

Process for Assessing and Mitigating Risk Consequence Criteria

The following table highlights common consequence categories and the impacts it may have on the origination.

CONSEQUENCE CATEGORY	CONSEQUENCE IMPACT				
	INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
	1	2	3	4	5
Legal and Compliance	Compliance with standards or legal requirements maintained with negligible level of control weakness	Compliant with standards or legal requirements but with some minor level of control weakness needing attention.	Single noncompliance With standards or legal requirements resulting in recommendations for improvement / moderate level of control weakness identified	Multiple non compliances with standards or legal requirements resulting in urgent improvements / high level of control weakness	Fully non-compliant with standards or legal requirements resulting in sanction or penalty / critical failure of key controls
Financial Loss	< \$1,000	\$1,001 - \$10,000	\$10,001 - \$100,000	\$100,001 - \$500,000	> \$500,001
Fraud	< \$1,000	\$1,001 - \$5,000	\$5,001 - \$10,000	\$10,001 - \$20,000	> \$20,001
Cyber	No impact on systems	Minor impact resulting in no loss of services or additional costs	Some impact resulting in limited access to systems or files. Minor costs to rectify incurred	Considerable impact resulting in data breach, access to files or some systems. Moderate costs to rectify incurred	Severe impact resulting in system failure, no system access or denial of service. Substantial costs to rectify incurred

NOTE: These are examples only. Risk Consequence Criteria should be developed for your organisation's context and current and future circumstances.

CONSEQUENCE IMPACT					
CONSEQUENCE CATEGORY	INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
	1	2	3	4	5
Health and Safety	No injury / illness - no time lost, minor adjustment to operational routine	Single minor injury/ illness – lost time of less than 4 rostered days	Single serious injury requiring extended treatments > 4 days loss.	Multiple serious injuries or illness (more than 4 rostered days lost, or an event which is notifiable)	Fatality or multiple fatalities
Project Delivery	On track, on budget completion date at risk	< 1-month behind schedule and minor increase in cost (<10% over budget)	1-month behind schedule, moderate increase in costs (less than 11% - 20% over budget)	> 1-month behind schedule, significant increase in costs (more than 20% over budget)	Extreme increase in cost, disruption of schedule, or degradation of deliverable or discontinuation
Quality of Service	No impact on the quality of service	Minor impact on the quality of services resulting in an increase in complaints from the community or stakeholders (<10%)	Impacts on the quality of services resulting in an increase from the community or stakeholders (10%-25%)	Considerable impact on the quality of services resulting in a marked increase in complaints from the community or stakeholders (25% -50%)	Severe impact on the quality of service provided resulting in significant increase in complaints or incidents (>50%)
Reputation	External reputation not damaged	External reputation minimally affected. Little effort or expense to recover. Minor impact on staff turnover increase of 5% - 10% of staffing levels	External reputation impacted requiring some expense to recover. Moderate impact on staff turnover increase of 10% - 20% of staffing levels	External reputation severely impacted requiring considerable effort and expense to recover. major impact on staff turnover increase of 20% - 32%) of staffing levels	External reputation permanently damaged. Severe impact on staff Turnover > 33% of staffing levels

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CONSEQUENCE IMPACT					
CONSEQUENCE CATEGORY	INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
	1	2	3	4	5
Building and Property	No impact to building and property	Minor impact resulting in no loss of operations or additional costs	Some impact resulting in limited access to building and/or property. Minor costs to rectify incurred	Considerable impact resulting in loss of access to or damage to some building and property. Some impact on business operations Moderate costs to rectify incurred	Sever impact resulting in loss of building and property with business operations impacted. Substantial costs to rectify incurred
Abuse and Neglect (Note: Contact your insurance broker for advice on insurable risk management regarding abuse and neglect)	Single allegation or incident that requires local on-site review	Single allegation, safeguarding system fault or incident that requires supervisor review and policy review	Allegation, safeguarding system fault or incidents that require immediate report to CEO and /or external bodies	Delay In Identifying abuse or neglect or a system fault requiring immediate CEO report and independent review.	Multiple failures in safeguarding system that require immediate rectification, external review and external reporting.
Client/Child Safety (Note: contact your insurance broker for advice on insurable risk management regarding client or child safety)	Injuries requiring first aid or minor medical treatment only. Unlikely to require change to safety policy or systems	Minor harms requiring medical treatment and/or hospitalisation. Supervisor involvement and local review. Likely to require change to safety policy or system	Harms requiring external medical treatment and/or serious Incident reporting. Harms that involve two or more persons Supervisor involvement and management review. Will involve changes to safety policy and/or system	Harms impacting immediate safety of individuals requiring immediate removal from threat, immediate high-level care / treatment and Immediate reporting to CEO and external bodies Immediate review of safety policy and system	Widespread harms or harms that result in threat to life, serious mental anguish and/or permanent disability. Immediate CEO intervention and reports to external bodies Immediate rectification of safety policy and systems.

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If you would like to speak to someone about your Enterprise Risk program email us at info@ansvarrisk.com.au

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