


ID	Risk heading	Risk appetite	Risk tolerance	Risk description	Owner	Gross risk			Mitigation/controls	Residual risk			Movement since last review	Residual exceeds appetite? Y/N	If Y, how long has it exceeded?
						Impact	Probability	Score		Impact	Probability	Score			
1	Regulatory Quality; Registration and Fitness to Practise	Averse  (we have an appetite for a residual score up to 5)	Yellow to amber	<p>We fail to ensure that our system of regulation meets the needs of people who use services and workers.</p> <p><b>Cause:</b></p> <p>We take too long to make a decision, make an indefensible decision, incorrect decisions or are unable to make a decision due to:</p> <ul style="list-style-type: none"> <li>Insufficient staff as a result of external factors we cannot control such as increasing demand or changes to external policy, difficulty recruiting or errors in our resource model assumptions</li> <li>Ineffective quality assurance, decision-making frameworks or systems, or reciprocal arrangements with third parties</li> <li>Staff make incorrect decisions during the process.</li> <li>Legislation or third-party policies preventing us from obtaining necessary information.</li> </ul> <p>We do not share/receive information and intelligence with/from other organisations.</p>	Director of Regulation	5	4	20 (High)	<p><b>Existing Mitigation and Controls</b></p> <p>Rules and frameworks based on risk in place to ensure legal compliance, fairness and consistency.</p> <p>Digital systems to manage our processes and casework, and hold hearings, with ongoing development of those systems.</p> <p>Resource modelling for calculating our staff base.</p> <p>Training and quality assurance and internal and external audit process in place for staff and panel decision making.</p> <p>Publicising hearing outcomes and decisions.</p> <p>Over recruitment of key posts and external legal presenter services to undertake conduct of panel hearings to provide additional capacity.</p> <p>Liaison work with sector to ensure understanding of our frameworks and processes and to receive feedback to help us improve.</p>	4	4	16 (High)		Y Council accept that this is linked to FTP business case	

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				<p>Our processes and approach are bureaucratic, and our legislative framework is a structural barrier to flexible working across care.</p> <p>The arrangements for Fitness to Practise Panel Hearings are not compliant with evolving law.</p> <p>Our digital systems for registration and FTP do not function fully or fail.</p> <p><b>Consequence:</b></p> <p>A worker's fitness to practise is not assessed as they do not comply with registration requirements, or our registration process is too slow, or a worker is on the register who is not fit to practise and as a consequence a service user is harmed.</p> <p>Care cannot be delivered in a person-centred way because of barriers caused by registration and fitness to practise approach and processes, which leads to poorer outcomes for people using services.</p> <p>Workers leave the sector unnecessarily because of our processes and decisions, which compromises the ability for care to be delivered to people using services.</p> <p>Our processes have a detrimental impact on workers and others involved in regulation processes, and it affects their health and personal circumstances.</p> <p>The public lose confidence in the profession and us as regulator.</p> <p>The workforce does not have sufficient capacity to provide care and support to people</p>				<p>Relationships and where necessary data-sharing agreements with other agencies to share intelligence for public protection.</p> <p>Fitness to practise support provision in place for workers, witnesses and referrers.</p> <p>Access to external legal advice to support as required.</p> <p><b>Planned Mitigation and Controls</b></p> <p>Work with Police Scotland, Scottish Government, Disclosure Scotland and GTCS mapping information sharing processes – (April 2026 Director of Regulation)</p> <p>Review of digital systems incident response management and development programmes are adequate to ensure there is minimal interruption to business. (December 2026 DS&amp;BS)</p> <p>Business case submitted to Sponsor requesting budget for additional FTP staff from 2026/27 (Director of Regulation)</p>				

