

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"> Major impact on the organisation – e.g. financial impact in excess of £500K, significant damage to reputation, severe health and safety implications, substantial impact on delivery of key services, major adverse legal consequences.
4: Medium to High	Apply judgement
3: Medium	<ul style="list-style-type: none"> Moderate impact on the organisation – e.g. financial impact likely to be between £100K and £250K, medium adverse consequences in respect to reputation, health and safety, delivery of key services, legal matters.
2: Low to Medium	Apply judgement
1: Low	<ul style="list-style-type: none"> Minor impact on the organisation – e.g. financial impact likely to be below £10K, small adverse consequences in respect to reputation, health and safety, delivery of key services, legal matters.