs	Staff targets met
Maximisation of staff utilisation	New ideas / innovation / creative thinking
Flexibility on the use of staff	Grow people
Clear communications on opportunities	Career development
Opportunity to share existing skills and knowledge of staff	Committed teams
Consistent messages	Efficient / quality services
Clear leadership	Building a new culture / relationships
No need for compulsory redundancies	Rekindles inspiration and aspirations
New appointments / new ideas	Value for money - Increased efficiency and savings
Individual opportunity development (faster promotion /learning & growth)	Reduction in waste
Weaknesses / Threats	**Negative Impacts**
Loss of knowledge -Good staff leave	Reduction in service
Geographical limitations - too far to travel	Sense of value lost /low morale
Lack of or inappropriate control over service gaps arsing (making planning difficult)	Stress
Drop in / Low moral of existing staff (due to staff leaving)	Service Outputs decrease / Performance drops
Fear following departure of existing staff (due to staff leaving)	Systems fail
Communication inappropriate / untimely / unavailable	Mass exit of staff
Recruitment of skilled staff difficult	Reputation
Insecurity / Uncertainty (12 - 18 months) regarding future - lack of engagement / participation	Personal and organisational skills and knowledge lost
Drop in / Service reductions	Malicious / inappropriate communications / Rumours
Pace of change / cultural development - loss of control	Skill gaps
	Public satisfaction drops
	Poor service delivery