

## RISK ASSESSMENT METHODOLOGY

### Audit Desirability

### Risk Assessment

<b>Highly Desirable 1</b>	Assurance activity will have a positive effect and be extremely beneficial / give high value in 13/14 with clear opportunity for joint work	<b>Severe A</b>	<ul style="list-style-type: none"> <li>Managers are most concerned about this risk.</li> <li>The consequences will have a severe impact on the delivery of priorities.</li> <li>Comprehensive management action is required immediately.</li> </ul>
<b>Desirable 2</b>	Assurance activity will have a positive effect with minimum negative effects; work will be beneficial and give value in 13/14	<b>Significant B</b>	<ul style="list-style-type: none"> <li>Managers are concerned about this risk.</li> <li>The consequences of the risk materialising would be significant, but not severe.</li> <li>Some immediate action is required plus the development of an appropriate action plan.</li> </ul>
<b>Neither Desirable nor Undesirable 3</b>	Assurance activity will have a neutral effect and give some limited benefit and some limited value in 13/14	<b>Material C</b>	<ul style="list-style-type: none"> <li>Managers are uneasy about this risk.</li> <li>Consequences of the risk are not significant and can be managed through contingency plans.</li> <li>Action plans can be developed later to address the risk.</li> </ul>
<b>Undesirable 4</b>	Assurance activity will have no positive effect, and give no benefit or value in 13/14	<b>Manageable D</b>	<ul style="list-style-type: none"> <li>Managers are content to tolerate this risk.</li> <li>Consequences of the risk are considered relatively unimportant.</li> <li>The status of the risk should be reviewed periodically.</li> </ul>
<b>Highly Undesirable 5</b>	Assurance activity will be detrimental in 13/14		