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				<p>who use services because they are focussed on responding to regulatory requirements.</p> <p>Our staff and/or our registrants are unable to access systems required to manage registration or FTP.</p>											
2	Regulatory Quality: Qualifications and Standards	Cautious (we have an appetite for a residual score up to 15)	Amber to Red	<p>We fail to ensure that our workforce development function and the standards we set (qualifications, CoP, CPL, NOS and CPL) supports a confident, skilled workforce.</p> <p><b>Cause:</b></p> <p>Failure to ensure the sector understand the changing qualification, CPL and Return to Practice (RTP) requirements.</p> <p>Failure to engage and communicate the changes to the code of practice with the sector.</p> <p>Our contribution to developing resources does not meet the needs of registrants and employers. Our standards (i.e National Occupational Standards, CPL, Standards in Social Work Education, Codes of Practice, Qualification requirements) don't meet the needs of employers and/or the workforce to deliver high quality care and support.</p> <p>Publicly available CPL digital resources do not function fully or are not available for use.</p> <p><b>Consequence:</b></p> <p>Workers are not appropriately qualified and skilled and are removed from the register, leading to gaps in service delivery which affects the delivery of</p>	Director of Workforce, Education and Standards	4	4	16 (High)	<p><b>Existing mitigation and controls</b></p> <p><b>It is to be noted not all these actions are at the sole discretion of the SSSC to implement.</b></p> <p>The SSSC produces a quarterly workforce intelligence report on qualification conditions.</p> <p>Publish data on training provision across Scotland to meet identified demand.</p> <p>.</p> <p>We supported a Joint Social Services Taskforce workstream aiming to produce information for employers and workers about funding for training and qualifications. This is now available on our careers website.</p> <p>We launch in May 2025 a new career opportunities tool developed jointly with NES to support career development in social care.</p> <p>We worked in partnership with NES</p>	4	3	12 (Moderate)	↔	N	


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				<p>care to people using services.</p> <p>Reduced confidence of public protection.</p> <p>Existing qualifications and standards do not support new models of care.</p> <p>Workers are unable to adhere to the SSSC Codes of Practice.</p> <p>Risk to our reputation with external partners when we cannot provide the information or data</p>				<p>to revise the National Induction Framework for adult social care and develop a portable induction. The new induction framework is now live.</p> <p>We are supporting the development of a new Graduate Apprenticeship Route into Social Work.</p> <p>We have developed a new integrated health and social care SVQ qualification.</p> <p>We have developed an improvement plan based on the registrant and learning resources surveys and our data insights research to inform how we target and promote our resources to different registrant groups.</p> <p>The new model of CPL, flexibility of qualifications we accept for registration and return to practice standards for social workers have been implemented.</p> <p><b>Planned actions</b></p> <p>Working with Sector Skills partners on the NOS review, to be completed by end of 2025 (Director of Workforce Education and Standards).</p> <p>We are reviewing the SVQ benchmark qualifications for registration which will be underpinned</p>					

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								<p>by the revised NOS. The revised qualifications will be in effect by 2027</p> <p>We published our first Have your say wellbeing report in April 2025 This is now an annual report and the next survey/report results will be published by April 2026 (Director of Workforce, Education and Standards)</p> <p>We have published our leavers survey and data live has been available since April 2024. We are making improvement to the data collection to enhance the intelligence and information we can share. (Director of Workforce, Education and Standards)</p>							
3	Regulatory Quality: Qualifications and Standards	Cautious (we have an appetite for a residual score up to 15)	Amber to Red	<p>We fail to ensure that the CPL (Continuous Professional Learning) requirements are clearly understood by registrants and employers, and that the right resources, guidance and support are available for workers to successfully achieve and maintain their CPL.</p> <p><b>Causes</b></p> <p>CPL requirements not communicated clearly or consistently.                      Guidance materials unclear, outdated or not user friendly.                      Insufficient engagement with employers and registrants regarding CPL changes.                      Limited availability or accessibility of learning resources.</p>	Director of Workforce, Education and Standards	4	4	16 High	<p><b>Existing mitigation and controls</b></p> <p>CPL guidance available on SSSC website.</p> <p>Communications issued during renewal cycles. Employer engagement through events, updates and direct contact.</p> <p>Existing CPL documentation, FAQs and templates. Monitoring through registration and renewal processes. Continued programme of digital development for resource and CPL platforms, review of hosting arrangements to</p>	3	2	6		N	

