

Risk Assessment Template

This template is to be used for any risk assessment undertaken for [Insert Organisation Name below]

For support in conducting a Risk Assessment contact on [insert name and contact details below].

DETAILS OF PERSON MAKING THIS REPORT INCIDENT	
Related Objective	
Risk Name	
Risk Register ID	
Date Added	
Risk Category	
Risk Coordinator	

SUMMARY OF RISK ASSESSMENT

EVENT The risk event or thing that might happen					CAUSE The causative factors that may lead to the event					IMPACT The impact or consequences of the event									
					Cause 1					Consequences 1									
					Cause 2					Consequences 2									
					Cause 3					Consequences 3									
LIKELIHOOD Select one from below (Refer to Likelihood Table)					CONSEQUENCE Select one from below (Refer to Consequences Table)														
Almost Certain		Likely	Possible		Unlikely		Rare			Catastrophic		Major		Moderate		Minor		Insignificant	
RISK RATING Select one from below (Refer to Risk Matrix)																			
Extreme		High	Medium		Low		Very Low												

DETAILED RISK ASSESSMENT

ESTABLISH THE CONTEXT		
Link to Objective – risk is the effect of uncertainty on objectives – so we must understand the objective well in the first instance	Internal Factors that Influence this Risk (the framework provides guidance here)	External Factors that Influence this Risk (the framework provides guidance here)
State the strategic objective this risk relates to and relevant information about the objective.	List the internal factors that influence this risk	List the external factors that influence this risk

RISK DESCRIPTION

Describing the risk well is critical to provide context and consistent understanding for management and oversight.

A well described risk will:

- Assist to direct control assessments and treatment planning
- Provide meaningful information for reporting and oversight
- Reduce over or under investment in unnecessary controls
- Align the uncertainty to an objective(s).



EVENT	CAUSES	IMPACTS
What could occur – the “something” that could happen to consider the potential impact	Why it would occur – the causative and contributing factors to help determine what actions are required	How could it manifest and impact the organisation to inform decision making about priorities or areas of vulnerability.
The risk event or thing that might happen	The causes of the event (what would cause this event to occur?)	The impact or consequences of the event (how it would manifest and impact the organisation) Consequences 1
		Consequences 2
		Consequences 3

RISK ANALYSIS

Risk Analysis assists to

- Identify effects on the organisation of the risk
- Assess what we currently have in place to manage the risk (controls), their effectiveness and determine gaps
- Determine the severity or level of risk (risk rating) to objectives.

WHAT ARE THE CURRENT CONTROLS
What is currently in place to manage this risk? Such as people, processes, policies and practices that reduce the likelihood the risk will occur or reduce the impact if it eventuates:

Now, assess the overall effectiveness of controls and then determine the level of risk (risk rating)

CONTROL EFFECTIVENESS Rate the controls overall:			LIKELIHOOD Select one from below (Refer to Likelihood Table)				
Effective	Partially Effective	Ineffective	Almost Certain	Likely	Possible	Unlikely	Rare
i.e. effectively controlling the risk	i.e. mostly working as intended but needs improvement	i.e. Requires considerable action	CONSEQUENCE Select one from below (Refer to Consequences Table)				
			Catastrophic	Major	Moderate	Minor	Insignificant
			RISK RATING Select one from below (Refer to Risk Rating Matrix)				
			Extreme	High	Medium	Low	Very Low

RISK EVALUATION

Risk Evaluation assists to

- Escalate risk information to the necessary reporting levels (based on the risk rating)
- Ensure risks are received by the right levels of the organization, at the right time for the right response.
- Consider options and decide what action is required
- Identify resources required

RISK RATING AND ACTIONS

What actions are required for escalation and reporting of this risk? Your risk framework will provide guidance on which levels of your organisation must be advised.

RISK TREATMENT AND MONITORING

Risk Treatment (often termed risk mitigation), involves:

- Identifying actions for controlling the risk and monitoring and evaluating these actions.
- Designing and implementing a treatment plan (if necessary).
- All EXTREME and HIGH risks must have a treatment plan.
- All STRATEGIC risks must have a treatment plan

RISK TREATMENT STRATEGY		
What are the 3 or 4 key treatment actions? These should be aligned to managing the causative factors	Who is responsible for these actions and in what timeframe?	Provide a link to the detailed treatment plan (outlining timeframes, roles & responsibilities etc.)

