

# LEEDS METROPOLITAN UNIVERSITY

## The Methodology for assessing risk

The risk methodology approved in July 2002 is as follows:

- 1 The agreed corporate process for assessing risk is by considering:

**Impact** - What is the impact on the University of materially failing to achieve the objective/outcome.

To be classified as HIGH/MEDIUM/LOW.

**Likelihood** - What is the likelihood of materially failing to achieve the objective/outcome.

To be classified as HIGH/MEDIUM/LOW.

- 2 IMPACT is classified as financial, reputational or operational. Accordingly, the impact may be categorised as follows:

	FINANCIAL	REPUTATIONAL	OPERATIONAL
HIGH	> £250,000	international /national publicity	major system failure affecting University
MEDIUM	£100,000-£250,000	regional/local publicity	system failure affecting dept/faculty
LOW	< £100,000	little/localised publicity	localised failure

- 3 LIKELIHOOD is a probability rating on material failure to achieve the objective, and should be categorised as follows:

% Probability

HIGH > 60  
MEDIUM > 30  
LOW 0-30

- 4 A classification of the overall risk (High, Low, Medium) is then made based on impacts/likelihood.