

# JCAD

## A Basic Look at Risk Management



A risk is something that can be defined and controlled.

An operational risk is a risk that results in a loss because of inadequate or failed internal processes, people or systems or it could be from an external event



Examples of Risk events : Retention of staff / IT security Breach / Buying a car or house

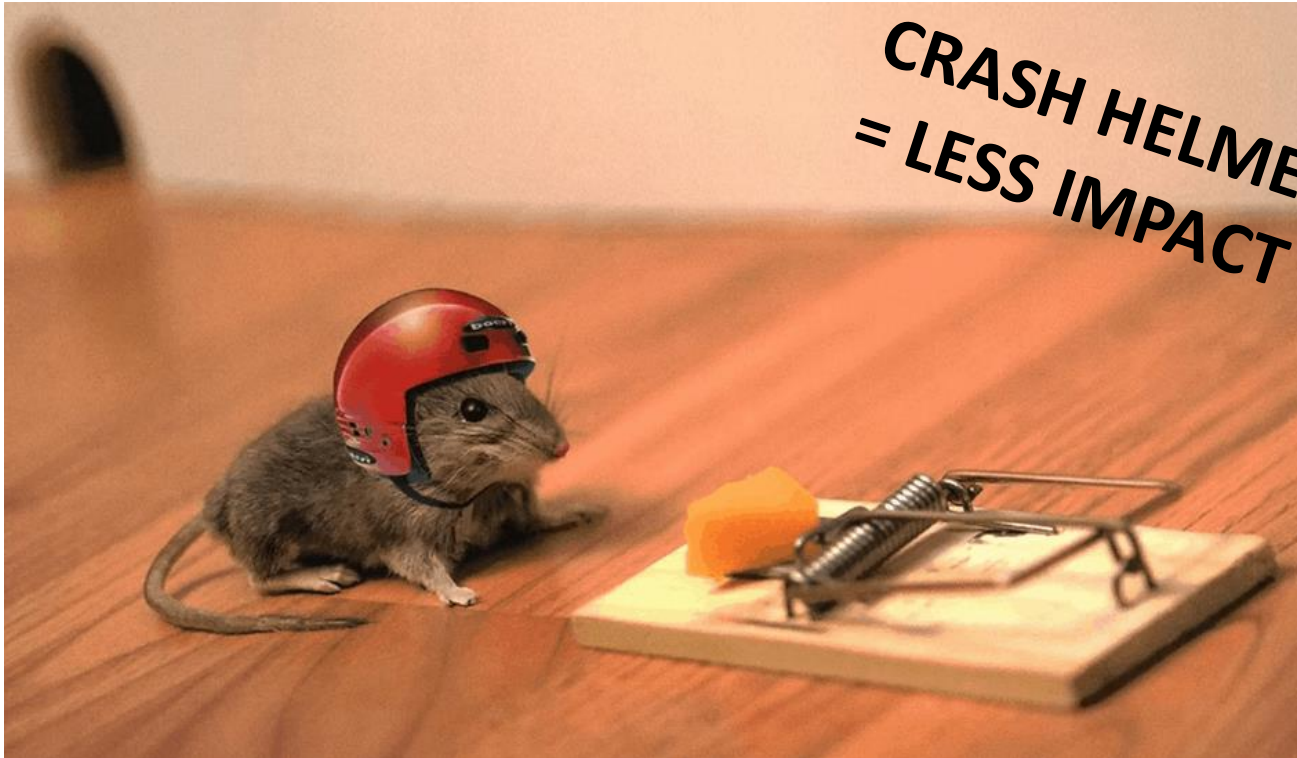
## ISO 31000

### ***“THE EFFECT OF UNCERTAINTY ON OBJECTIVES”***

(A Potential Future Event that could affect us Achieving our Objectives/Goals)

# MOUSETRAP

JCAD



# THE RISK MANAGEMENT PROCESS



# THE RISK MANAGEMENT PROCESS

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**Objectives/  
Goals**



But what if  
something goes  
wrong?