MONITOR AND REVIEW

MONITOR AND REVIEW APPROACH

Outline how and when the risk will be monitored and updated

COMMUNICATION AND CONSULTATION

MONITOR AND REVIEW APPROACH	
Who has been consulted on this risk	How will this risk be communicated
Outline which stakeholders have been or need to be consulted on this risk – these may include Board, Staff, External Parties, Insurers, Government, Financial Institutions etc.	Outline how and when the risk and its treatments will be communicated to relevant stakeholders and any follow up actions required.

Risk Analysis Tables

As part of the Risk Analysis for this Risk assessment we recommend you use your organisations Likelihood and Consequence Tables and Risk Matrix that should be part of your organisations Risk Framework.

The examples shown below are to be used as provided for reference purposes only.

CONSEQUENCE - Evaluate the consequences of a risk occurring according to the ratings in the top row

DESCRIPTOR	LEVEL	DEFINITION
Severe	5	Fatality or catastrophic incident, sever impact to services and the quality of services, catastrophic damage to property
Major	4	Serious injury resulting in hospital care, considerable impact to the quality of service or extensive dame to property or the environment
Moderate	3	Injury/ill health requiring medical attention, some impact to quality of service or caused some minor damage to property or the environmental
Minor	2	Injury/ ill health requiring first aid, minor impact to quality of service
Insignificant	1	No injury or damage to persons or property, does not impact service or environmental damage

NOTE: This is an example only, any Risk Consequence Ratings should be developed for your organisation current and future circumstances.

LIKELIHOOD - Evaluate the likelihood of an incident occurring according to the ratings in the left hand column

LIKELIHOOD	RATING	DEFINITION
Almost Certain	5	<ul style="list-style-type: none"> The risk is expected to occur at least once in the next 12 months The risk controls are rated Effective Without control improvement, it is almost certain this risk will eventuate at some point in the next 12 months.
Likely	4	<ul style="list-style-type: none"> There is a strong possibility that the risk will occur in the next 24 months The risks controls are rated moderately Effective. Without control improvement, it is more likely than not this risk will eventuate in the next 24 months
Possible	3	<ul style="list-style-type: none"> The risk might occur in the next 3 years the risk controls are rated Neutral Without control improvement, the risk may eventuate in the next 3 years
Unlikely	2	<ul style="list-style-type: none"> There is a small possibility that the risk will occur in the next 5 years The risk controls are rated moderately ineffective The strength of the controls means it is more likely the risk would eventuate caused by external factors
Rare	1	<ul style="list-style-type: none"> There is a remote possibility the risk will occur in 5 years 90% or more of the risk controls are rated ineffective The strength of the controls means that if the risk eventuates it is most likely result of external circumstances outside of the control of the organisation

NOTE: This is an example only, any Risk Likelihood Scale should be developed for your organisation current and future circumstances.

RISK MATRIX - Using the matrix calculate the level of risk by finding the intersection between the likelihood and the consequences

		CONSEQUENCE				
		INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
LIKELIHOOD	ALMOST CERTAIN	Medium (5)	Medium (10)	High (15)	Extreme (20)	Extreme (25)
	LIKELY	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
	POSSIBLE	Low (3)	Low (6)	Medium (9)	High (12)	High (15)
	UNLIKELY	Very Low (2)	Low (4)	Low (6)	Medium (8)	Medium (8)
	RARE	Very Low (1)	Very Low (2)	Low (3)	Low (4)	Medium (5)

NOTE: This is an example only, Any Risk Matrix should be developed for your organisation current and future circumstances.

RISK LEVEL/RATING AND ACTIONS

LEVEL OF RISK	ACTION REQUIRED
Extreme	Immediate action required – report to Risk Manager, CEO and in turn, Risk Committee Chair. Risk treatment plan to be led by the Executive team
High	Requires immediate notification to line manager and Risk Manager. Action plan must be developed as soon as possible and no later than 2 weeks.
Medium	Requires immediate notification to Risk Manager and line manager and the development of an action plan.
Low	Requires immediate notification to line manager and the development of an action plan.
Very Low	Discuss with line manager and agree any further actions.

NOTE: This is an example only, any Risk Levels should be developed for your organisation current and future circumstances.

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