	Gasóga na hÉireann/Scouting Ireland			
	No.	Issued	Amended	Deleted
	SID 124A/15	20 th June 2015		
	Source: National Management Committee			
Scouting Ireland – Risk Management Framework				
Revision	Date	Description		
#	20/06/2015	Document Issued		

1. Risk Management Definition and Objectives

1.1 Scouting Ireland is committed to adopting sound risk management principles and to manage risk in accordance with recognised best practice. In order to deliver this objective, a consistent and systematic approach to managing risk is to be adopted by all staff and volunteers in all areas of Scouting Ireland activities in due course.

1.2 In order to achieve such an effective and systematic risk management approach, the NMC has established an Audit and Risk Management Committee. This ARM Committee is charged with:

- adopting a recognised risk management standard and framework,
- defining Scouting Ireland’s risk appetite and tolerance
- developing capabilities to identify and assess risk
- developing of a Risk Register
- reporting to the NMC on residual risk in excess of the approved risk appetite

1.3 The ARM Committee will draft a Risk Management Policy based on the above framework for NMC approval. This policy will address the operational enablers required to support and maintain the framework including:

- the appointment of a Risk Officer or equivalent,
- an appropriate risk management organisational structure,
- sufficient staff resources to implement risk management,
- staff and volunteer training, and
- comprehensive and regular reporting of risk issues to the NMC.

1.4 Risk is defined by the ARM Committee as:

- the effect of uncertainty on objectives.

1.5 It is measured in terms of *likelihood* and *consequence*. Risk management is an iterative process consisting of well-defined steps, which, if taken in sequence, support better decision-making by contributing a greater insight into risk and their consequences.

1.6 The main policy objectives of risk management are to:

- a) Maintain the highest possible integrity for services provided by Scouting Ireland;
- b) Safeguard Scouting Ireland assets (people, property, reputation and financial);
- c) Create an environment where all Scouting Ireland managers (including volunteer managers) can, in time, assume responsibility for managing risk and identifying possible risks in their respective areas of control;
- d) Ensure Scouting Ireland can appropriately maximise its opportunities and minimise its threats;
- e) Focus limited resources in critical areas and assist in decision-making.

2. Risk Management Standard

2.1 One policy objective of risk management at Scouting Ireland listed above is to promote an organisation-wide culture where all staff will, in due course, have an understanding of the reasons for, and benefits of, risk management and follow soundly based risk management practices.

2.2 To achieve this, the ARM Committee recommends that Scouting Ireland adopts the internationally recognised risk management standard ISO 31000¹ launched in 40 countries including Ireland in 2009.

2.3 Scouting Ireland will implement this standard by incrementally evolving its risk management expertise at NMC, ARM Committee and operational levels. It will do so by initially establishing an 'intuitive' risk management approach. This will then be migrated to a quantitative framework within the ISO 31000 standard as our expertise grows. This quantitative framework will align with Scouting Ireland's strategic objectives and balance sheet management strategy.

2.4 The initial intuitive risk management approach at Scouting Ireland involves:

1. The identification of risks;
2. An assessment of their likelihood² of occurrence;

LIKELIHOOD RATINGS (A)
1 = Remote
2 = Unlikely
3 = Possible
4 = Likely
5 = Definite

3. An assessment of their consequential³ impact;

CONSEQUENCE RATINGS (B)
1 = Insignificant
2 = Minor
3 = Moderate
4 = Major
5 = Catastrophic

¹ See Appendix I

² See Appendix II

³ See Appendix II

4. Classification of risks by reference to their likelihood & consequence pre-treatment;

INHERENT RISK RATINGS (A x B)
1-10 = Acceptable (Green)
12-15 = Tolerable (Amber)
16-25 = Intolerable (Red)

5. The application of controls to mitigate or treat the likelihood and consequences;

6. Classification of risks by reference to their likelihood & consequence post-treatment;

RESIDUAL RISK RATINGS (A x B)
1-10 = Acceptable (Green)
12-15 = Tolerable (Amber)
16-25 = Intolerable (Red)

7. Regular and multi-level monitoring of compliance with those controls.

MULTI-LEVEL MONITORING
1. Risk Owner
2. ARM Committee
3. The NMC

3. Risk Appetite (Green)

3.1 Operating Scouting Ireland, without some level of risk exposure is not possible. However, the NMC approach is to ensure that its activities are compatible with its risk management strategies.

