

Risk Register Guidance Notes		
Column	Description	Notes
1	Risk Number	Unique numerical reference for each individual risk identified. Space is initially provided for up to 25 risks. If further risks are identified then additional rows should be inserted into the spreadsheet template and numbered.
2	Risk Description	Stage 1: Identifying the Risks. Clearly and concisely describe each individual risk that is identified. A "If and then" statement should be used whenever possible e.g. "If there is a lack of understanding of financial controls procedures then this could result in errors and/or financial loss"
3	Type of Risk	One of the following risk categories should be identified that is most applicable to the identified risk. The references are as follows: Asset Management Income Expenditure Treasury Management Fraud Projects
4	Likelihood	Stage 2: Assessing Gross Risk. Gross risk is the risk before the application of mitigating controls. There are two bases on which each individual risk needs to be assessed - likelihood and impact. The first evaluation is the likelihood or probability of the risk occurring. The scale is as follows: Very unlikely - The possibility that this risk may occur is rare or exceptional. (Possible every 1- 10 Years) Unlikely - There is a slight possibility this risk may occur at some time. (Possible within 1 year) Possible - The probability of this risk occurring is moderate. (Possible within 6 Months) Quite Likely - There is a strong possibility this risk will occur in most circumstances. (Possible within this quarter) Very likely - The probability of this risk occurring is almost certain. (Possible within this month)
5	Impact	The second evaluation is the impact on the objectives or the severity of the risk if it occurs. The scale is as follows: Insignificant - Relatively unimportant coverage. Little or no impact. Minor - Local coverage. Minor financial loss/damage to reputation. Minor impact on business objectives, strategic priorities, interventions or milestones. Significant - Regional coverage. Significant financial loss/damage to reputation. Significant impact on business objectives, strategic priorities, interventions or milestones. Serious - Limited national coverage. Serious financial loss/damage to reputation. Serious impact on business objectives, strategic priorities, interventions or milestones. Severe - Major national coverage. Major financial loss. Severe damage to reputation. Critical impact on business objectives, strategic priorities, interventions or milestones.
6	Inherent Risk Rating	The value of Inherent Risk is automatically calculated by multiplying the Likelihood rating by the Impact rating.
7	Risk Appetite	Risk appetite is the level of risk we are prepared to tolerate before we consider remedial action necessary. For example Health and Safety risks will generally have a low tolerance threshold as opposed to risks connected with, say, Marketing and would we therefore be looking at controls to make H & S risks at least a Medium residual risk rating. Note it is highly unlikely that all risks can be reduced to a "Low" category. Due to cost and operational constraints we often have to accept that risks can only be reduced to a certain level.
8	Control description(s)	Stage 3: Managing the risks. Describe clearly all of the existing controls in place to mitigate against the likelihood of the identified risk. Please note that more than one control may exist for an identified risk and each of them should be described.
9	Overall Control Assessment	An assessment should be made of the quality of the control(s) currently in place to mitigate the risk. The following scales will apply: Strong - controls in place are reliable and require negligible improvement and are able to manage, mitigate and transfer identified risk Acceptable - controls in place are acceptable but require some improvement to ensure risks are properly managed, mitigated or transferred Needs Improvement - controls are not adequate to ensure that all risks are properly managed, mitigated or transferred and require significant improvement. Very Weak - controls are unacceptable or non-existent and expose the business to material and/or uncontrolled risk.
10	Residual Risk Rating	We need to know our risk position AFTER the assessment of the application of controls that are in place to mitigate risk so that we can focus our attention on those risks that remain significant. The <i>residual risk</i> is obtained by re-assessing the likelihood of the risk taking into account the control rating and then combining this with the unchanged impact rating. Similar to the inherent risk ratings the residual risk will be allocated a rating of <i>High</i> , <i>Medium</i> or <i>Low</i> depending on its final score. It is this final rating that will be used to report our risk position.
11	Additional Action required	Describe clearly any future actions or controls that are planned or in progress to mitigate against the likelihood or impact of the identified risk. Please note that more than one additional action may be planned and each should be described.
12	Early Warning Indicators	These are quantifiable measures that provide early warning indication that a risk may be crystallising. e.g. "Adverse budget variances of X% for two consecutive months".