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				<p>Workers and employers misinterpret expectations due to sector pressures or turnover. Failure to assess whether existing resources meet sector needs.</p> <p><b>Consequence</b> Workers fail to meet CPL requirements, risking lapse or loss of registration. Increased referrals to Fitness to Practise for non-compliance. Decrease in confidence in SSSC processes. Sector pressure due to difficulty supporting staff to meet CPL. Compromised outcomes for people who use services due to skills gaps. Reputational damage if CPL is viewed as confusing, unfair or not well supported.</p>					<p>ensure fully effective delivery and business continuity plans in place.</p> <p><b>Planned</b></p> <p>Targeted communications for high risk groups (e.g., new registrants, return to practice).</p> <p>Registrant and employer events to improve understanding of requirements.</p> <p>Intelligence driven review of CPL needs to identify gaps in resources.</p> <p>Strengthened evaluation of resource effectiveness.</p>						
4	Communication and Profile: Promoting our work	Open (we have an appetite for a residual score up to 20)	Amber to Red	<p>We fail to provide stakeholders with high quality, meaningful insights and services that help them understand the social work and social care workforce.</p> <p><b>Cause</b> Workforce data is not presented in ways that are timely, actionable, or tailored to stakeholder needs.</p> <p>We are unable to input to national forums and working groups to provide insights to help decision making.</p> <p>Feedback is not consistently gathered or used properly to understand stakeholder priorities or measure the impact of our services.</p>	Director of Workforce, Education and Standards	4	3	12 (Moderate)	<p><b>Existing mitigation and controls</b></p> <p>Stakeholder engagement frameworks and advisory forums (e.g., national stakeholder advisory forum) support ongoing dialogue.</p> <p>Data and intelligence strategy aims to improve accessibility, timeliness and use of SSSC data.</p> <p>Communications and engagement strategy support clearer articulation of our value and impact.</p> <p>Annual surveys (registrant,</p>	3	3	9		N	

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				<p>Communications do not fully convey the value and impact of our work, making it harder for stakeholders to Systems, slow data processes, or duplication of effort across regulators reduce our ability to provide a streamlined service.</p> <p><b>Consequences:</b></p> <p>Policymakers, employers and partners may lack the understanding they need of the workforce to make effective decisions and inform the landscape.</p> <p>We fail to influence national policy despite stakeholder expectations. Confidence in the SSSC's ability to add value may diminish.</p> <p>Opportunities to improve workforce wellbeing, development and planning may be missed.</p>				<p>workforce have your say, leavers) provide intelligence on workforce experience and trends.</p> <p>Regular publications on workforce data, Snapshot reports, MHO report, Workforce Skills report etc</p>							
5	Compliance: Failure to meet our obligations	Averse (we have an appetite for a residual score up to 5)	Yellow to Amber	<p>We fail to meet governance, external scrutiny and legal obligations.</p> <p><b>Cause:</b></p> <p>Corporate governance arrangements are not effectively discharged at the right level. Insufficient project management. Unclear policies and procedures. Ineffective working relationships between Council Members and Officers. Poor assurance mapping. Systems that support good corporate and financial governance not being fit for our needs.</p>	Director of Strategy and Business Services	4	4	16 (High)	<p><b>Existing mitigation and controls</b></p> <p>Effectiveness review of Council performance carried out annually.</p> <p>Audit and Assurance Committee review own effectiveness annually.</p> <p>Assurance mapping part of regular reporting to Audit and Assurance Committee.</p> <p>Legislative compliance framework in place.</p>	3	3	9 (Moderate)	←→	N	

