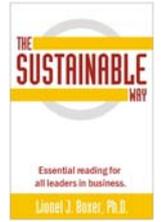


Risk Management Primer

Step 3 – Analyse the Risks
Instructions to complete form



When conducting risk analysis deal with one risk at a time and follow through these steps:

1. Determine the likelihood of the risk occurring using a table such as this:

Rating	Interpretation
A Certain	Very high probability (do we need %?) of occurrence; or Could occur several times (do we need number?) during a year.
B Likely	High probability (do we need %?); or May arise once in a one or two year period.
C Possible	Reasonable probability (do we need %?); or May arise during a five or ten year period.
D Unlikely	Plausible probability (do we need %?); or Could occur during next ten or twenty years.
E Rare	Very low probability (do we need %?); or Unlikely during next ten years.

2. Determine the consequences of the risk occurring using a table such as this:

Rating	Potential Impact on the Risk Category
A Catastrophic	Multiple stakeholders will be severely impacted; or Key business outcomes will not be achieved or result in disaster; or Key business processes will be confounded; or Customers will not be able to access services; or Multiple fatalities will occur.
B Major	Multiple stakeholders threatened; or One stakeholder severely impacted; or Key business outcomes threatened or may result in disaster; or Key business processes threatened; or Customers may not be able to access services; or Single fatality.
C Moderate	Some stakeholders, outcomes or processes affected; or Considerable effort to rectify; or Severe injury.
D Minor	Some stakeholders required to enact remedy; or With some effort outcomes achieved; or With some effort processes function; or Injuries requiring treatment.
E Insignificant	Very small impact; or Rectified by normal processes; or Very minor injuries.

3. Determine the level of risk of the risk occurring using a table such as this:

		Consequences				
		Catastrophic A	Major B	Moderate C	Minor D	Insignificant E
Likelihood	A Almost Certain	Extreme	Extreme	High	Medium	Medium
	B Likely	Extreme	High	Medium	Medium	Medium
	C Possible	High	High	Medium	Medium	Low
	D Unlikely	High	Medium	Medium	Low	Negligible
	E Rare	Medium	Medium	Medium	Low	Negligible