Size of Risk – Impact Guide

Annex E

The Impact guides are only for guidance and are not intended to be prescriptive. It should be the worst-case scenario that is usually used to rate the risk.

Severity descriptors	Possible consequences	Examples[1]
1 - Insignificant	No impact	
2 - Minor Negative outcomes from risks or lost opportunities unlikely to have a permanent or significant effect on the University's reputation or performance	• Less than 0.5%of total turnover financial impact • No regulatory consequence • Minor adverse publicity • Minor reversible injury	• University sued successfully for wrongful dismissal • Lecturer has work related injury e.g. slips
3 – Moderate Negative outcomes from risks or lost opportunities having a significant impact on the University. Can be managed without major impact in the medium term	• Financial loss up to 2% of total turnover in any year • Limited regulatory consequence • Local adverse publicity of subject area • Major reversible injury	• Major IT project late or overspent • Contractual staff injured due to University negligence • Loss of a major contract
4 - Serious Negative outcomes from risks or lost opportunities with a significant effect that will require major effort to manage and resolve in the medium term but do not threaten the existence of the institution in the medium term	• Financial loss over 2% of total turnover in a single year • Major savings programme required to break-even in the medium term • Significant regulatory consequence • Negative headlines in the national press • Irreversible injury or death	• Research team found to have falsified results with a major impact e.g. on health issues • Major overseas recruitment problems due to war or terrorism – potential to escalate to very serious • University financial systems fail completely and cannot be recovered
5 – Very serious Negative outcomes from risks or lost opportunities which if not resolved in the medium term will threaten the existence of the institution	• Financial loss (or loss of potential financial surplus) over 2% of turnover for consecutive years • Substantial regulatory consequence • Sustained negative headlines in national press • Major negative sanction by HEFCE • Closure of major part of business • Irreversible multiple injury or death	• Major accident due to University negligence • Major fire prevents substantial part of the University delivering courses • Collapse in student application numbers • Sustained failure to recruit staff

Size of Risk – Likelihood

Descriptor	Likelihood
1 – Very low	2% likely to happen
2 – Low	5% likely to happen
3 – Medium	10% likely to happen
4 – High	20% likely to happen
5 – Very high	50% likely to happen

Total risk score guide

Descriptor	Guide
0 – 6 Low	Low level of risk, should not require much attention but should be reviewed at least annually
7 – 12 Medium	Medium level of risk, should be monitored and reviewed annually as a minimum, 6 monthly if necessary
13 – 20 High	High level of risk, should be constantly monitored and reviewed quarterly or 6 monthly. Possibly escalate to higher committee if required
20 – 25 Very high	Top level of risk, should be constantly monitored and reviewed monthly. Possibly escalate to RSC

[1] ***the examples can move up or down the matrix accordingly to suit a department, a School or the University as a whole.***