3.2 The ARM Committee defines Scouting Ireland Risk Appetite as the level of risk that is considered appropriate and it is prepared to accept.

3.3 The ARM Committee has currently quantified an acceptable risk appetite of a risk score of up to **10** taking into account the likelihood of occurrence and the degree of consequence after treatments/mitigations have been implemented. The ARM Committee recommends this definition of Scouting Ireland Risk Appetite to the NMC for adoption.

3.4 All future management strategy proposals will identify, score and propose mitigations of risks to ensure they are within the approved risk appetite threshold. Proposals with residual risk that exceeds this threshold will require rigorous management justification and formal NMC approval. All risks identified will be recorded in Scouting Ireland's risk register for ongoing management and monitoring.

4. Risk Tolerance (Amber)

4.1 The ARM Committee has defined risk tolerance as the loss capacity of any nature that Scouting Ireland can absorb without inflicting lasting damage to the Association. It has set the tolerance risk score threshold at up to **15**, or 5 points above its risk appetite, post treatments. The ARM Committee recommends this definition of Scouting Ireland Risk Tolerance to the NMC for adoption.

4.2 Residual risks are those above the acceptable risk appetite. It is recognised that certain risks may impact on Scouting Ireland that are largely beyond the control of the Association to mitigate effectively. In such circumstances, the ARM Committee recommends that the NMC accept such residual risks on an exceptional basis.

4.3 The Committee recognises that each risk may be classified into one of three broad categories namely:

- **Within defined Risk Appetite level (1-10)** – the majority of risks should be within the NMC-approved risk appetite level (colour-coded Green);
- **Outside Risk Appetite level (12-15)** – the ARM Committee recognises that some residual risks may fall between the NMC-approved Appetite and Tolerance levels due to their nature and the inability of Scouting Ireland alone to further reduce or transfer the residual risk. The Committee recommends these risks be highlighted on the Scouting Ireland Risk Register and prioritised for review and approval by the NMC on a regular basis (colour-coded Amber);
- **In excess of Risk Tolerance level (16-25)** – some residual risk that is in excess of the determined tolerance level may respond to further mitigation action to bring the residual risk within the tolerance level over time. NMC acceptance of such residual risk will be highly exceptional and, if deemed necessary, reported to the appropriate authorities (colour-coded Red).

4.4 Permanent risk in excess of determined Risk Tolerance level is deemed intolerable and is totally unacceptable to the NMC in all and every circumstance.

5. Risk Categories

5.1 The ARM Committee has identified seven categories of risk that it will focus on. It will identify individual risks within each category and appointing an internal 'risk owner' who will be responsible for monitoring and reporting on its behaviour.

5.2 The seven risk categories are:

1. **Strategic Risk** – is any risk that would impede the achievement of the Association's strategic objectives as defined in the NMC's strategic plan.
2. **Operational risk** – incorporates a range of risk exposures that could result in the Association's inability to meet its obligations to provide the scouting programme. These risks include failing IT systems, facility closure, health and safety, legal actions and others arising in the natural environment such as those that are transmitted through air, water, soil or biological food chains.
3. **Governance risk** – including inappropriate organisation structures, difficulties in recruiting appropriate competencies, and potential conflicts of interest.
4. **Financial risk** – including accuracy of financial information, budgetary forecasts, cash flow, reserves, and diversity and sustainability of income streams.
5. **External risk** – This area looks at the external environment in which the Association operates. Environmental risks take the form of unfavourable changes in areas such as regulation, the economy, social trends, specific industry developments (e.g. income stream reductions) and increased competition which all could have a negative impact on Scouting Ireland.
6. **Reputational risk** - the risk that the organisation's reputation is damaged by one - or more than one - reputation event, as reflected from negative publicity about its practices, conduct or financial condition that may impair public confidence in Scouting Ireland.
7. **Compliance risk** – failure to comply with Scouting Ireland's NMC-approved policies and codes and its regulatory and statutory obligations

5.3 Each of the risk categories identified above are to be supported, where appropriate, by the required resources, specific limits, policies, systems, procedures, strategies, contingency plans and other measures. Such measures will facilitate the risk identification, quantification of the exposure amount and management of those risks.