# THE RISK MANAGEMENT PROCESS

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## Risk Identification



Example of risks within an organisation: Cyber Attack caused by lack of security on your IT Software, or Loss of Funding caused by a change in government grants



# EVENT, CAUSE & CONSEQUENCE

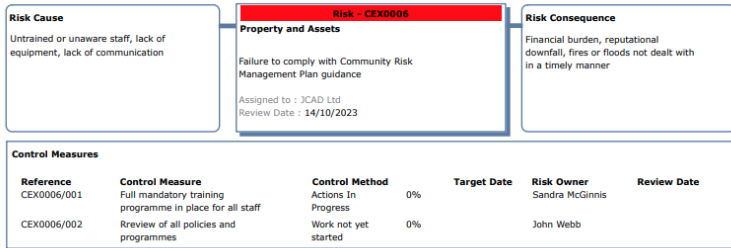
As a result of **this**,  
**this** could happen,  
resulting in **this**.



As a result of **(cause)**,  
**(risk event)** could happen,  
Resulting in **(consequence)**

Example: As a result of **prolonged staff sickness**, there is a **lack of skills in the office** meaning that we could **fail to deliver our service**

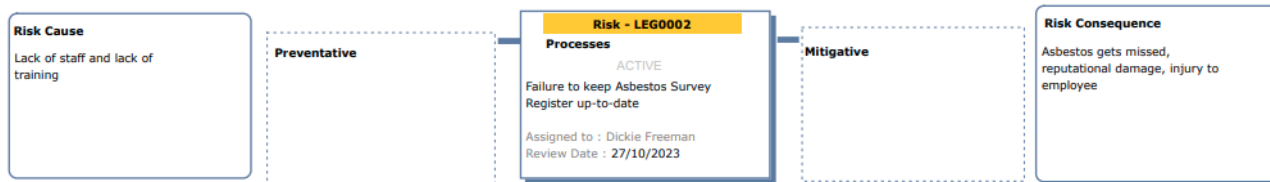
## Butterfly



## Corporate Risk Register

CEX0006	Corporate Risks	15	Reputational	Property and Assets	Failure to comply with Community Risk Management Plan guidance	Untrained or unaware staff, lack of equipment, lack of communication	Financial burden, reputational downfall, fires or floods not dealt with in a timely manner
CEX0007	Corporate Risks	9	Reputational	People and Staff	Lack of skills and expertise within the team	Prolonged Staff Sickness	Unable to deliver full service to our customers

## Bow-Tie

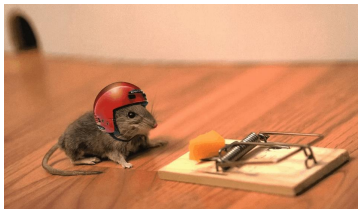




# THE RISK MANAGEMENT PROCESS

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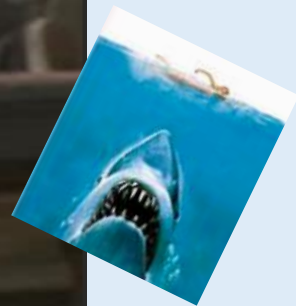
## Risk Evaluation



How can we mitigate against our identified risks?

**WE'RE GONNA NEED  
A BIGGER BOAT**

**BECAUSE WE DIDN'T CHECK THE  
JOB REQUIREMENTS AHEAD OF TIME**



# IMPACT AND LIKELIHOOD

**Cause = Likelihood**  
**Consequence = Impact**

## RISK LIKELIHOOD

Level	Probability	Description
<b>Almost Certain (5)</b>	90% +	Without action is likely to occur; frequent similar occurrences in local government / Council history
<b>Probable (4)</b>	60% - 90%	Strong possibility; similar occurrences known often in local government / Council history
<b>Possible (3)</b>	40% - 60%	Might occur; similar occurrences experienced in local government / Council history
<b>Unlikely (2)</b>	10% - 40%	Not expected; rare but no unheard of occurrence in local government / Council history
<b>Rare (1)</b>	0% - 10%	Very unlikely to occur; no recent similar instances in local government / Council history