14	Date for action	A specific date must be set for completion of the planned action.
15	Date last reviewed	Stage 4: Monitoring the Risks. The date must be entered when the planned action was last reviewed at the appropriate monitoring level (refer Risk Rating box).
16	Date next review	The date must be entered when the risk and control is next due for review
	Movement in Risk	The arrow is to be used to demonstrate the movement in risk since the date of the last review

Likelihood Category Control Assessment

Very unlikely Strong
Unlikely Acceptable
Possible Needs Improvement
Quite Likely Very Weak
Very Likely

Ref	Risk Description	Type of Risk	Inherent Risk Assessment		Inherent Risk Rating	Controls in Place	Control Assessment	Residual Risk Assessment		Residual Risk Rating	Additional Action Required to improve controls	Early Warning Indicator	Date last review	Date next review	Movement in Risk
			Likelihood	Impact				Likelihood	Impact						
		Projects	Very Unlikely	Significant	LOW		Strong	Unlikely	Significant	LOW					←
		Asset Management	Very Likely	Significant	HIGH		Needs Improvement	Very Likely	Significant	HIGH					↓
		Asset Management	Possible	Serious	MEDIUM		Needs Improvement	Possible	Serious	MEDIUM					↑
		Asset Management	Quite Likely	Significant	MEDIUM		Needs Improvement	Quite Likely	Significant	MEDIUM					↑
		Asset Management	Possible	Serious	MEDIUM		Needs Improvement	Possible	Serious	MEDIUM					↑
		Asset Management	Quite Likely	Minor	MEDIUM		Acceptable	Unlikely	Minor	LOW					↑
		Asset Management	Very Likely	Significant	HIGH		Very Weak	Very Likely	Significant	LOW					

Likelihood Category **Control Assessment**

Very unlikely **Strong**
Unlikely **Acceptable**
Possible **Needs Improvement**
Quite Likely **Very Weak**
Very Likely

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			Likelihood	Impact				Likelihood	Impact						
		Asset Management	Very Likely	Serious	HIGH		Very Weak	Very Likely	Serious	HIGH					↑
		Asset Management	Quite Likely	Minor	MEDIUM		Needs Improvement	Quite Likely	Minor	MEDIUM					↑
		Asset Management	Possible	Significant	MEDIUM		Acceptable	Unlikely	Significant	LOW					↑
		Asset Management	Very Unlikely	Serious	LOW		Strong	Unlikely	Serious	MEDIUM					↑
		Asset Management	Possible	Minor	LOW		Acceptable	Possible	Minor	LOW					↑
		Asset Management	Possible	Significant	MEDIUM		Acceptable	Possible	Significant	MEDIUM					↑
		Asset Management	Possible	Minor	LOW		Strong	Unlikely	Minor	LOW					↑

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			Likelihood	Impact				Likelihood	Impact						
		Asset Management	Unlikely	Significant	LOW		Very Weak	Unlikely	Significant	LOW					↑
		Asset Management	Very Likely	Significant	HIGH		Very Weak	Very Likely	Significant	HIGH					↑
		Asset Management	Possible	Significant	MEDIUM		Needs Improvement	Possible	Significant	MEDIUM					↑
		Asset Management	Very Likely	Serious	HIGH		Very Weak	Very Likely	Serious	HIGH					↑
		Asset Management	Unlikely	Significant	LOW		Strong	Very Unlikely	Significant	LOW					↑
		Asset Management	Very Likely	Significant	HIGH		Strong	Very Unlikely	Significant	LOW					↑
		Asset Management	Please select	Please select	#N/A		Please select	Please select	#N/A	#N/A					↑

Likelihood Category Control Assessment

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			Likelihood	Impact				Likelihood	Impact						
		Asset Management	Please select	Please select	#N/A		Please select	Please select	#N/A	#N/A					↑
		Asset Management	Please select	Please select	#N/A		Please select	Please select	#N/A	#N/A					↑

Treasury Management

Fraud

Projects

Banks