

- NOT PROTECTIVELY MARKED -

Risk Management

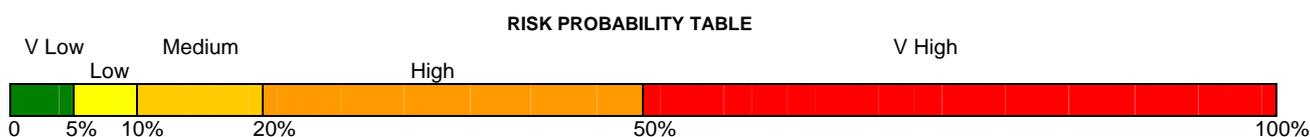
Guidance on risk assessment and rating

(Note: Guidance on the risk management process itself can be found through the Management of Risk Intranet pages or by clicking [here](#))

Risks are rated by assessing them firstly for how likely they are to occur – their **probability** – and secondly for the severity of the consequences if they should occur – their **impact**.

Each is rated on a five-point scale.

For probability, the lowest rating is not more than 5% or an event not expected to happen more often than once in 20 years. The highest is greater than 50% or an event which is at least as likely to happen as not in any given year.



For impact, many different types of possible impact need to be considered to obtain a fair assessment. The table below is intended to give a guide to some of the main ones and their relative severity, but it is only a guide. Essentially, the highest ranking from the range below should be used, but whether a risk could have a single possible impact or whether it has the potential to produce a serious impact under a whole range of headings may also inform the rating selected.

RISK IMPACT TABLE

Factor	Score	Political	Economic	Social	Technological	Legislative	Environmental
Guidance on Criteria		Ability to respond to HMIC / Audit Commission / Police Authority & Home Office performance requirements, including Partnership objectives and potential damage to reputation if not met	Level of funding and resources	Human Rights – diversity and the damage to reputation if requirements not met / adhered to.	Examples: all communications equipment, IT infrastructure, hardware & software. Include any forensic capability that uses technology	Health & Safety legislation and regulations. Personal safety and all other relevant legislation	Breach of legislation & / or damage to environment through contamination or pollution with potential for legal action.
Very High (Catastrophic)	5	Failure to meet primary objectives. Major service disruption. Permanent loss of service or facility	Greater than £5million	Central Government involvement. National media coverage. Total loss of public confidence	Damage to critical systems including loss of 999 service	HSE Enforcement. Corporate Manslaughter charge. Home Office intervention. Taken to court by European Commission	Significant long term impact. Breach of legislation with prosecution and penalties
High (Major)	4	Failure to meet a series of critical targets. Adverse external audit report prompting immediate action	Between £1million-£5million	High impact incident. National media coverage. Well below reasonable public expectation	Prevention access to intelligence. Loss or interruption to critical application / network	HSE Investigation. Force is prosecuted and / or fined. Intervention by Police Authority	Serious impact with immediate and medium to long term effects. Breach of legislation
Medium (Moderate)	3	Failure to meet a critical target. Impact on performance indicators. Adverse internal audit report prompting timed action plan	Between £500k-£1million	Medium impact incident. Local media coverage. Long-term reduction in public confidence	Longer term loss of non-critical applications. Potential for IT & Comms reputational damage.	HSE Inspection. Civil litigation receiving adverse publicity and financial cost to the Force	Moderate impact on the environment with some short term effects. Potential breach of legislation
Low (Minor)	2	Failure to meet a series of operational targets	Between £100k-£500k	Increasing numbers in minor contravention of internal procedures. Elements of public perception not being met	Short term loss / outage of non-critical IT applications.	Internal review of Health & Safety protocols. Minor breaches. No adverse publicity	Minor impact on the environment with no lasting effects
Very Low (Negligible)	1	Failure to meet individual operational target	Up to £100k	Minor contravention of internal policies. Potential for public concern	Minor impact on Frontline Policing. Minor impact to network.	Local review of Health & Safety arrangements. Localised incident. No legal or regulatory breaches	Insignificant impact on the environment and no breach of legislation

By combining these two assessments in the risk register, the risk rating is obtained.

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Risk Rating & Matrix

For convenience and ease of reference, risks are given a “red/amber/green” status, as shown in the matrix below.

Probability scoring	V High	6	12	18	24	30
	High	5	10	15	20	25
	Medium	4	8	12	16	20
	Low	3	6	9	12	15
	V Low	2	4	6	8	10
		V Low	Low	Medium	High	V High
Impact scoring						

As can be seen, the colouring is not symmetrical. There is a greater bias towards high impact/low probability events, rather than high probability/low impact events. This recognises the difference between *urgent* and *important*.

For those who are interested, the numerical ratings are obtained simply by ascribing a value of 1 to Very Low, 2 to Low and so on and combining the two axes of probability and impact.

Instead of the more usual $P \times I$, however, the formula used is $(P+1) \times I$, in order to give the added bias to higher impact risks.

The initial risk rating is kept on record and, where actions are being taken to modify the probability of occurrence or the impact upon occurrence (or both), the current rating is kept under review, with the target rating used to guide activity and ensure it is kept proportionate.