

ITEM 17 APPENDIX 1 RISK REGISTER @ SEPTEMBER 2012

Rank	Risk Description	Consequence Description	Risk Impact	Likelihood	Score	Key Controls In Place	Assurances	Response	Previously Reported Status	Current Status	Further Actions to be taken to Manage Risk Better	Lead
1.	Unforeseen significant fluctuations in income and assurance on service charge income	Inability to meet financial obligations	5	2	10	Audit figures on which to base forecasts. Historical data on which to base forecasts. Reserve policy in place	Internal & External Audit Reports Committee Reports	Treat			Continued forecasting, budget monitoring and cashflow analysis.	HOS
2.	Inability of IT to support needs of organisation and technology users	Reduced effectiveness and efficiency for tribunal, councils and appellants.	4	3	12	Formal tender procedure undertaken  Initial project planning undertaken.	Business Process and IT Review	Treat			Contract for new web portal and case management system  Separation of tribunal's domain	HOS
3.	Loss of key members of management and staff	Disruption to operations Management of vacancies Project and operational targets affected	2	5	10	Clearly defined roles with flexibility to provide cover. Documented procedures Arrangements for temporary cover Arrangements in place to extend cover.  Appointment Sub Committee & Working Group	Committee Reports	Treat			Review of existing vacancies and risk based approach to planning for future vacancies.  Recruitment process agreed for Chief Adjudicator.  Support arrangements for transfer to new host authority.	HOS
4	Insufficient adjudicator/staff resources to meet demand	Inability to meet targets Pressure to reach decisions may result in increased number of judicial reviews	3	4	12	Monitoring of demand and performance  Staff recruitment, induction, training and appraisal. Contingency Planning	Committee Reports	Treat			Adjudicator Recruitment 2012	CA

5	Achievement of Key Objectives	Failure to achieve key objectives	4	3	12	Performance Management Strategy and Reporting	Internal & External Audit Reports Committee Reports	Treat			Multiple project planning required for 2012/13 (new host authority, new IT system, recruitment of adjudicators)	HOS
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CA = Chief Adjudicator

HOS = Head of Service Note 1 The Risk Register is underpinned by the Risk Management Strategy and should be read in conjunction with business continuity planning arrangements.

**Risks that have been downgraded in accordance with the Risk Management Strategy following the report to September 2011 Joint Committee**

	Effective Financial and Resource Management including spending within agreed budgets	Financial instability	2	2	4	Historical data on which to base forecasts. Specified role for budget holders in budget monitoring. Recommendations from Internal Audit	Internal & External Audit Reports Committee Reports	Treat			Impact of revisions to budget management Internal Audit Annual Plan for 2011/12.
	Change in government policy	Change in direction for traffic regulations/adjudication	5	1	5	Establishing and maintaining dialogue with relevant government departments, responding to consultation, participation in working groups	Committee Reports	Tolerate			None at this time
	Health and Safety Breach	Risk to welfare of adjudicators, appellant, staff Disruption to tribunal operation	3	1	3	Health and Safety policy in place. Procedures in place for monitoring risk/handling incidents which may be a threat to health and security.  Business Continuity Plan in place.	Reporting requirements for Health and Safety Matters	Treat			None at this time

**Risk Impact Details**

Name		Description
1	Immaterial	Loss of up to £10k; examples include little effect on service delivery; no health and safety impact; no damage to reputation.
2	Minor	Loss of £10k to £50k; examples include minor disruption to effective service delivery i.e. staff in

		unplanned absence for up to one week; minor injury; no requirement for professional medical treatment; slight damage to reputation.
3	Moderate	Loss of £50k to £250k; examples include delays in effective service delivery i.e. adjustments to work programmes in up to one week or staff long term absence; injury to an individual(s) requiring professional medical treatments; reputation damage is localised and minor.
4	Significant	Loss of £250k to £500k; examples include effective service delivery is disrupted in specific areas of the business; multiple serious injuries requiring professional medical treatment; reputation damage occurs with key stakeholders.
5	Major	Loss of £500k +; examples include effective service delivery is no longer achievable, fatality of staff, visitor or public; reputation damage is irrecoverable i.e. regulatory body intervention.

**Likelihood**

Description	Probability	Indicators
5. Highly Probable	> 80%	<ul style="list-style-type: none"> <li>• Is expected to occur in most circumstances</li> <li>• Circumstances frequently encountered – daily/weekly/monthly/annually</li> <li>• Imminent/near miss</li> </ul>
4. Probable/Likely	60% - 80%	<ul style="list-style-type: none"> <li>• Will probably occur in many circumstances</li> <li>• Circumstances occasionally encountered but not a persistent issue (e.g. once every couple/few years)</li> <li>• Has happened in the past or elsewhere</li> </ul>
3. Possible	40% - 60%	<ul style="list-style-type: none"> <li>• Not expected to happen, but is possible (once in 3 or more years)</li> <li>• Not known in this activity</li> </ul>
2. Unlikely	20% - 40%	<ul style="list-style-type: none"> <li>• May occur only in exceptional circumstances</li> <li>• Has rarely / never happened before</li> <li>• Force majeure</li> </ul>
1. Remote	20%	<ul style="list-style-type: none"> <li>• The risk will not emerge in any foreseeable circumstance</li> </ul>

The evaluation process will highlight the key risks that require urgent attention. However, all the risks need to be considered and action agreed, even if this is to take no action at the current time. The options are either to: Tolerate, Treat, Terminate or Transfer each risk.

- **Tolerate the risk (accept it)** – some low scoring risks may be considered as acceptable, but these need to be reviewed on a regular basis to confirm that the circumstances have not changed.

- **Treat the risk (reduce by control procedures)** – the risk can be considered acceptable provided the control mechanisms work.
- **Terminate the risk (cease or modify the method of delivery)** – where risks are unacceptable and control mechanisms will not provide adequate security, the activity or the method of delivery must be modified.
- **Transfer the risk** – through insurance or financial contingency provision.

**MEASUREMENT OF RISK AND REPORTING**

**Risk Matrix**

		Consequence				
		5	4	3	2	1
Likelihood	5	25	20	15	10	5
	4	20	16	12	8	4
	3	15	12	9	6	3
	2	10	8	6	4	2
	1	5	4	3	2	1

**Legend:**

Score of 25 equates to **Extreme Risk**: Immediate escalation to Head of Service for urgent consideration by Joint Committee.

Scores of 20-15 **High Risk**: Risk to be escalated to the Joint Committee/Executive Sub Committee with mitigating action plan. Risk to be actively managed by Head of Service and Advisory Board.

Scores of 12-6 **Medium Risk**: Risk to be captured on Risk Register and progress with mitigation to be tracked by Head of Service and Advisory Board/Joint Committee/Executive Sub Committee.

Scores of 5 and below **Low Risk**: Risk to be removed from register and managed within appropriate services.