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				<p><b>Consequence:</b></p> <p>Loss of credibility. Conflicts of interest. Fraud. Data breach/loss. Information and records management does not comply with legislative requirements. Reduced quality of challenge and oversight. Reduced public confidence. Qualified audit.</p> <p>Failure to deliver strategic objectives.</p> <p>Systems that create risks of meeting good financial governance – Oracle Fusion</p>				<p>Strategic 3 – year internal audit plan agreed.</p> <p>Contract in place with internal auditors to 31 March 2028.</p> <p><b>Planned actions</b></p> <p>Annual report and accounts process underway September 2026 (DS&amp;BS)</p> <p>Implementation of new finance system April 2026 (DS&amp;BS).</p> <p>Review of internal audit plan for 2026/27 (DS&amp;BS)</p>							
6	Communication and profile: Reputation of the SSSC	Cautious (we have an appetite for a residual score up to 15)	Yellow to Amber	<p>We fail to provide value to our stakeholders and demonstrate our impact.</p> <p><b>Cause:</b></p> <p>People don't understand how we make decisions, We make a wrong or indefensible decision Insufficient management of key relationships. Stakeholders do not have the capacity/resources to engage.</p> <p>Limited resource to communicate the role of SSSC and our key programmes Unable to respond timeously to requests for internal data due to lack of resource. Public facing platforms are compromised, content does not display the correct information or access to systems is limited or fails.</p> <p><b>Consequence:</b></p>	Director of Workforce, Education and Standards	3	4	12 (Moderate)	<p><b>Existing mitigation and controls</b></p> <p>Regular review of business plan objectives in line with budget monitoring (Operational Management Team)</p> <p>Regular surveying of Registrants and Stakeholders to determine the perception of the work of the SSSC</p> <p>Process in place to monitor activity on outcomes and inform future year budgets.</p> <p>Strategic Plan 2026-2027 based on research and intelligence gathered, which reflects the views of our stakeholders (Director of Strategy &amp; Business Services)</p>	3	2	6 (Moderate)	↔	N	

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				<p>Reduced public confidence and undermines the work that we do to keep the public safe</p> <p>Lack of stakeholder involvement/engagement in design and delivery of strategic outcomes.</p> <p>Unable to implement the Scottish Approach to Service Design</p> <p>Stakeholder voice is not heard.</p> <p>Poor perception of registration.</p> <p>Under-utilisation of SSSC resources.</p> <p>Risk to reputation with our external partners who rely on SSSC data.</p> <p>The value of registration is diminished.</p> <p>Conflict of interest with SG when consulting on fees.</p> <p>Insufficient communication and engagement of the Future Proofing Programme with low awareness of the changes affecting registrants and employers.</p>					<p>National Advisory Forum established.</p> <p>Data and intelligence delivery plan in place which demonstrates how we influence national policy and decision making.</p> <p>Implement our communication management plan when required to proactively deal with reputational, business continuity or service delivery issues.</p> <p>Implementation of Communication Strategy 2026-2029.</p> <p><b>Planned actions</b></p>						
7	People and culture: Developing our staff	Minimalist (we have an appetite for a residual score up to 10)	Yellow to Amber	<p>We fail to resource and develop and support staff appropriately and maintain a culture to ensure we have a capable and motivated workforce.</p> <p><b>Cause:</b></p> <p>Lack of a strategic workforce plan and ineffective workforce planning at directorate and team level.</p> <p>Lack of effective monitoring of workload and capacity.</p> <p>Managers are unaware of their duties in relation to supporting staff.</p> <p>Large number of fixed term contracts supporting delivery.</p>	Director of Strategy and Business Services	5	4	20 (High)	<p><b>Existing mitigation and controls</b></p> <p>People Strategy in place and OMT are accountable for delivery of particular themes. People Strategy Board reviews progress and reports to Council.</p> <p>Development discussions take place with every employee at least twice a year.</p> <p>Regular open and honest communications with staff on people</p>	2	2	4 (Low)		N	

