

Appendix 1

RISK MATRIX AND RISK APPETITE

The Table illustrates how risks are scored and the Council's risk appetite:

Impact	Very High	5	5	10	15	20	25
	High	4	4	8	12	16	20
	Medium	3	3	6	9	12	15
	Low	2	2	4	6	8	10
	Negligible	1	1	2	3	4	5
			1	2	3	4	5
			Very Rare	Unlikely	Possible	Likely	Very Likely
Likelihood							

Colour	Score	Detail
Red	16 and above	This is in excess of the council's risk appetite. Action is needed to redress, with regular monitoring. In exceptional circumstances residual risk in excess of the risk appetite can be approved if it is agreed that it is impractical or impossible to reduce the risk level below 16. Such risks should be escalated through the management reporting line.
Amber	5 to 15	Likely to cause the council some difficulties – regular monitoring is required through Executive Heads ensuring that appropriate mitigations are in place.
Green	1 to 4	Low risk. Monitor as necessary.

RISK APPETITE SCORE: 15