6. Risk Register

6.1 The ARM Committee will adopt a basic spreadsheet Risk Register to record risks and mitigations and establish risk ratings on an intuitive basis.

6.2 To facilitate the process to assess the quantitative residual risk to which the Scouting Ireland balance sheet is exposed, Scouting Ireland will, in due course, acquire and maintain a risk management software tool.

6.3 This migration should enable the development and maintenance of a comprehensive risk register and statistical risk profiling capability within the framework of ISO 31000 and aligned with Scouting Ireland's balance sheet management strategy and capital adequacy requirements.

7. Risk Reporting

7.1 The Scouting Ireland NMC will require a risk management report that shows the residual risk in excess of the NMC's approved risk appetite (Amber). While management will monitor all risks that come within the NMC's Risk Appetite threshold, they should report all residual risk that exceeds this limit to the NMC for review.

7.2 The residual risk report should contain:

- An account of prevailing residual risks post-treatment;
- Recommendations on additional treatment if economically justified;
- A description of the progress in treating residual risk since the last report;
- Any decline in performance or lack of progress should be noted and explained.

8. Risk Management Responsibilities

8.1 National Management Committee

The NMC has the ultimate responsibility for ensuring an appropriate risk management system is in place. The NMC must effectively conduct oversight of risk management. Specifically the Board's responsibilities as they relate to risk management are to ensure:

1. That sound risk management practice is integral to both good management and good governance practice.
2. That risk management forms an integral part of Scouting Ireland's decision-making in all areas and must be incorporated within strategic and operational planning.
3. That risk assessments will be conducted on all new activities and projects to ensure they are in line with Scouting Ireland's objectives, mission and ethos.
4. That risks and opportunities arising will be identified, analysed and reported at the appropriate level.
5. That a risk register covering key risks in all 7 risk areas will be maintained and will be updated at least once a quarter, as well as more frequently where risks are known to be volatile.
6. That more detailed operational risk register(s) will be maintained in respect of specific projects or activities where this is considered appropriate, taking account of the impact of potential risk and the costs/benefits involved.
7. That all staff will be provided with adequate training on risk management, on this Risk Policy and Framework on their role and responsibilities in implementing good practice. Detailed requirements in these areas will be set out in the employee handbook.
8. That Scouting Ireland, through its Audit & Risk Management Committee will regularly review, and continually monitor the effectiveness of its risk management framework and update this as considered appropriate.
9. That reports will be made to the National Management Committee of Scouting Ireland via the Audit & Risk Management Committee each quarter or more frequently where required, of continuing and emerging high-concern residual risks and those where priority action is needed to effect better control.
10. That individual error and incident reports will be required from individual staff/volunteers where a reportable event is identified. The procedures for this are set out in a separate policy.

11. That any incidents which are considered to pose a significant threat to Scouting Ireland, whether strategic, financial, reputational or otherwise, will be escalated in accordance with the relevant crisis management plan.

8.2 Audit and Risk Management Committee

The Audit and Risk Management Committee of Scouting Ireland is responsible for: overseeing the operation of the Scouting Ireland Risk Management Framework;

1. evaluating the outcomes of the Risk Management Framework;
2. reviewing and amending the Risk Management System as required;
3. providing advice to the Chief Executive and the National Secretary on risk management issues;
4. ensuring that the Scouting Ireland Risk Management Framework is audited for compliance, quality and relevance against 'the standard' biennially; and
5. ensuring that at least one Risk Register is being maintained by and within each Branch.