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				<p>Single points of failure in several areas. Unsuccessful recruitment</p> <p><b>Consequence:</b></p> <p>Increased turnover of staff - staff leave the organisation due to uncertainty Unable to deliver our statutory functions Unable to deliver strategic plan ET claim. Reputational damage. Unable to effectively maintain business as usual and deliver strategic outcomes if fixed term contracts are ended.</p>					<p>matters inviting questions and feedback e.g. Chief Executive webinars, EMT broadcasts, weekly bulletins, breaking news on intranet, meetings with the partnership forum, HR drop-in sessions, staff surveys, focus groups on particular issues, annual staff event.</p> <p>Internal Audit completed- no recommendations.</p> <p>IIP Gold status and regular reviews to maintain this.</p> <p><b>Planned actions</b></p> <p>Staff survey findings action plan being developed April 2026 (People Board)</p>						
8	Finance and value for money: Financial management	Cautious (we have an appetite for a residual score up to 15)	Yellow to Amber	<p>The SSSC fail to secure sufficient budget resources required to deliver the strategic plan.</p> <p><b>Cause:</b></p> <p>Scottish Government do not increase permanent funding, and we continue to run with a deficit budget. Single year funding settlements to support a three-year strategic plan. Fee income is not in line with projections. Late notification of Scottish Government budget allocations. Removal of ability to hold reserves. Ineffective financial planning, not aligned to strategic and business plans. Any agreed increase in fees is offset by a reduction in grant in aid.</p>	CEO	4	5	20 (High)	<p><b>Existing mitigation and controls</b></p> <p>Financial Strategy that considers current position plus the next three years is in place and reviewed annually (last formal review in March 2023) and audit of financial sustainability</p> <p>Audit and Assurance Committee consider an assurance report that integrates the financial position, organisational performance and risks at each of its meetings.</p> <p>Budget performance reviewed at</p>	4	4	16(high)		N	

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				<p>No compulsory redundancy policy affects ability to realise savings from staffing efficiencies</p> <p>Scottish Government struggle to fund spend-to-save initiatives</p> <p><b>Consequence:</b></p> <p>We are unable to fund the organisation to deliver our statutory public protection functions and there could be public protection failings. We have a reliance on temporary funded post to delivery core statutory functions</p> <p>We cannot implement improved process due to lack of investment</p>					<p>directorate and Executive Management Team level monthly, risks to achieving a balanced budget are identified and action taken by senior managers to mitigate.</p> <p>Strategic Plan 2026-29 and Financial Strategy 2026-29 agreed by Council.</p> <p>Resource models reviewed and updated and regularly compared to the actual position (Director of Regulation)</p> <p>Close communication with Scottish Government about budget and fee levels.</p> <p>Budget agreed for 2026/27.</p> <p><b>Planned actions</b> Budget planning for 26/27 underway (DS&amp;BS February 2026)</p>						
9	Infrastructure: Business continuity	Minimalist (we have an appetite for a residual score up to 10)	Amber to Red	<p>We fail to have the appropriate measures in place to protect against cyber security attacks</p> <p><b>Cause:</b></p> <p>Insufficient funds allocated to manage core IT infrastructure. Insufficient development investment to upgrade security and systems. Lack of staff, skills and knowledge. Insufficient horizon scanning of future threats.</p>	Director of Strategy and Business Services	4	5	20 (Very High)	<p>Cyber essentials accreditation.</p> <p>Regular mandatory cyber security training.</p> <p>Digital security policies in place.</p> <p>Positive internal audit</p> <p>Relevant insurances in place.</p> <p>Regular cyber security incident</p>	3	4	12 (Moderate)	←→	N	

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				<p>Lack of understanding and awareness by staff. Successful cyber-attack.</p> <p><b>Consequence:</b></p> <p>Complete loss of use of core business systems. Loss of data and sensitive information. Major data breach. Financial fraud. Action by external stakeholders – ICO, SPSO, Audit Scotland. Financial penalties.</p>				<p>management testing plan in place.</p> <p>Regular pen testing carried out twice yearly.</p> <p>Regular cycle of phishing exercises carried out for all staff and reported to Council yearly.</p> <p><b>Planned actions</b></p> <p>Planned Digital Development Programme for 2026-27 underway.</p>					

