

## Sample Risk Rating Matrix

[User note]: Risk analysis should be undertaken based on the Likelihood of events, complexity and connectivity; time-related factors and volatility; effectiveness of existing controls; the consequences once it occurs; and the sensitivity and confidence levels

### Likelihood

The following is an example of a rating table that can be utilized to assess the likelihood of risks.

[User note]: Entities are encouraged to customize the rating table to their specific requirements. Likelihood rating may be based on factors such as frequency and/or probability of events as demonstrated below.

Rating	Description	Frequency	Probability of occurring in %
1	Rare	The risk is conceivable but is only likely to occur in extreme circumstances.	0 - 20
2	Unlikely	The risk occurs infrequently and is unlikely to occur within the next 3 years.	21 - 40
3	Possible	There is an above average chance that the risk will occur at least once in the next 3 years.	41 - 60
4	Likely	The risk could easily occur and is likely to occur at least once within the next 12 months.	61 - 80
5	Almost certain	The risk is already occurring or is likely to occur more than once within the next 12 months.	81 - 100

## Impact

The following is an example of a rating table that can be utilized to assess the potential impact of risks.

[User note]: Entities are encouraged to customize the rating table to their specific requirements.

Rating	Description	Impact		
		<p>[User note]: To define impact ratings entities are required to refer to the Risk Category stated in the Risk Management Policy framework.</p> <p>[User note]: In case of multiple impact scores, maximum rating will be considered while determining the overall impact.</p>		
		Achievement of Objectives	Financial	Public sector entity's Reputation
1	Insignificant	Negative outcomes or missed opportunities that are likely to have a negligible impact on ability to meet objectives.	Minimum financial impact- less than Kshs xxxx	Negligible impact
2	Minor	Negative outcomes or missed opportunities that are likely to have a relatively low impact on ability to meet objectives.	Between Kshs xx and xxx million	Adverse local media only
3	Moderate	Negative outcomes or missed opportunities that are likely to have a relatively moderate impact on ability to meet objectives.	Between Kshs xxx million and Kshs xxx million	Adverse print media coverage but not Headlines
4	Major	Negative outcomes or missed opportunities that are likely to have a relatively substantial impact on ability to meet objectives.	Between Kshs xxx million to Kshs xxx million	Adverse and extended national electronic and print media and social media
5	Catastrophic	Negative outcomes or missed opportunities that are of critical importance to the achievement of objectives.	Over xxx million Kshs	Demand for Government inquiry

### Sample Risk Heat Map

Likelihood occurrence	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5
Consequence of occurrence					

## Sample Escalation Matrix

The following is an example of an escalation matrix.

[User note]: Entities are encouraged to customize the escalation matrix to relevant context.

[User note]: The entity is encouraged to document the escalation matrix in their respective Risk Management Policy Framework

[User note]: The entity is encouraged to refer to the Public Sector Risk Management Guidelines for further information of treatment actions

Level of risk	Overall Risk score	Level of escalation
High	15 - 25	High level of intervention is required to achieve an acceptable level of residual risk by the Governing Body.
Medium	5 – 12	Moderate level of intervention is required to achieve an acceptable level of residual risk by Senior Management.
Low	1 - 4	Low level of control intervention is required, if any by Line Managers.