

# IMPACT DEFINITIONS

Description						
	Service Delivery	Reputation	Life & Limb	Legal	Financial	
Catastrophic 5	Unable to deliver service. Failure of key strategic contract. Performance failure. Impact on Corporate objectives not realised. Benefits not realised.	Loss of public/stakeholder/regulator confidence. Highly damaging publicity. Ministerial involvement. Special measures.	Death or life changing injury. Severe psychological damage to a number of people.	Significant regulatory/statutory breach, including prosecution of individuals; or Criminal activities; or Significant contractual breach; or Significant breach of duty of care.	Severe financial loss or fines impacting on the financial position of the organisation. Funding withdrawn. Significant savings not realised, income forfeited or additional expenditure incurred including cost over-runs, additional overheads/resource.	
Major 4	Unable to deliver/ significant delays delivering parts of the service. Performance considerably under target. Contract under threat. Objectives/benefits not realised. Business case threatened.	Damaging publicity. Loss of stakeholder credibility. Significant value-for-money concerns. Ministerial enquiry/briefing.	Serious injury. Severe psychological damage to individuals.	Regulatory/statutory breach; or Contractual breach; or Breach of duty of care.	Major financial loss or fines impacting on financial position of the organisation or Service. Current/future funding is threatened. Significant savings not realised, income forfeited or additional expenditure incurred including cost over-runs, additional overheads/resource.	
Moderate 3	Some aspects of service not delivered. Performance not on target. Some concerns of contractor's ability to deliver. Material delays delivering objectives/benefits.	Repeated non-headline exposure or one-off headline exposure. Some value-for-money concerns. Ministerial interest.	Some physical or psychological harm to individual/s.	Possible legal implications.	Some financial impact impacting on the budget holder's financial position. Some savings not realised, income forfeited or additional expenditure incurred including cost over-runs, additional overheads/resource.	
Minor 2	No significant impact on service delivery. Some minor concerns performance. Minor concerns over contract. Minor delays delivering objectives/benefits.	Non-headline exposure. Some public embarrassment. Minor value-for-money concerns.	First-aid treatment/counselling required.	No significant legal implications.	Small financial impact. Minor savings not realised, income forfeited or additional expenditure incurred including cost over-runs, additional overheads/resource.	
Negligible 1	Negligible impact on service delivery. No material concerns over performance of contract. No effect on achievement of objectives/benefit realisation.	No external interest.	No obvious harm.	No legal implications.	Negligible financial impact.	

Likelihood/Probability		
5	Almost Certain (near miss)	Over 91%
4	Likely (has happened before)	76-90%
3	Possible (has happened elsewhere)	50-75%
2	Unlikely (not expected but possible)	16-49%
1	Remote (force majeure)	0-15%

## CONTROL ASSESSMENT

**effective** - controls fully in place and work well

**partially effective** - controls almost in place or only work partially as expected

**ineffective** - controls not in place or do not work

# THE RISK MATRIX

## LIKELIHOOD

Almost Certain	5	10	15	20	25
Likely	4	8	12	16	20
Possible	3	6	9	12	15
Unlikely	2	4	6	8	10
Remote	1	2	3	4	5
	None	Minor	Moderate	Major	Catastrophic

## IMPACT

### Managing Risk

Risk score	How the risk should be managed
High Risk (15 - 25) RED	<b>Requires active management</b> Risk requires active management and mitigation to manage down and maintain exposure at an acceptable level
Medium Risk (6 - 12) AMBER	<b>Review regularly</b> Medium-high scoring requires active risk mitigation to manage down and maintain exposure at an acceptable level. Medium-low scoring would require some mitigating actions to keep risks at this level. If there are no further actions possible – then Tolerate the risk
Low Risk (1 - 5) GREEN	<b>Review periodically</b> Low scoring risks may require mitigating actions to keep risks at this level

**TOLERATE** - Accept risk with current controls and review

**TREAT** - Implement mitigating actions to reduce likelihood and/or impact and review

**TRANSFER** - Transfer the risk to a 3rd party or insurance

**TERMINATE** - Change the course of action and avoid the risk