## RISK SCORING MATRIX

**Table 1 Consequence scores (Impact)**

	Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
Domains	Negligible	Minor	Moderate	Major	Catastrophic
<b>Impact on the safety of, staff or public (physical/psychological harm)</b>	Minimal injury requiring no/minimal intervention or treatment.  No time off work	Minor injury or illness, requiring minor intervention  Requiring time off work for >3 days	Moderate injury requiring professional intervention  Requiring time off work for 4-14 days  RIDDOR/agency reportable incident  An event which impacts on a small number of stakeholders	Major injury leading to long-term incapacity/disability  Requiring time off work for >14 days  Mismanagement of cases with long-term effects and impacts of service users	Incident leading to death  Multiple permanent injuries or irreversible health effects  An event which impacts on a large number of stakeholders
<b>Quality/complaints/audit</b>	Peripheral element of treatment or service suboptimal  Informal complaint/inquiry	Overall service suboptimal  Formal complaint (stage 1)  Local resolution  Single failure to meet internal standards  Minor implications if unresolved  Reduced performance rating if unresolved	Service has significantly reduced effectiveness  Formal complaint (stage 2) complaint  Local resolution (with potential to go to independent review)  Repeated failure to meet internal standards  Major implications if findings are not acted on	Non-compliance with national standards with significant risk if unresolved  Multiple complaints/independent review  Low performance rating  Critical report	Totally unacceptable level or quality of service  Gross failure of findings not acted on  Inquest/ombudsman inquiry  Gross failure to meet national standards
<b>Human resources/organisational development/staffing/competence</b>	Short-term low staffing level that temporarily reduces service quality (< 1 day)	Low staffing level that reduces the service quality	Late delivery of key objective/service due to lack of staff  Unacceptable staffing level or competence (>1 day)  Low staff morale  Poor staff attendance for mandatory/key training	Uncertain delivery of key objective/service due to lack of staff  Unsafe staffing level or competence (>5 days)  Loss of key staff  Very low staff morale  No staff attending mandatory/key training	Non-delivery of key objective/service due to lack of staff  Ongoing unsafe staffing levels or competence  Loss of several key staff  No staff attending mandatory training /key training on an ongoing basis
<b>Statutory duty/Governance/inspections</b>	No or minimal impact or breach of guidance/statutory duty	Breach of statutory legislation  Reduced performance rating if unresolved	Single breach in statutory duty  Challenging external recommendations/ improvement notice	Enforcement action  Multiple breaches in statutory duty  Improvement notices  Low performance rating  Qualified audit	Multiple breaches in statutory duty  Prosecution  Complete systems change required  Zero performance rating  Severely critical report
<b>Adverse publicity/reputation</b>	Rumours  Potential for public concern	Local media coverage – short-term reduction in public confidence  Elements of public expectation not being met	Local media coverage – long-term reduction in public confidence	National media coverage with <3 days service well below reasonable public expectation	National media coverage with >3 days service well below reasonable public expectation. MP concerned (questions in the House)  Total loss of public confidence
<b>Business objectives/projects</b>	Insignificant cost increase/schedule slippage	<5 per cent over project budget  Schedule slippage	5–10 per cent over project budget  Schedule slippage	Non-compliance with public sector finance manual 10–25 per cent over project budget  Schedule slippage  Key objectives not met	Incident leading >25 per cent over project budget  Schedule slippage  Key objectives not met
<b>Finance including losses and claims</b>	Loss or compensation of under £1,000	Loss of up to £25k of budget  Loss or compensation less than £10,000	Loss of £25k+ to £100k of budget  Loss or compensation between £10,000 and £50,000	Uncertain delivery of key objective/Loss of £100k+ to £500k of budget  Loss or compensation between £50,000 and £1150,000  Purchasers failing to pay on time	Non-delivery of key objective/Loss of >£500k of budget  Failure to meet specification/slippage  Loss of contract / payment by results  Loss or compensation >£150,000
<b>Service/business interruption Environmental impact</b>	Loss/interruption of >1 hour  Minimal or no impact on the environment	Loss/interruption of >8 hours  Minor impact on environment	Loss/interruption of >1 day  Moderate impact on environment	Loss/interruption of >1 week  Major impact on environment	Permanent loss of service or facility  Catastrophic impact on environment
<b>Breaches of confidentiality involving person identifiable data (PID), including data loss</b>	No significant reflection on any individuals or body. Media interest very unlikely	Damage to an individual's reputation. Possible media interest, e.g. celebrity involved	Damage to a team's reputation. Some local media interest that may not go public	Damage to a service reputation/ low key local media coverage  Damage to an organisation's reputation/ local media coverage	Damage to SSSC reputation/ National media coverage.
	Minor breach of confidentiality. Only a single individual affected	Potentially serious breach. Less than 5 people affected or risk assessed as low, e.g. files were encrypted.	Serious potential breach & risk assessed high, e.g. unencrypted file lost. Up to 20 people affected.	Serious breach of confidentiality, e.g. up to 100 people affected	Serious breach with potential for ID theft or over 1000 people affected

**Table 2 Likelihood score (L) (Probability)**

What is the likelihood of the consequence occurring?