8.3 Chief Executive and Chief Commissioner

The Chief Executive is responsible for ensuring that the Risk Management Framework described in this document is implemented by Scouting Ireland in accordance with the ISO 31000 Risk Management Standard. The National Secretary is responsible for ensuring that the requirements of this framework of risk management is adopted by all volunteers. The Chief Executive (in conjunction with the National Secretary) is responsible for:

1. creating an environment of 'risk awareness' in all volunteer and business planning processes and work practices;
2. ensuring that appropriate resources are budgeted for and allocated to risk management at the National level;
3. the provision of appropriate risk management training for volunteers and staff at the National level;
4. ensuring that communication and consultation takes place with volunteers and staff at all levels in relation to risk management issues;
5. the preparation and maintenance of the National 'Risk Register';
6. ensuring that the risk management policy is implemented throughout the organisation,
7. anticipating and considering emerging risks and to keep under review the assessed level of likelihood and impact of existing key risks,

8. providing regular and timely information to the National Management Committee of Scouting Ireland via the Audit and Risk Management Committee on the status of risks and their mitigation,
9. implementing adequate corrective action in responding to significant risks; to learn from previous mistakes and to ensure that crisis management plans are sufficiently robust to cope with high level risk,

8.4 Senior Branch Management

The Branch Executive Committee is required to:

1. develop and maintain a Branch Risk Management Framework which conforms with the national risk management framework as outlined in this document;
2. develop a 'Branch Risk Register' which captures all risk management policies, procedures and risk management tools contained within the Branch.
3. ensure that all Branch risk management policies, procedures and tools conform with current best practise;
4. ensure that appropriate resources are budgeted for and allocated to risk management at the Branch level;
5. the provision of appropriate risk management training for volunteers and staff at the Branch level (for example Child Protection Training where required); and
6. develop and maintain a culture of 'risk awareness' throughout the Branch.

8.5 Managers (Volunteers and Staff)

Managers of Scouting Ireland are responsible for ensuring that:

1. all volunteers and staff are aware of the procedures and processes referred to in this risk management framework (for National managers) and under each relevant Branch risk management framework including each Branch Risk Register (for Branch managers);
2. all activities under their supervision are performed in accordance with the relevant risk management framework (National or Branch as appropriate) and in accordance with the policies, procedures and tools developed within each National and Branch jurisdiction; and
3. where appropriate, referral for risk advice to the next appropriate level within Scouting Ireland occurs as well as the reporting of instances where risk management procedures have not been effective.

8.6 Volunteers and Staff

All volunteers and staff are responsible for:

1. actively supporting and contributing to risk management initiatives;
2. following reasonable instructions given by managers in relation to risk;
3. advising their managers of any risk issues that require attention;
4. acting at all times in accordance with the relevant National or Branch risk management frameworks.

9. Risk Management Process

9.1 Risk Management Model

Risk management is the process of identifying, analysing, evaluating and treating risk, as depicted in

Figure 1, Risk Management Model.

