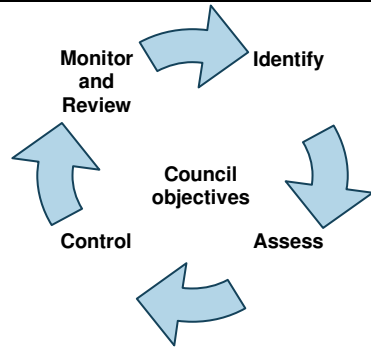


PROCESS



- SMART Objectives.
- Manage threats that may hinder delivery of priorities.
- Maximise opportunities that will help to deliver them.
- Process is a continuous cycle.

1. Identify

- What could go wrong?
- Ensure risks are structured
- What type of risk is it?
- What category is it?
- Use available documents, eg corporate plan, etc
- Eg, "If we do not review and manage our budget, then there is a risk that we will overspend."
- Corporate, operational or partnership?
- Political, economic, social, technological, legislative, environmental, competitive, customer/citizen, reputation, partnership.

2. Assess

- How likely is it to happen?
- What would the impact be?
- Probability x Impact = Risk rating

Probability	Very likely (4)	Medium-Low (4)	Medium-High (8)	High (12)	High (16)
	Likely (3)	Medium-Low (3)	Medium-High (6)	Medium-High (9)	High (12)
	Unlikely (2)	Low (2)	Medium-Low (4)	Medium-High (6)	Medium-High (8)
	Remote (1)	Low (1)	Low (2)	Medium-Low (3)	Medium-Low (4)
	Minor (1)	Significant (2)	Serious (3)	Major (4)	
	Impact				

3. Control

- What should be done to reduce the risk?
- Who owns the risk?
- What else do you need to do about it?

Level of Risk	Level of Concern	Recommended review pattern	Approach option(s) available	Other actions required
High	Very concerned	1 – 2 months	Terminate Transfer Treat	Report to Governance and Audit Committee
Medium-High	Concerned	3 – 4 months	Terminate Transfer Treat	
Medium-Low	Tolerate	5 – 6 months	Terminate Transfer Treat Tolerate	If accepted, must have contingency plans in place
Low	Content	7 – 8 months	Tolerate	Treat, if cost effective

4. Monitor and Review

- Are the controls effective?
- Has the risk changed?
- Is there something new?
- Few risks remain static.
- Existing risks may change.
- New issues and risks may emerge