

# City of London Corporation risk score matrix

		Impact			
		Minor 1	Serious 2	Major 4	Extreme 8
Likelihood	Likely 4	4	8	16	32
	Possible 3	3	6	12	24
	Unlikely 2	2	4	8	16
	Rare 1	1	2	4	8

RAG rating	Score Range	Description
Green (manageable)	1 - 4	Action required to maintain risk
Amber (significant)	6 - 12	Actions required to maintain or reduce risk
Red (severe)	16 - 24	Urgent actions required to reduce risk

- These scales are guidance only and are not exhaustive or absolute.
- **Do not average out the scores** - this misrepresents the real effect of risk.
- **Risks may not have relevance to all categories**
- Risk assessments to be **reasonable and proportionate**
- The final risk score is determined multiplying the likelihood score by the impact score

Impact		Type/ category of risk		
		Service delivery/ performance	Financial	Legal/ statutory
Impact	Minor 1	Minor impact on services, typically up to 1 day	financial loss up to 5% of relevant budget.	Litigation claim or fine less than £5000 [in total value].
	Serious 2	Service disruption total of 2 to 5 days	financial loss up to 10% of relevant budget.	Litigation claimable fine between £5000 and £50,000.
	Major 4	Service disruption total of 1 – 4 weeks	financial loss up to 20% of relevant budget.	Litigation claimable fine between £50,000 and £500,000.
	Extreme 8	Service disruption greater than 4 weeks	financial loss up to 35% of budget.	Multiple civil or criminal suits. Litigation claim or fine in excess of £500,000 [in total].

Likelihood		Category	
		Probability*	Frequency*
Likelihood	Likely 4	More than 75%	More likely to occur than not
	Possible 3	40-75%	Fairly likely to occur
	Unlikely 2	10-40%	Unlikely to occur
	Rare 1	Less than 10%	Has happened rarely/ never before
		*Percentage chance of risk happening at all over any time span	*Frequency of the risk happening again given history of the risk occurring