## RISK IMPACT

Level	Service	Reputation	H&S	Legal	Financial	Environment
<b>Catastrophic (5)</b>	Ongoing failure to provide an adequate service	Perceived as a failing authority requiring intervention	Responsible for death	Litigation almost certain and difficult to defend Breaches of law punishable by imprisonment	Uncontrollable financial loss or overspend over £500k	Permanent, major environmental or public health damage
<b>Major (4)</b>	Failure to deliver Council priorities Poor Service, 5+ days disruption	Significant adverse national publicity	Fails to prevent death, causes extensive permanent injuries or long term sick	Litigation expected and uncertain if defensible Breaches of law punishable by significant fines	Financial loss or overspend greater than £250k	Long term major public health or environmental incident (1+ yrs)
<b>Moderate (3)</b>	Unsatisfactory performance Service disrupted 3-5 days	Adverse national publicity of significant adverse local publicity	Fails to prevent extensive permanent injuries or long term sick	Litigation expected but defensible Breaches of law punishable by fines	Financial loss or overspend greater than £50k	Medium term major public health or environmental incident (up to 1 yr)
<b>Minor (2)</b>	Marginal reduction in performance Service disrupted 1-2 days	Minor adverse local publicity	Medical treatment required Long term injuries or sickness	Complaint or litigation possible Breaches of regulations or standards	Financial loss or overspend greater than £10k	Short term public health or environmental incident (weeks)
<b>Minimal (1)</b>	No performance reduction Service disruption up to 1 day	Unlikely to cause adverse publicity	First aid level injuries	Unlikely to cause complaint Breaches of local procedures	Financial loss or overspend under £10k	Environmental incident with no lasting detrimental effect

