

ServcoCanada Risk Assessment Matrix

PROBABILITY				SEVERITY				
5	Very Likely	Expected to occur one or more times per year	>75% chance of occurrence per task	5A	5B	5C	5D	5E
4	Likely	Expected to occur at least every 2 - 10 years	>25% chance of occurrence per task	4A	4B	4C	4D	4E
3	Somewhat Likely	Expected to occur at least every 10 - 100 years	10 - 25% chance of occurrence per task	3A	3B	3C	3D	3E
2	Unlikely	Not expected to occur in 100 years	1 - 10% chance of occurrence per task	2A	2B	2C	2D	2E
1	Extremely Unlikely	Not expected to occur	< 1% chance of occurrence per task	1A	1B	1C	1D	1E

A - Low	B - Minor	C - Moderate	D - High	E - Critical
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RISK CRITERIA	Injury or Illness	No treatment	First aid	Modified work, medical injury/illness, or mild exposure to toxic substance	Lost time injury/illness, moderate to severe exposure to toxic substance	Disabling injury or fatality, irreversible defect
	Subcontractors and Suppliers	Visitor	Indirect subcontractor or supplier with <\$10,000 contract, with A score on application	Indirect Subcontractor or supplier with <\$10,000 contract, Complyworks approved or B score on application	Direct Subcontractor with >\$50,000 contract, Complyworks conditional, or C score on application	Direct Subcontractor with >\$100,000 contract, Complyworks Unacceptable or D score on application
	Environmental Impact or Property Damage	Low severity on-site spill/discharge. No property damage	Minor severity on-site spill/discharge, or reportable discharge to secondary containment. <\$10000 damage	Regulatory reportable spill/discharge outside secondary containment. \$1000-\$5000 damage	Measurable environmental impacts that will likely require additional monitoring post incident. \$5000-\$10,000 damage	Measurable environmental impacts that will require additional monitoring and mitigation post incident. >\$10,000 damage
	Regulatory Compliance and Stakeholder Relations	Administrative non-compliance; no external attention	Non-compliance but no notification to regulators required	Non-compliance that requires a regulatory agency to be notified but no regulatory enforcement	Regulatory enforcement notice, contravention order, or investigation	Criminal charges or conviction, damage award for gross negligence, recklessness or intentional violation
	Financial Impact	No financial impact	< \$50,000	\$50,000 - \$250,000	\$250,000-\$500,000	> \$500,000
	Product Quality	Quality not impacted	Minor rework required	Substantial rework required, NCR created	Substantial rework required, NCR, project schedule delay and financial impact	Rework not possible, full system replacement, project failure, removed from site and impact future work
	Projects - Schedule	No schedule impact	< 2 weeks	2 weeks-1 month	1-2 months	> 2 months
	Residual Risk Rating	Risk Tolerance / Response Required				

Extreme Risk is outside of tolerance - Do not proceed as planned - Mitigations must be implemented to lower the risk within tolerable levels. Must be given highest priority to identify mitigation or avoidance strategies. Immediately escalate the risk assessment and proposed treatments to the accountable Senior Manager for review and approval. Advise the ServcoCanada President.

High Risk may be outside of tolerance. Additional risk treatment strategies may be required. Consider cost/benefit of further mitigation and whether mitigation will reduce risk exposure. Escalate the risk assessment and proposed treatments to the accountable Division Manager for review and approval. Advise the accountable ServcoCanada Vice President.

Medium Risk may be within tolerance. Additional risk treatment strategies may improve expected outcomes. Consider the cost/benefit of further mitigation and whether additional mitigation may impair the opportunity/reward of the objective. Communicate with affected parties. Continue to monitor and review the risk, controls and mitigations.

Low Risk is within tolerance. Mitigations and/or management activities appear to be sufficient and properly designed. Consider the cost/ benefit of further mitigation. No escalation required. Continue to monitor and review the risk, controls and mitigations.

Definitions

Severity: Outcome of an event affecting objectives. **Control:** Measure that maintains and/or modifies risk. **Probability:** Chance of something happening. **Opportunity:** The effect of uncertainty on objectives in which the effect is a deviation from the expected and is positive. **Risk:** The effect of uncertainty on objectives in which the effect is the deviation from the expected and is negative. **Risk Criteria:** Terms of reference against which the significance of the risk is evaluated. **Risk Tolerance:** ServcoCanada's readiness to bear the risk after risk treatment in order to achieve its objectives. **Residual Risk:** Remaining risk after risk treatment. **Residual Risk Level:** Magnitude of a risk or combination of risks, expressed in terms of the combination of consequences and their likelihood. **Risk Assessment:** Overall process of risk identification, risk analysis and risk evaluation. **Risk Owner:** Responsible for the mitigation actions or controls applied to the risk, as well as ongoing updates for reporting of that risk.