



University
of Exeter

Risk Management: The Risk Position Matrix Approach

Risk Scoring Matrix

Last updated December 2023

Contents



- **Introduction**
- **Risk Position Matrix**
- **Impact Criteria Selection**
- **Likelihood Criteria Selection**
- **Risk status based on selected impact and likelihood**

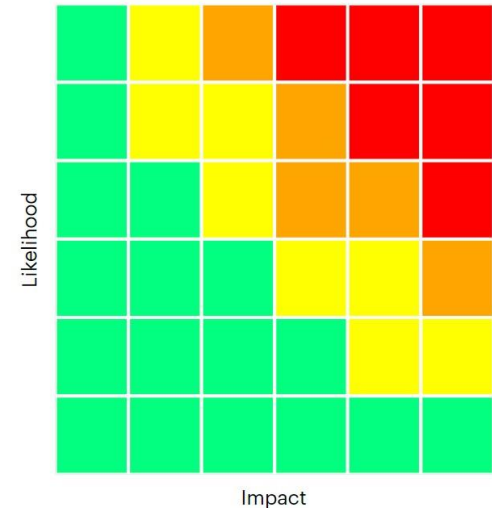
Last updated December 2023

Introduction



The Risk Position Matrix is a tool used to assess and classify risks based on their potential **impact** and **likelihood**. By assigning values to these factors, system can determine the risk position and we can prioritize mitigation efforts. This document provides guidelines on how to select the appropriate impact and likelihood levels for accurate risk assessment.

Risk Position



Last updated December 2023

Risk Position Matrix



The Risk Position Matrix offers a powerful visual representation of university's risk landscape. Risks are defined by the Risk Owner based on a combination of the **impact** and **likelihood**:

- Impact reflects the potential consequences or severity of a risk event.
- Likelihood represents the probability of that event occurring.

By considering impact and likelihood, we can effectively assess and prioritize risks based on their relative significance. The Risk Position Matrix utilizes a graphical matrix format to plot risks according to their impact and likelihood levels. In the upcoming slides, we will define impact and likelihood categories and explore a practical example of utilizing the Risk Position Matrix.

Last updated December 2023

Impact Criteria Selection

The selection of impact categories is a mandatory field within the system. Depending on the nature and severity of the risk, the risk owner has the freedom to choose the most suitable impact(s) from the provided list:

Risk Category	Impact Rating					
	1 Insignificant	2 Minor	3 Moderate	4 Significant	5 Major	6 Catastrophic
Compliance	Near miss event (if H&S - no medical treatment) / breach of local standards. Dealt with via BAU processes with no reportable breach and no impact on staff or students	Minor reportable incident (if H&S - minor harm/ill health). Dealt with via work-around / minor breach of local policy.	(If H&S - moderate injury/ill health requiring treatment). Reversible or temporary impact/breach of regulation / dealt with internally. Breach of policy in more than one area. Potential for moderate impact on students and/or	(If H&S - significant injury requiring treatment/medium term impact on health, recovery medium term). Civil claim for damages/regulatory reportable/inspection/improvement notices/breach of legal requirements	Suspension of activity / prosecution, single major reportable incident / multiple persons exposed to harm / potential for lasting physical or emotional harm to individuals / regulatory inspection / multiple civil proceedings / potential impact on other legal obligations	Catastrophic reportable incident resulting in serious irreversible harm or damage / loss of life / revocation of licence to operate / medium or long term prohibition notices, fines, civil and criminal proceedings and catastrophic
Education and Student Experience	Education delivery and support for the student experience including welfare and wellbeing services operating as required. Monitoring and tracking not flagging any issues requiring escalation	Minor impact on student experience or education delivery, e.g. as a result of system faults and delays accessing services leading to individual impacts. If resolved quickly and internally. No impact on NSS	Reversible or temporary disruption to education delivery and support for the student experience with a notable/widespread impact on students. These could be long delays, access to services, system faults. Could impact on NSS results	Significant disruption to education delivery, quality, outcomes and/or support for the student experience which will materially impact on student wellbeing. Likely fall in overall NSS results, Student outcomes, TEF results and other KPIs. Potential recourse to sector regulatory bodies for students	Major and prolonged disruption to education delivery, quality, outcomes and/or support for the student experience which threatens students ability to study, graduate or access support services essential for their education and wellbeing. Loss of accreditation with professional bodies. Breakdown in key delivery partnerships. Significant impact on KPIs including NSS and TEF. Recourse to sector regulatory bodies for students	Catastrophic and prolonged failure of education delivery, quality, outcomes and/or support for the student experience which causes irreversible harm to students, ability to studies/graduate. Loss of accreditation with professional bodies. Compliance breaches with potential for fines and legal proceedings. Major and prolonged impact on KPIs including NSS, TEF and student
Financial	<£10,000	Loss of more than 1% turnover £3M loss for University or £0.3M loss for a faculty	Loss of more than 2.5% turnover £7.5M loss for University or £750k loss for a faculty	Loss of more than 6% turnover £18M loss for University or £15M loss for a faculty	Loss of more than 15% turnover £30M loss for University or £6.5M loss for a faculty	Loss of more than 20% turnover £60M loss for University or £10M loss for a faculty
Partnerships	Regional/Global partnerships working smoothly, BAU processes working as designed. Due diligence checks in place with no issues. No reputational or income generation issues.	minor threat to a regional/global research, education or recruitment partnership, small delays in due diligence checks may impact contract start dates but have no overall impact on objectives. Potential minor localised and recoverable reputational issues. Impacts to educational or recruitment partnerships have a minor impact on recruitment that effects income in a single year.	moderate threat to a regional/ global research, education or recruitment partnership, small delays in due diligence checks may cause some disruption due to conflict of values. Potential moderate localised and recoverable impact on objectives. Impacts to educational or recruitment partnerships have a minor impact on recruitment that effects income in a single year and having a knock on	moderate threat to a regional/ global research, education or recruitment partnership, with complex issues relating to values where benefit of activity counteracts. Requirement for legal/comms resource to support. Potential requirement to stop activity with the partner. Results in lost income, reputational damage, legal challenge. Potential medium term global reputational issues. Longer term loss of income	Major difference in values with regional/ global research led partnership. Requirement for legal and/or comms resource. Requirement to stop activity with the partner with associated financial and strategic losses. Potential UN sanctions or other legal requirements breach and criminal or civil proceedings. Major global reputational issues may cause other partners to withdraw. Long term loss of international student recruitment income.	Breach of UN sanctions or other legal requirement. UoE forced to stop partnership activity completely. N sanctions or other legal requirements breach and criminal or civil proceedings resulting in fines and accountable officer imprisonment. Catastrophic reputational issues. Income lost.
People: HR Payroll, Recruitment, and Retention	HR services operating as required. Routine issues resolved internally.	Some minor disruption to HR services leading to individual impact on colleague satisfaction. Issues resolved internally.	Reversible or temporary disruption to her services leading to notable impact on groups of colleagues and/or compliance breaches. Disruption may lead to complaints from colleagues or reportable events to regulatory bodies.	Significant disruption to HR services leading to inability to fully perform one or more HR functions impacting on a wide group of colleagues. Potential significant impact on colleague wellbeing/reputational damage and ability to meet required compliance requirements leading to	Major and prolonged disruption to one of more HR functions leading to failure to deliver core services. Major complaints and threat of multiple persons exposed to hardship and/or negative impacts on wellbeing including emotional and financial harm. Potential impact on compliance obligations leading to suspension of activity.	Catastrophic and prolonged breakdown in HR service delivery across one of more functions leading to serious irreversible harm to colleagues and reputation. Compliance breaches with potential for fines, civil and criminal proceedings.
Wellbeing: HR Wellbeing, Inclusion, and Equality	No disproportionate impact on students or colleagues from groups protected under the EA2010. Rigorous EIA undertaken.	Disproportionate impacts identified on students or colleagues from groups protected under the EA2010. Use of improper EIA practice - lack of holistic consideration of needs. Minor impact on meeting strategic aims under wellbeing, inclusion and culture. Dealt with internally by the leadership of the impacted area.	Notable disproportionate impacting one or more groups protected under the EA2010, students or colleagues affected. Inadequate EIA undertaken. Moderate impact on meeting strategic aims under wellbeing, inclusion and culture. Dealt with through senior leadership/EDI expert support.	Significant disproportionate impacting one or more groups protected under the EA2010, students or colleagues affected. Risk of violation of legislation e.g. FoS Law. No EIA undertaken. Significant impact on meeting strategic aims under wellbeing, inclusion and culture. Dealt with by a dedicated task and finish group. Potential for impacts on	Not meeting compliance under the Equality Act or violation of associated legislation e.g. FoS law. No EIA undertaken. Major impact on meeting strategic aims under wellbeing, inclusion and culture. Dealt with by a dedicated task and finish group. Potential for impacts on awards/accreditations. Occurrence of direct/indirect discrimination leading to short term, reversible student/colleague exposure to legal action.	Occurrence of direct/indirect discrimination which leads to direct, prolonged and irreversible harm to students or staff. Significant exposure to legal action.