The frequency-based score is appropriate in most circumstances and is easier to identify. It should be used whenever it is possible to identify a frequency of occurrence.

Likelihood score	1	2	3	4	5
Descriptor	Rare	Unlikely	Possible	Likely	Almost certain
Frequency How often might it/does it happen	This will probably never happen/recur	Do not expect it to happen/recur but it is possible it may do so	Might happen or recur occasionally	Will probably happen/recur but it is not a persisting issue	Will undoubtedly happen/recur, possibly frequently

**Table 3 Risk rating = consequence x likelihood ( C x L )**

Consequence scores (C)	Likelihood scores (L)				
	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost certain
5 Catastrophic	5	10	15	20	25
4 Major	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Negligible	1	2	3	4	5

For grading risk, the scores obtained from the risk matrix are assigned grades as follows:

1 - 5	VERY LOW risk
6 - 10	LOW risk
12 - 15	MODERATE risk
16 - 20	HIGH risk
25	VERY HIGH risk

**Risk appetites and tolerances**

Our [Risk appetites](#) are agreed by Council each year.

Risk appetite is the amount of risk an organisation is willing to seek or accept in pursuit of its long-term objectives.

Risk tolerance is the boundaries of risk taking outside of which the organisation is not prepared to venture in pursuit of its long-term objectives.

The higher the risk appetite score, the less accepting of risk we are.

Each item on the risk register should have a risk appetite score (the residual risk score we want to operate within) defined by the relevant category of the [Risk Appetite Statement](#). Each item should also have a risk tolerance score (an absolute limit for how much risk can be tolerated for that item).

For example, for risks where the appetite is agreed as 'averse' our appetite for risk will be very low (residual risk score of up to 5). Our risk tolerance may be slightly wider than the risk appetite, eg the absolute tolerance level where the appetite is agreed as 'averse' may be low (residual risk score of up to 10).

Similarly, risk appetites agreed as 'hungry' may allow tolerance of very high residual risk scores (residual risk score of up to 20).

The risk appetite and risk tolerance scores will remain static and will not change unless the risk appetite statement as a whole changes. These scores will provide a reference for the residual risk scores and how urgently any mitigating action needs to be taken.

If the residual risk score exceeds the risk appetite maximum score identified in the risk register, consideration should be given to how to mitigate the risk and lower the residual risk score.

If the residual risk score exceeds the risk tolerance maximum score, immediate action must be taken to mitigate the risk and lower the residual score.

**Instructions for use**

1. Define the risk(s) explicitly in terms of the adverse consequence(s) that might arise from the risk.
2. Use table 1 to determine the consequence score(s) (C) for the potential adverse outcome(s) relevant to the risk being evaluated.
3. Use table 2 to determine the likelihood score(s) (L) for those adverse outcomes. If possible, score the likelihood by assigning a predicted frequency of occurrence of the adverse outcome. If this is not possible, assign a probability to the adverse outcome occurring within a given time frame, such as the lifetime of a project. If it is not possible to determine a numerical probability then use the probability descriptions to determine the most appropriate score.
3. Calculate the risk rating by multiplying the consequence score by the likelihood score:  
 $C \text{ (consequence)} \times L \text{ (likelihood)} = R \text{ (risk score)}$
4. Identify the level at which the risk will be managed in the organisation, assign priorities for remedial action, and determine whether risks are to be accepted on the basis of the colour bandings and risk ratings, and the organisation's risk management system. Include the risk in the organisation risk register at the appropriate level.

**Scoring system in the trend column of the summary tables**

In the trend section up to 6 months is judged as 'improving' greater than six months is 'gradually improving' and 'steady' is self explanatory.