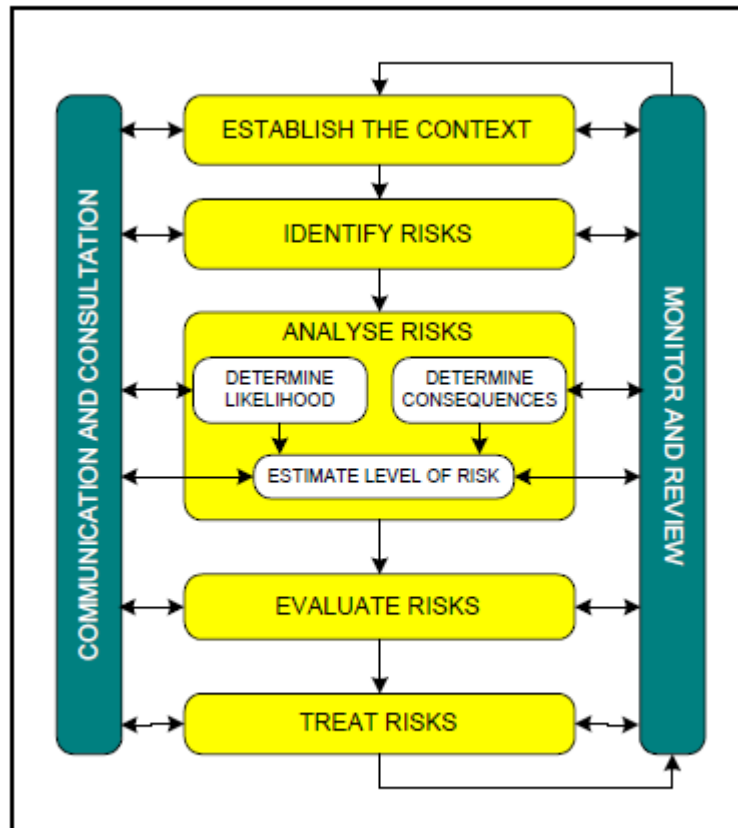


Figure 1 – Risk Management Model

9.2 Risk Assessment

The elements of risk assessment for any activity or function are:

- 9.2.1 Establish the Context
- 9.2.2 Identify Risks
- 9.2.3 Analyse Risks
- 9.2.4 Evaluate Risks

9.2.1 Establish the Context

In establishing the context of any risk assessment, the key areas to consider are:

- Establish the strategic context

- Who are the stakeholders?
- What is the environment in which Scouting Ireland operates – what will impact its ability to manage risks?
- Establish the organisational context
- What are the aims, strategic goals and strategies of Scouting Ireland?
- What would be the impact of failure to achieve the aims, strategic goals and strategies?
- Is there an acceptable level of risk?
- Establish the risk management context
- Establish roles and responsibilities from various parts of Scouting Ireland to manage the risks identified

If, during the establishment of the context, it is determined that a level of residual risk for a particular activity is found to be unacceptable, this must be brought to the attention of the next highest volunteer or staff manager for further assessment. This will ensure that risks are not disproportionately rated, prioritised or resourced through individual perceptions or biases.

9.2.2 Identify Risks

It is essential that all risks are identified, as risks missed at this stage will be excluded from further analysis and effective management. The key questions are:-

- What can happen?
- Compile a comprehensive list of events that could impact the achievement of the aims of the activity
- How and why can it happen?
- Consider and detail possible causes and scenarios
- Tools and techniques to use
- Checklists
- Judgements based on experience and past records
- Brainstorming sessions
- Inspections

Most activities and initiatives of Scouting Ireland's will be comparatively straightforward, comprising no more than routine 'core-activities' or business processes. In these circumstances, the process of identifying and analysing risk is directly comparable with that already well-practised by all levels of volunteer and staff management.

9.2.3 Analyse Risk

Analysing risk is necessary to establish the probable impact of the risk on strategic objectives. This is achieved by determining the causes of the risk and then calculating the likelihood and the consequences of the risk occurring.

9.2.3.1 Causes

A vital step in controlling risk is realistically and objectively identifying the actual causes of the risk, to enable a more accurate forecast of negative impacts that are to be assessed. It also enables required actions and risk treatments to be directly targeted and applied to those causes in an effective/efficient manner.

9.2.3.2 Likelihood

Consider the frequency or probability of the risk occurring. Likelihood can be assessed from various sources, including:

- past records and statistical analysis
- relevant experiences, specialist and expert judgements
- testing of equipment
- research literature

Table A

Ratings to be used with Consequence Ratings when calculating overall **Risk Impact Ratings**.

Likelihood (Ratings)				
Remote (1)	Unlikely (2)	Possible (3)	Likely (4)	Definite (5)
May occur but only in exceptional circumstances	Could occur but doubtful	Might occur at some time in the future	Will probably occur	Is expected to occur in most circumstances

9.2.3.3 Consequences⁴

Consider what will happen if the event occurs. Consequences should always be determined from the organisational perspective (context). It is imperative that Scouting Ireland as an entity can withstand and recover from any negative impact that may result from its risk exposure.

Table B

Ratings to be used with Likelihood Ratings when calculating overall **Risk Impact Ratings**.