Last updated December 2023

Impact Criteria Selection



➤ Continued

Risk Category	Impact Rating					
	1 Insignificant	2 Minor	3 Moderate	4 Significant	5 Major	6 Catastrophic
Place: Environment and Sustainability	Carbon emissions reducing ahead of future target, increasing the potential to meet net zero future or reach carbon positive. And/or substantial increase in	Carbon emissions reducing in line with net zero future. And/or increase in biodiversity net gain.	Carbon emissions reducing slightly behind net zero future, And/or moderate decrease in biodiversity net gain.	Carbon emissions not meeting planned target for net zero Future and/or decrease in biodiversity net gain to the point that A dedicated group is set up in response.	Increase in carbon emissions placing achievement of carbon net zero future at serious risk. Major resource and mitigating activity required to address. And/or major decrease in biodiversity net gain.	Substantial increase in carbon emissions resulting in carbon net future being unachievable, with a substantial negative impact on student recruitment.
Place: Regional/Global	Student recruitment strong, national and world rankings performance improves, health engagement from international research and education partners leading to impactful outcomes. Business engagement strategy on target.	Minor dips in national and/or world rankings, stagnation of international student recruitment, loss of research/education connections of minimal importance. Minor, recovery delays to business engagement strategy.	Dip in student recruitment, significant dip in a major national and/or global league table, loss of access to research funding or education partner. Loss of business engagement with a key partner. Short term risk to business engagement strategy.	Geo-political changes or community tensions lead to loss of major recruitment market, impacting international recruitment. Major dip in one or more world rankings, taking Exeter outside top 200. Major changes to research or education partnerships. Loss of engagement from multiple key partners increasing risk to success of business engagement strategy.	Geo-political health or reputation challenges impact international recruitment in major regions (i.e. China ceases international student engagement with the UK). Exeter falls rapidly down global league tables. Loss of education and research partnerships massively impact research income and student experience (i.e. student mobility). Business engagement strategy will fall significantly short of future target.	Geo-political health or reputation challenges vastly impact international recruitment in in multiple regions. Exeter drops out of top 500 universities in all major league tables. Loss of education and research partnerships massively impact research income and student experience (i.e. student mobility). Catastrophic income loss. Failure of
Reputation	No community response. No reputational impact.	pw consequence politically. Local short term media interest. Isolated community complaints. Reputation contained.	Some community complaints. Possible local long term media interest and/or correspondence with the VC's office. Some reputational damage.	Significant complaints. National short term media interest and/or VC has been questioned. Loss of credibility. Real reputational damage.	Major complaints. National short term media interest and/or Ministry Office have been questioned. Major loss of credibility. Major reputational damage.	Parliamentary questions with national long term media interest. Catastrophic reputational damage.
Research and Innovation	Negligible impact upon achieving objective. The consequences are dealt with by routine operations,	Minor impact on objective. Consequences threaten the efficiency or effectiveness of some services. This will be dealt with internally.	Moderate impact on objective. Consequences would not threaten the provision of key services, but would have a medium term impact meaning the organisation could be subject to a significant review or change in operating procedures.	Significant impact on objective. Threat to meeting external standards. The consequences may threaten continued effective provision of services and require top level management intervention.	Significant impact on objective. No longer meets external standards. The consequences may threaten continued effective provision of services and require top level management intervention.	Catastrophic impact on objective. The consequences would effect the long term provision of services causing major problems for the organisation and threatening its existence.
Strategy 2030	Negligible impact upon meeting strategic aims. The consequences are dealt with by routine operations,	Minor impact on objective. Consequences threaten the efficiency or effectiveness of some elements of strategy without adverse impact on overarching aims. Dealt with internally by the lead of the impacted area.	Moderate impact on meeting strategic aims. Consequences would not threaten the overarching strategic aims in the long term but would have a medium term impact requiring resource and senior management leadership to	Significant impact on meeting strategic objectives. Threat to the overarching strategic aims of the University requiring top level management intervention.	Significant impact on meeting strategic aims, no longer possible to resolve entirely. At least one theme of the strategy unable to be met, with financial and reputational impact. Requiring top level management intervention.	Catastrophic impact on meeting strategic aims. The consequences would affect the financial sustainability, causing major problems for the institution and threatening its ongoing existence.

Likelihood Criteria Selection

When assessing risks, it is essential to define likelihood categories based on the probability of their occurrence. The table below sets out the likelihood ratings that can be applied and provides a definition for each option.

Likelihood Rating	Likelihood Description	Guidance
6	Almost Certain	Very high probability (>90%) the risk will occur in the next 5 Years. It is expected to occur.
5	Likely	High probability (61-90%) the risk will occur in the next 5 Years. It will occur in most circumstances
4	Possible	Moderate probability (31-60%) the risk will occur in the next 5 Years. Might occur at some time.
3	Unlikely	Low probability (10-30%) the risks will occur in the next 5 Years
2	Rare	Very low probability (1-10%) the risk will occur in the next 5 Years
1	Remote	Remote probability (<1%) the risk will occur in the next 5 Years. It may occur only in exceptional circumstances.

Last updated December 2023

Risk status based on selected impact and likelihood



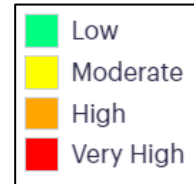
Risk Scoring Matrix - noting the point at which scores change through Low, Moderate, High, Very High

6	Almost Certain	6	12	18	24	30	36
5	Likely	5	10	15	20	25	30
4	Possible	4	8	12	16	20	24
3	Unlikely	3	6	9	12	15	18
2	Rare	2	4	6	8	10	12
1	Remote	1	2	3	4	5	6
		Insignificant	Minor	Moderate	Significant	Major	Catastrophic
		1	2	3	4	5	6

The overall risk score and rating will be defined by the assigned risk likelihood (remote = 1 to almost certain = 6) multiplied by the assigned risk impact (insignificant =1 to catastrophic =6).

The heat map shown here sets out the scores that fall within each risk rating category.

The ratings are categorised as set out below:





University
of Exeter

If you have any questions, please contact us:

RiskManagement@exeter.ac.uk