

## Deakin University - RISK CRITERIA

### Measuring Risk : IMPACT

	OHS	Financial	Environmental	Reputation, Outrage & Media	University Performance
<b>CATASTROPHIC</b> (disaster with potential to lead to collapse or having a profound effect)	Multiple fatalities; OR Significant irreversible disability to more than 50 persons	A net negative financial impact of more than \$10 000 000	Long term effects to flora/fauna/soil/water; OR Licences revoked	Total outrage; OR National/International media coverage; OR Major adverse political or reputation impact	Major adverse impact on University strategic objectives; OR Interruption to services for more than 1 month
<b>MAJOR</b> (critical event)	Single fatality; OR Severe (>30% incapacity) irreversible disability to one or more persons	A net negative financial impact in the range of >\$5 00 000 - \$10 000 000	Significant harm to flora/fauna/soil/water with long term recovery achievable	Major alarm and anger; OR Statewide media coverage; OR Significant adverse political or reputation impact	Significant adverse impact on University strategic objectives; OR Major adverse impact on budget centre objectives; OR Interruption to services in the range of 1 - 4 weeks.
<b>SEVERE</b> (significant event with long reaching effect)	Moderate (<30% incapacity) irreversible disability to one or more persons; OR Short term hospitalisation & rehabilitation leading to recovery	A net negative financial impact in the range of >\$1 000 000 - \$5 000 000	Significant harm to flora/fauna/soil/water with mid term recovery achievable	Widespread complaints and anger; OR Significant local community coverage; OR Adverse political or reputation impact	Adverse impact on University strategic objectives; OR Significant adverse impact on budget centre objectives; OR Interruption to services in the range 1 day - 1 week
<b>MODEST</b> (event requiring moderate levels of resource and input)	Medical treatment injury; AND lost time sustained	A net negative financial impact in the range of >\$200 000 – \$1 000 000)	Transient harm to flora/fauna/soil/water	Limited complaints and anger; OR Limited local community media coverage	Adverse impact on budget centre objectives; OR Interruption to services of up to 1 day
<b>MINOR</b> (effect is minimal)	Medical treatment injury; OR First Aid treatment	A net negative financial impact of less than \$200 000	Brief pollution with effective short term remediation	Localised annoyance/concern/complaints; OR No media coverage	No impact on University or budget centre objectives; OR Interruption to services of up to 1/2 day

**PROCESS**

1. Select appropriate impact description for each category of outcome. (i.e OHS, Financial, Environmental, Reputation, Outrage & Media, Legislative & Contractual Compliance, University Performance)
2. Determine the IMPACT RATING based on overriding definition i.e "worst"/"highest" rating category.
3. Enter into Risk Manager Software
4. Select and enter into Risk Manager Software the appropriate "Risk Category" (i.e Financial Management Risk, Assets Management Risk, People Management Risk, Academic Process Risk, Information & Management Systems Risk, Compliance with External Regulation & Legislation Risk, Compliance with Internal Policies Risk)
5. Select and enter into Risk Manager Software the appropriate "Corporate Objective" (i.e Communication, marketing and positioning; Community responsibilities – rural and regional engagement; Internationalisation; Planning, resourcing, accountability and evaluation; Recruiting and retaining staff; Research and research training; Resources, Infrastructure and Services; Revenue; Teaching and learning)
6. Update Risk Assessment Control Plan pro-forma (if applicable)

### Measuring Risk : LIKELIHOOD

<b>ALMOST CERTAIN</b>	Certain to happen some time in the next 12 months. Event is imminent for specific item.	<p><b>PROCESS</b></p> <ol style="list-style-type: none"> <li>1. Determine the LIKELIHOOD RATING based on the overriding criteria definition</li> <li>2. Enter into Risk Manager Software</li> <li>3. Update Risk Assessment Control Plan pro-forma (if applicable)</li> </ol>
<b>LIKELY</b>	Highly likely to happen some time in the next 3 years; OR The event has occurred more than once in the past at Deakin University / similar organisations	
<b>POSSIBLE</b>	Possible to occur at some time in the future The event has occurred once at Deakin University/similar organisations	
<b>RARE</b>	Unlikely to occur at any time in the future	
<b>ALMOST IMPOSSIBLE</b>	Highly unlikely to occur at any time in the foreseeable future. Theoretically possible but not expected to occur	