Consequence (Ratings)				
Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
<p>Low level impact with negligible consequences on the Branch aim or activity objectives that can be controlled by routine management procedures.</p> <p>(No injuries, negligible financial loss or disruption to non-essential infrastructure/data).</p>	<p>The consequences would threaten the efficiency or effectiveness of achieving some aspects of Scouting Ireland's aim or activity objectives, requiring management effort to minimise impact.</p> <p>(Minimal financial loss, injuries requiring first aid only, minor 'reputational' impact or disruption to non-essential infrastructure/data).</p>	<p>A significant/medium potential of affecting the achievement of Scouting Ireland's aim or activity objectives.</p> <p>(Moderate financial loss or 'reputational' impact, injuries requiring medical treatment only, medium term loss of some essential infrastructure/data).</p>	<p>A very high potential to impair the achievement of Scouting Ireland's aim or activity objectives.</p> <p>(Major financial loss or 'reputational' impact, significant occupational, health, safety and welfare incident/s, long term loss of some critical infrastructure/data).</p>	<p>An extreme potential to threaten the sustainability of the organisation or its aims and activities.</p> <p>(Huge financial loss or 'reputational' impact, very serious occupational health, safety and welfare incident/s, permanent loss of critical infrastructure/data).</p>

9.2.3.4 Estimate Level of Risk

By multiplying the ratings of the **likelihood** and **consequences** of the event occurring, it is possible to calculate the inherent level of the risk that will result from the event, by assigning a **Risk Impact Rating** in table C. These ratings are pre-treatments.

⁴ See Appendix II

Table C. Inherent Risk Impact Ratings.

RISK MATRIX					
Likelihood	Consequence				
	Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Definite 5	5	10	15	20	25
Likely 4	4	8	12	16	20
Possible 3	3	6	9	12	15
Unlikely 2	2	4	6	8	10
Remote 1	1	2	3	4	5

9.2.4 Evaluate Risk

Based on the risk ratings recorded, all risks should be evaluated and categorised consistent with the definitions in Section 2 – Risk Appetite and Section 3 Risk Tolerance.

- This will mean that all risks with ratings from **1-10** will be colour-coded Green, deemed ‘Acceptable’ as they fall into the NMC’s approved Risk Appetite category.
- Risks with a ratings **12-15** will be colour-coded Amber, deemed ‘Tolerable’ as they fall into NMC’s approved Risk Tolerance category. Management must seek formal NMC approval before exposing Scouting Ireland to any risk in this category.
- Risks with a rating in the range of **16-25** will be colour-coded red, deemed ‘Intolerable’ and avoided at all cost unless the NMC grant management licence to engage with it on a temporary basis.

10. Risk Treatment

Risk treatment involves selecting a treatment option, assessing the appropriateness and effectiveness of the risk treatment option, preparing risk treatment plans and implementing them. Accountability for taking, or, for not taking action remains with the manager approving the preferred option.

10.1 Risk Treatment Options

The risk treatment options are:

- avoid the risk
- reduce the likelihood of occurrence
- changing the consequences
- sharing the risk (includes 'risk transfer')
- retain the risk

10.1.1 Avoid the Risk

Occasionally, a risk can be avoided by not proceeding with the activity likely to generate the risk. This should not be the automatic preferred option (unless the risk is evaluated as Intolerable with no mitigating options).

Risk avoidance can occur inappropriately because of an attitude of risk aversion (failure to accept any risk, or worse, not recognising risks at all). Inappropriate risk avoidance can increase the significance of other risks. Risk aversion results in:

- decisions to avoid or ignore risks regardless of the information available and potential costs incurred in treating those risks;
- failure to treat risk;
- leaving critical choices and/or decisions up to other parties;
- deferring decisions that Scouting Ireland cannot avoid; or
- selecting an option because it represents a potential lower risk regardless of the benefits.

10.1.2 Reduce the Likelihood of Occurrence

Exposure to risk may be limited by reducing or controlling the likelihood of an event occurring. There are many actions that can reduce or control the likelihood of a risk occurring such as:

- policies and procedures

- audit, compliance, inspections and process controls and programs
- project management
- quality assurance, management and standards
- structured training programs
- supervision

This list is neither exhaustive nor exclusive—other options may be apparent.

10.1.3 Change the Consequences

Preparations to reduce, control or mitigate the consequences of a risk event can aid in making a particular risk more acceptable. The following may reduce or control the consequences of a risk:

- contingency planning
- contractual arrangements/conditions
- fraud control planning
- good and timely public relations

This list is neither exhaustive nor exclusive—other options may be apparent.