# RISK RESPONSE



Treat



Terminate



Tolerate



Transfer

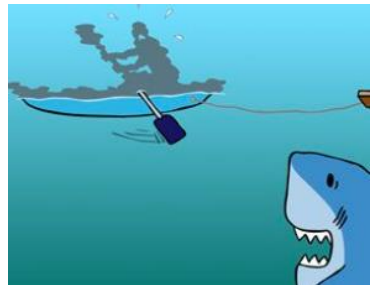
**Risk  
Response**

Treat  
Tolerate  
Terminate  
Transfer

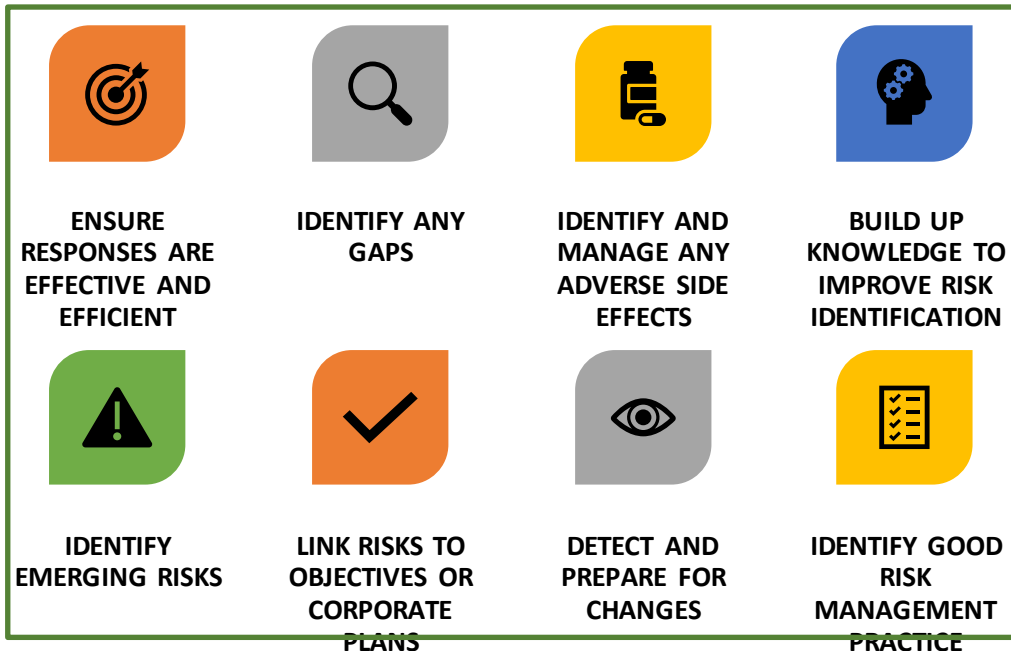


# RISK REVIEWS

## Monitoring and Review



Are there new things that are making your risk higher or lower



# TYPES OF RISK

## The 4 types of Risk:

- Compliance
- Hazard
- Control
- Opportunity

<b>OPPORTUNITY</b>  Travel more easily, enhanced job opportunities, save money on public transport	<b>HAZARD</b>  You may pay too much for the car, it may be in poorer condition than you thought, risks from theft/damage or road accidents
<b>CONTROL</b>  Uncertainties around the cost of borrowing which may increase, fuel prices going up, repair and breakdown costs can vary over time	<b>COMPLIANCE</b>  Inadequate car insurance, aggressive driving may lead to traffic offences, or maintenance obligations such as MOTs

- **Provides structure and helps identification of risks**
- **Enables an organisation to group risks in order to assign responsibility**
- **Helps with consistent terminology across the organisation**

## PESTLE

- **Political** (e.g. changes in government)
- **Economic** (e.g. Cost of Living crisis)
- **Sociological** (e.g. Culture/demographics/ageing population)
- **Technological** (e.g. cyber, AI)
- **Legal** (e.g. Law, government directives)
- **Ethical/Environmental** (e.g. Ecological issues/Corporate Social Responsibility)



## Risk Summary

This Risk is assigned to **David Green** and is set to be reviewed every **5 Days**. The Control Method is **Tolerate/Accept**

### Service Area

Corporate Risks

### Risk details

Lack of skills and expertise within the team

Amber - 9

### Residual Assessment

Green - 3

### Target Assessment

## Risk Information

### Risk Classification

Strategic

### Risk Type

Reputational

### Risk Area of Impact

People and Staff

### Risk Cause

Prolonged Staff Sickness

### Risk Consequence

Unable to deliver full service to our customers

# CONTROLS

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# CONTROLS -PCDD



## Preventative

e.g. Segregation of Duties / Authorisation of Transactions

## Corrective

e.g. Training procedures, continuous improvement processes

## Directive

e.g. Cross-departmental processes such as Standard Operating Procedures or Fire Evacuation processes

## Detective

e.g. Auditing processes or Exception Reporting



# JCAD CORE 5

Controls (2) Default List

Drag a column here or [select columns](#) to Group By

	→	🔍	🔔	⚙️	Response Ref ↑ ⚙️	Type ⚙️	Target Date ⚙️	Control ⚙️	% Complete ⚙️	🔗	Risk Description ⚙️
→	🔍				CEX0007/001	Actions In Progress		JD Review			Lack of skills and expertise within the team
→	🔍				CEX0007/002	Work not yet started		Succession Planning			in the team

**Control - CEX0007/001** ⚙️ % Complete 🔗 Risk Description

This Control has not been reviewed

**Control Details**

This Control is assigned to **Dolly Dee** and is set to be reviewed every **1 Months**. The Control Status is **Actions In Progress**

**Control**

JD Review

**Control Details (Please keep to a minimum!)**

Full review of all JDs

**Priority**

Work in progress

# LESS LIKELIHOOD?