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Measuring Risk : INHERENT RISK							
		Impact Rating					<i>PROCESS</i> 1. Choose appropriate <i>IMPACT RATING</i> 2. Choose appropriate <i>LIKELIHOOD RATING</i> 3. Update Risk Assessment Control Plan pro-forma (if applicable)
		CATASTROPHIC	MAJOR	SEVERE	MODEST	MINOR	
Likelihood rating	ALMOST CERTAIN	VH	VH	H	H	M	Ascertain <i>INHERENT RISK</i> category (Risk Manager Software will do this automatically for you)
	LIKELY	VH	H	H	M	M	
	POSSIBLE	H	H	M	L	L	
	UNLIKELY	H	M	L	L	L	
	ALMOST IMPOSSIBLE	M	M	L	L	VL	

Measuring Risk : CONTROL RATING		
Criteria		<i>PROCESS</i> 1. Determine the <i>CONTROL RATING</i> based on the overriding criteria definition 2. Enter into Risk Manager Software 3. Update Risk Assessment Control Plan pro-forma (if applicable)
<b>EXCELLENT</b>	Controls are totally effective and efficient, totally implemented, user friendly and demonstrably 'best practice'	
<b>VERY GOOD</b>	Controls are reasonable, well balanced and effective	
<b>GOOD</b>	Controls are reasonable and well balanced, improvements are possible	
<b>MEDIUM</b>	Controls are just starting	
<b>POOR</b>	There are very few controls in place	
<b>NO CONTROLS</b>	There are no controls in place	

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LIKELIHOOD RATING	RESIDUAL RISK CATEGORY					
	CONTROL RATING	IMPACT RATING				
		CATASTR'	MAJOR	SEVERE	MODEST	MINOR
Almost Certain	Excellent	H	M	M	L	L
	Very Good	H	H	M	L	L
	Good	H	H	H	M	L
	Medium	VH	H	H	M	M
	Poor	VH	VH	H	H	M
	No controls	VH	VH	H	H	H
Likely	Excellent	M	M	L	L	VL
	Very Good	H	M	L	L	L
	Good	H	H	M	L	L
	Medium	H	H	M	M	L
	Poor	VH	H	H	M	M
	No controls	VH	H	H	M	M
Possible	Excellent	M	L	L	VL	VL
	Very Good	M	L	L	VL	VL
	Good	H	M	L	L	VL
	Medium	H	M	M	L	L
	Poor	H	H	M	L	L
	No controls	H	H	M	M	L
Rare	Excellent	L	L	VL	VL	VL
	Very Good	L	L	VL	VL	VL
	Good	M	L	L	VL	VL
	Medium	M	M	L	L	VL
	Poor	H	M	L	L	L
	No controls	H	M	M	L	L
Almost Impossible	Excellent	L	VL	VL	VL	VL
	Very Good	L	L	VL	VL	VL
	Good	L	L	VL	VL	VL
	Medium	M	L	L	VL	VL
	Poor	M	M	L	L	VL
	No controls	H	M	L	L	VL

### PROCESS

1. Choose appropriate IMPACT RATING
2. Choose appropriate CONTROL RATING
3. Choose appropriate LIKELIHOOD RATING
4. Update Risk Assessment Control Plan pro-forma (if applicable)

Ascertain RESIDUAL risk category (Risk Manager Software will do this automatically for you)

RESIDUAL RISK	Action requirements
VERY HIGH	<p>RISK REQUIRES ATTENTION</p> <p>"Very High" risk is generally unacceptable, save in extraordinary circumstances. Comprehensive consideration by PRC required to ensure that the residual risk remaining is consistent with University objectives and risk appetite. If not, detailed research and planning required to mitigate risk, by relevant Faculty/Division/Area/School/Entity.</p>
HIGH	<p>RISK REQUIRES ATTENTION</p> <p>Organisational head attention required to ensure the residual risk remaining is consistent with University objectives and risk appetite. If not, detailed research and planning required to mitigate risk. Management need to ensure that necessary mitigation actions are carried out and the risk does not increase by actively monitoring any changes to the controls, consequence and likelihood.</p>
MEDIUM	<p>RISK IS TOLERABLE</p> <p>Management to ensure that the controls, consequence and likelihood do not substantially change. Consider the implementation of any practicable controls.</p>
LOW	<p>RISK IS ACCEPTABLE</p> <p>Manage by well established, routine processes/procedures and be mindful of changes to nature of risks. Consider the implementation of additional controls, only if they are a clearly quantifiable cost benefit.</p>
VERY LOW	<p>RISK IS ACCEPTABLE</p> <p>Manage by well established, routine processes/procedures and be mindful of changes to nature of risks. Risk reduction not required as resources are likely to be grossly disproportionate to reduction achieved.</p>