10.1.4 Sharing the Risk

Sharing the risk involves another party bearing or sharing some part of the risk. Risk transfer mechanisms may include the use of contracts, insurance arrangements and consent forms.

10.1.5 Retain the Risk

After risks have been reduced or transferred, residual risks may remain. Plans should be put in place to manage the consequences of these risks. Risks may also be retained by default, for example a low-level risk that is considered acceptable for Scouting Ireland to carry, or where there is a failure to identify and/or appropriately transfer or otherwise treat a risk.

10.2 Assessing and Implementing Risk Treatment Options

Generally, the objective, while balancing the benefits against the cost of implementation, is to reduce the levels of inherent risk ratings as much as is reasonably possible. Options should be assessed on the basis of the extent that risk is reduced and any additional benefits or opportunities created.

Ideally, the responsibility for treatment of risk should be borne by those best able to control the risk. Responsibilities should be agreed between the parties at the earliest possible time. If after risk treatment there is residual risk, a decision shall be taken as to whether to retain this risk or repeat the risk treatment process.

The primary objective of the risk treatment process is to cost-effectively reduce inherent risk impact ratings to bring them within the NMC-approved Risk appetite threshold of **10** rendering them as acceptable.

It is also to ensure that residual risk ratings that continue to fall into the tolerable risk category have been appropriately treated to provide NMC with assurance to justify approval.

Risk Impact Rating	Action Required
Lo Risk 1 to 10 Appetite Rating	Risk Owner responsibility allocated for controlling, monitoring & reporting.
Med Risk 12 to 15 Rating	Senior management intervention needed. Action plan required to mitigate to Appetite level. NMC approval required for exposure in excess of Appetite level.
Hi Risk 16 to 25 Rating	Immediate remedial action required.

10.3 Monitor, Review and Communication

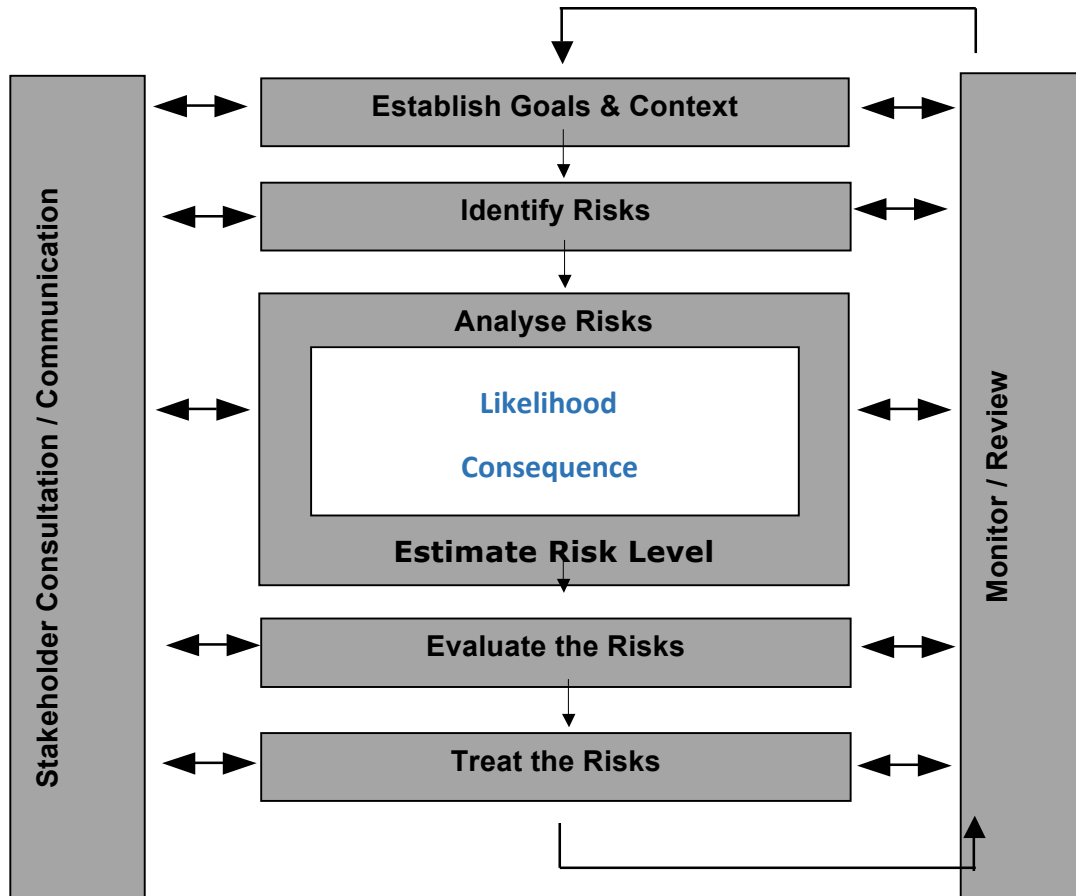
Procedures and networks for monitoring, reviewing, and communication about risk management must be established as part of the overall risk management system. Responsibilities relative to the monitoring, review and communication of the system are outlined in **Section 8, Responsibilities**.

