

Appendix 3

Risk matrix is taken by using the following criteria :

Risk = (Probability of the risk) x (Impact on project outcomes).

The probability can be graded using the following scale :

Probability	Value	Description
Low	1	Unlikely but not impossible (0% - 20% chance)
Medium	2	Fairly likely to happen (20% - 50% chance)
High	3	More likely to happen than not (> 50% chance)

The impact can be graded using the following scale:

Impact	Value	Description
Low	1	Causing a small delay; or Causing a small increase in cost; or Causing a minor shortfall in project outcomes; or Having a minor impact on the University.
Medium	2	Causing a significant delay; or Causing a significant increase in cost; or Causing a shortfall which may significantly affect the project outcomes; or Having a significant impact on the University.
High	3	Causing a major delay; or Causing a major increase in cost; or Causing a major shortfall in project outcomes; Having a major impact on the University.

By using the above grading scale ,the risk value will be 1,2,3,4,6 or 9. Risk management/mitigation procedure must be implemented when the risk value equal to or greater than 3.

Management can be implemented through one of four ways:

- **Treat** – the purpose of treatment is to contain it to an acceptable level e.g. through contingency plans but not to eliminate risk, most risks will fall within this category.
- **Tolerate** – toleration of the risk may be an appropriate response; if the cost of the appropriate risk control is disproportionate to the potential benefit gained.
- **Transfer** – responsibility for containing the risk can be transferred to a third party e.g. by taking out an insurance against the risk.
- **Terminate** – terminating the activity in some cases when the risks cannot be containable to acceptable levels.