

## Methodology for assessing risk: Criteria for scoring residual risk rating

### Probability of Occurrence

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

### Consequences

Estimation	Description
<b>5: High</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>4: Medium to High</b>	Apply judgement
<b>3: Medium</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>2: Low to Medium</b>	Apply judgement
<b>1: Low</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>