APPENDICES

- I. The ISO 31000 Standard Risk Management Process
- II. Likelihood & Consequence Risk Rating Criteria
- III. Risk Matrix

APPENDIX I

The ISO 31000 Standard Risk Management Process



The risk management steps are:

1. Establishing our Goals and context (i.e. the risk environment);
2. Identifying our risks;
3. Analysing the identified risks;
4. Assessing or evaluating the risks;
5. Treating or managing the risks;
6. Monitoring and reviewing the risks and the risk environment regularly; and
7. Continuously communicating and consulting with stakeholders.

APPENDIX II. LIKELIHOOD & CONSEQUENCE RISK RATING CRITERIA

		LIKELIHOOD				
		Remote 1	Unlikely 2	Possible 3	Likely 4	Definite 5
PROBABILITY		1 in 10,000 – 100,000	1 in 1,000 – 10,000	1 in 100 – 1,000	1 in 10 - 100	>1 in 10
HISTORICAL		May occur but only in exceptional circumstances	Could occur but doubtful	Might occur at some time in the future	Will probably occur	Is expected to occur in most circumstances

		CONSEQUENCE				
		Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
PEOPLE		Injuries or ailments not requiring medical treatment.	Minor injury or First Aid Treatment Case.	Serious injury causing hospitalisation or multiple medical treatment cases.	Life threatening injury or multiple serious injuries causing hospitalisation.	Death or multiple life threatening injuries.
REPUTATION		Internal Review	Scrutiny required by internal committees or internal audit to prevent escalation.	Scrutiny required by external agencies, authorities or regulators, etc.	Intense public, political and media scrutiny. E.g.: front page headlines, TV, etc.	Assembly inquiry or Commission of inquiry or adverse national media.
BUSINESS PROCESS & SYSTEMS		Minor errors in systems or processes requiring corrective action, or minor delay without impact on overall schedule.	Services occasionally not provided or services do not fully meet needs.	One or more key accountability requirements not met. Inconvenient but not client welfare threatening.	Strategies not consistent with SI Mission. Trends show service is degraded.	Critical system failure. Bad customer advice or ongoing non-compliance. Business severely affected.
FINANCIAL		1% of Budget or <€xK	2.5% of Budget or <€xxK	> 5% of Budget or <€xxxK	> 10% of Budget or <€xxxxM	>25% of Budget or >€xxxxM

Risk Matrix

LIKELIHOOD	CONSEQUENCE				
	Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Definite 5	5	10	15	20	25
Likely 4	4	8	12	16	20
Possible 3	3	6	9	12	15
Unlikely 2	2	4	6	8	10
Remote 1	1	2	3	4	5

Risk Score	Action Required
Lo Risk 1 to 10 Appetite Rating	Management responsibility allocated for mitigating, monitoring & reporting.
Med Risk 12 to 15 Rating	Senior management intervention needed. Action plan required to mitigate to Appetite level. NMC approval required for residual risk.
Hi Risk 16 to 25 Rating	Immediate remedial action required.