

## LIKELIHOOD AND IMPACT ASSESSMENT MATRICES

## APPENDIX 2

### Scoring Method

Each risk has been scored individually by the Group members in attendance at the challenge workshop in relation to its perceived likelihood and impact (as below). As can be seen two matrices were used which would give a maximum score of 16 (high impact / high likelihood) and a minimum score of 1 (low impact/low likelihood) when multiplied together. The scores were allocated by

- 1) assuming no controls were in place (inherent risk score)
- 2) taking into account current controls (residual risk score)

The scores were then “averaged” to produce the figure currently recorded. Whilst accepting there is some subjectivity applied individually by group members overall it is believed that this will provide a useful comparison going forward to measure progress in managing the risks identified.

Likelihood Assessment Criteria		
Scale	Description	% Chance
1	Unlikely	0 - 15%
2	Possible	16% - 50%
3	Likely	51% - 84%
4	Almost Certain	>85%

Impact Assessment Criteria						
Scale	Description	Service Delivery	Financial Loss	Strategic	Reputation	Regulatory
1	Minor	<ul style="list-style-type: none"> <li>• Minor Service Disruption.</li> <li>• Negligible customer dissatisfaction.</li> <li>• Impact on lower level objectives/targets.</li> <li>• No impact on key services/ objectives.</li> </ul>	< £50K	<ul style="list-style-type: none"> <li>• Minimal deviation from strategic direction.</li> <li>• Minimal impact on strategic objective.</li> </ul>	<p><i>External:</i></p> <ul style="list-style-type: none"> <li>• Local press interest.</li> <li>• Local public/political concern.</li> <li>• Criticism from Stakeholders.</li> </ul> <p><i>Internal:</i></p> <ul style="list-style-type: none"> <li>• Reputation damage to own service area.</li> </ul>	<ul style="list-style-type: none"> <li>• Non compliance with local procedures and policies.</li> <li>• Minor divergence from industry best practice.</li> </ul>
2	Moderate	<ul style="list-style-type: none"> <li>• Moderate service disruption.</li> <li>• Noticeable customer dissatisfaction.</li> <li>• Some disruption to statutory service.</li> <li>• Significant disruption to non-statutory services.</li> <li>• Some key objectives/targets not met.</li> </ul>	£50K - £1m	<ul style="list-style-type: none"> <li>• Short-term deviation from strategic direction.</li> <li>• Short-term impact on strategic objective.</li> </ul>	<p><i>External:</i></p> <ul style="list-style-type: none"> <li>• Negative Regional press/media coverage.</li> <li>• Regional public/political concern.</li> </ul> <p><i>Internal:</i></p> <ul style="list-style-type: none"> <li>• Reputation damage to other service area(s).</li> </ul>	<p>Non Compliance with Corporate policies.</p> <p>Minor non-compliance with industry regulations.</p>
3	Significant	<ul style="list-style-type: none"> <li>• Major disruption to statutory service.</li> <li>• Cessation of non-statutory services.</li> <li>• Significant customer dissatisfaction.</li> <li>• Most key objectives/targets not met.</li> </ul>	£1M - £5m	<ul style="list-style-type: none"> <li>• Medium-term deviation from strategic direction.</li> <li>• Medium-term impact on strategic objectives.</li> </ul>	<p><i>External:</i></p> <ul style="list-style-type: none"> <li>• Negative National press/media coverage.</li> <li>• Loss of credibility confidence in organisation.</li> <li>• National press interest.</li> <li>• Independent external enquiry.</li> <li>• Significant public/political concern.</li> </ul> <p><i>Internal:</i></p> <ul style="list-style-type: none"> <li>• Minor reputation damage to Council.</li> </ul>	<p>Subject of internal Audit/H&amp;S enquiry.</p> <p>Significant contravention of industry standard and regulation.</p>
4	Critical	<ul style="list-style-type: none"> <li>• Inability to meet statutory duties.</li> <li>• Key functions not delivered.</li> <li>• Majority of objectives/targets not met.</li> <li>• Complaints to Ombudsmen.</li> </ul>	More than £5M	<ul style="list-style-type: none"> <li>• Long-term deviation from strategic direction.</li> <li>• Long-term impact on strategic objectives.</li> <li>• Unable to recover.</li> </ul>	<p><i>External:</i></p> <ul style="list-style-type: none"> <li>• Negative International press/media coverage.</li> <li>• Major public/political concern.</li> <li>• Full Public Enquiry.</li> <li>• PAC Hearing.</li> </ul> <p><i>Internal:</i></p> <ul style="list-style-type: none"> <li>• Serious reputation damage to Council.</li> </ul>	Interventions by industry or other regulatory bodies.