

Methodology for assessing risk: Criteria for scoring residual risk rating

Probability of Occurrence

Estimation	Description	Indicators
5: High (Probable)	Likely to occur each year (e.g. considered as more than 50% chance of occurrence in any year).	<ul style="list-style-type: none"> • Potential of it occurring several times within the specified period (for example - ten years). • Has occurred recently.
4: Medium to High	Apply judgement	Apply judgement
3: Medium (Possible)	Likely to occur during a 10 year period (considered as between 5% and 25% chance of occurrence in any year).	<ul style="list-style-type: none"> • Could occur more than once within the specified period (for example - ten years). • Could be difficult to control due to some external influences. • There's a history of occurrence
2: Low to Medium	Apply judgement	Apply judgement
1: Low (Remote)	Not likely to occur in a 10 year period (considered as less than 2% chance of occurrence in any year).	<ul style="list-style-type: none"> • Has not occurred. • Unlikely to occur.

Consequences

Estimation	Description
5: High	<ul style="list-style-type: none"> • Financial impact on the organisation is likely to exceed £500K • Significant impact on the organisation's strategy or operational activities • Significant stakeholder concern
4: Medium to High	Apply judgement
3: Medium	<ul style="list-style-type: none"> • Financial impact on the organisation likely to be between £100K and £250K • Moderate impact on the organisation's strategy or operational activities • Moderate stakeholder concern
2: Low to Medium	Apply judgement
1: Low	<ul style="list-style-type: none"> • Financial impact on the organisation likely to be less than £10K • Low impact on the organisation's strategy or operational activities • Low stakeholder concern