

APPENDIX 1: ARUN DISTRICT COUNCIL'S RISK MATRIX

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|-------------------|---------------|--------------|--------------|------------|-----------------|
| IMPACT | Very High (4) | 4 | 8 | 12 | 16 |
| | High (3) | 3 | 6 | 9 | 12 |
| | Medium (2) | 2 | 4 | 6 | 8 |
| | Low (1) | 1 | 2 | 3 | 4 |
| | | Unlikely (1) | Possible (2) | Likely (3) | Very Likely (4) |
| LIKELIHOOD | | | | | |

To ensure resources are focused on the most significant risks. The Council's approach to risk management is to assess the risks identified in terms of both the potential likelihood and impact so that actions can be prioritised.

The risk management process requires each risk to be assessed twice- gross and net risk levels.

Gross Risk Level: is taken on the basis that there is no action being taken to manage the identified risk and/ or any existing actions are not operating effectively. The worst-case scenario if the risk were to occur.

Net Risk Level: This re-evaluates the risk, taking into consideration the effectiveness of the identified existing actions. The reality if the risk were to occur in the immediate future.

APPENDIX 2: REVIEWING AND REPORTING FRAMEWORK

| Net Risk Level and Score | Frequency of Reviews (applies to <u>all</u> risk registers) |
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| <p>High 12-16</p> | <p>These are significant risks which may have a significant impact on the Council and the achievement of its objectives if not managed.</p> <p>Immediate management action needs to be taken to reduce the level of net risk. Any net red risks at a service area level will be included alongside corporate risks reported to the Corporate Management Team.</p> <p>As a minimum review <u>quarterly</u></p> |
| <p>Medium 4-9</p> | <p>Although usually accepted, these risks may require some additional mitigation to reduce likelihood if this can be done cost effectively.</p> <p>These risks should be reassessed to ensure conditions remain the same and existing actions/ controls are operating effectively.</p> <p>As a minimum review <u>6- monthly</u></p> |
| <p>Low 1-3</p> | <p>These risks are being effectively managed and any further action to reduce the risk would be inefficient in terms of time and resources.</p> <p>These risks should be reassessed to ensure that conditions remain the same and existing actions/ controls are operating effectively.</p> <p>As a minimum review <u>annually</u></p> |