Risk Exposure Rating Tool

Purpose of the Tool

We use the 'Risk Exposure Rating Tool' to highlight the severity of the risks (i.e. Low, Medium, High, Critical). This in turn helps determine which risks you should focus your efforts and resources on. The tool also highlights the implications associated with the different ratings for aspects such as: impact on objectives; management oversight; reporting; and review.

Risk Exposure Matrix		Consequence Rating				
		Minor (1)	Moderate (2)	Major (3)	Severe (4)	Extreme (5)
Likelihood Rating	Almost Certain (E)	Medium	High	Critical	Critical	Critical
	Likely (D)	Medium	Medium	High	Critical	Critical
	Possible (C)	Low	Medium	High	High	Critical
	Unlikely (B)	Low	Low	Medium	High	High
	Rare (A)	Low	Low	Low	Medium	High

Risk Exposure Ratings

Rating	Description
Critical	• Objectives will not be achieved • Requires relevant management's highest priority and urgent attention • Risk must be approved, visible and reported to at least the Vice Chancellor's Executive level (or equivalent) • Risk must be reviewed at least every 6 months
High	• Achievement of objectives under serious threat • Requires relevant management's priority and active involvement • Risk must be visible and reported to at least the Executive Director level (or equivalent) • Risk must be reviewed at least every 6 months
Medium	• Some threat to achievement of objectives • Requires relevant management's active monitoring • Risk must be visible and reported to at least the Director level (or equivalent) • Risk must be reviewed at least annually
Low	• Achievement of objectives not under threat • Can be dealt with in normal course of business • Risks must be visible and reported to at least the Senior Manager level (or equivalent) • Risk must be reviewed at least annually

How To Use The Tool

The 'Risk Exposure Rating Tool' is used to evaluate risks based on the severity of their consequence and their likelihood to occur. To evaluate the risk exposure use the "Consequence Rating Tool", to define the consequence rating and the 'Likelihood Rating Tool' to define the likelihood rating. Once you have ascertained these two ratings you can then plot what the risk exposure rating is (i.e. Low, Medium, High or Critical) from the matrix above. To understand the implications of each rating, refer to the descriptions in the Risk Exposure Ratings table on the right.

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