

## Risk Assessment Matrix

This matrix is designed to assist you in assessing for risk in a consistent and systematic way.

Impact	Very High (4)	4	8	12	16	12 - 16	Significant Risk
	High (3)	3	6	9	12	6 - 9	Medium Risk
	Medium (2)	2	4	6	8	1 - 4	Low Risk
	Low (1)	1	2	3	4		
		Remote (1)	Possible (2)	Probable (3)	Highly Probable (4)		
		Likelihood					

### Step 1

Look at what is being assessed and ask the question –

What is the probability of the risk occurring **given the existing controls/precautions that are already in place?**

Use the following table to assign and code for this perceived risk. If in doubt, grade UP not down.

Probability	Risk Likelihood Key
1	Remote (< 5% likely to occur) <ul style="list-style-type: none"> <li>Extremely unlikely</li> <li>It could happen, but probably never will</li> <li>No experience of a similar failure</li> <li>If it has happened, sufficient controls now in place</li> </ul>
2	Possible (5% - 50% likely to occur) <ul style="list-style-type: none"> <li>Fairly likely</li> <li>Conditions exist for this loss to occur</li> </ul>
3	Probable (>50% - <80% likely to occur) <ul style="list-style-type: none"> <li>More likely than not</li> <li>There is a strong possibility the risk will occur</li> <li>There may be a history of frequent occurrences</li> <li>No or little effective measures to reduce likelihood can be and/or have been taken</li> </ul>
4	Highly Probable (80% + likely to occur) <ul style="list-style-type: none"> <li>Almost certain</li> <li>Expected to occur in most circumstances</li> <li>There could be a history of regular occurrences e.g. on an annual basis</li> <li>If new risk, likelihood of occurrence regarded as almost inevitable</li> </ul>

## Step 2

If the risk occurs what is the likely impact to the organisation? Use the table below. The highest number graded out of the 5 rows will be the impact code. If in doubt, grade UP not down.

		ESTIMATED IMPACT KEY			
		1 Low	2 Medium	3 High	4 Very High
TYPE OF RISK	1. <b>Compliance &amp; Regulation</b>	Minor breach of internal regulations, not reportable	Breach of internal regulations leading to disciplinary action. Breach of external regulations, reportable	Significant breach of external regulations leading to intervention or sanctions	Major breach leading to suspension or discontinuation of business and services
	2. <b>Financial</b>	Financial loss — Less than £50,000	Financial loss — Between £50,000 and £250,000	Financial loss — Between £250,000 and £750,000	Financial loss — More than £750,000
	3. <b>Operational Delivery</b>	Low level processes would need to be revised but the issue could be resolved	Significant work required by a team to repair operational systems	Significant work required by all levels to resolve the matter	Fundamental organisational changes would be needed
	4. <b>Reputation</b>	Complaints from individuals / small number of stakeholders Low local media coverage	Broader based general dissatisfaction with the organisation Adverse local / national media coverage	Significant adverse national media coverage	Persistent adverse national media coverage
	5. <b>Health &amp; Safety</b>	Minor injury to employee or someone in Derby Homes' care	Serious injury to employee or someone in Derby Homes' care	Fatality to employee or someone in Derby Homes' care	Multiple fatalities to employees or individuals in Derby Homes' care
	6. <b>Strategic</b>	Limited impact on achieving organisational strategy	Would impact on the organisational objectives	Would require a significant shift from current strategy and objectives	Would require a fundamental change in strategy and objectives