

Methodology for assessing risk: Criteria for scoring residual risk rating

Probability of Occurrence

Estimation	Description	Indicators
High (Probable)	Likely to occur each year (defined as more than 25% chance of occurrence in any one of the years covered by the assessment).	Potential of it occurring several times within the specified time period (for example - ten years). Has occurred recently.
Medium (Possible)	Likely to occur during a 10 year period (defined as between 2% and 25% chance of occurrence in any one of the years covered by the assessment).	Could occur more than once within the specified period (for example - ten years). Could be difficult to control due to some external influences. Is there a history of occurrence?
Low (Remote)	Not likely to occur in a 10 year period (defined as less than 2% chance of occurrence in any one of the years covered by the assessment).	Has not occurred. Unlikely to occur.

Consequences

High	Financial impact on the organisation is likely to exceed £250K Significant impact on the organisation's strategy or operational activities Significant stakeholder concern
Medium	Financial impact on the organisation likely to be between £50K and £250K Moderate impact on the organisation's strategy or operational activities Moderate stakeholder concern
Low	Financial impact on the organisation likely to be less than £50K Low impact on the organisation's strategy or operational activities Low stakeholder concern