

Appendix E: Risk Analysis Framework

Every decision comes with risks. It is important to identify and prioritize risks, and develop plans to mitigate critical risks. Use the following framework to prioritize the risks you have identified.

For each risk, decide

1. How likely is it to happen?
2. What is the potential level of impact if it happens?

If you are not sure of the likelihood or potential impact of a particular risk, then err on the side of rating it too high rather than too low.

| Potential Risk | Likelihood (circle one) | Potential impact (circle one) |
|----------------|----------------------------|----------------------------------|
| 1. | High Medium Low | High Medium Low |
| 2. | High Medium Low | High Medium Low |
| 3. | High Medium Low | High Medium Low |
| 4. | High Medium Low | High Medium Low |
| 5. | High Medium Low | High Medium Low |
| 6. | High Medium Low | High Medium Low |
| 7. | High Medium Low | High Medium Low |

Table 7: Risk Analysis Framework

Keep past risk analyses on record and review them annually.

Once you have assigned likelihood and impact values to each risk, plot the numbers on this chart:

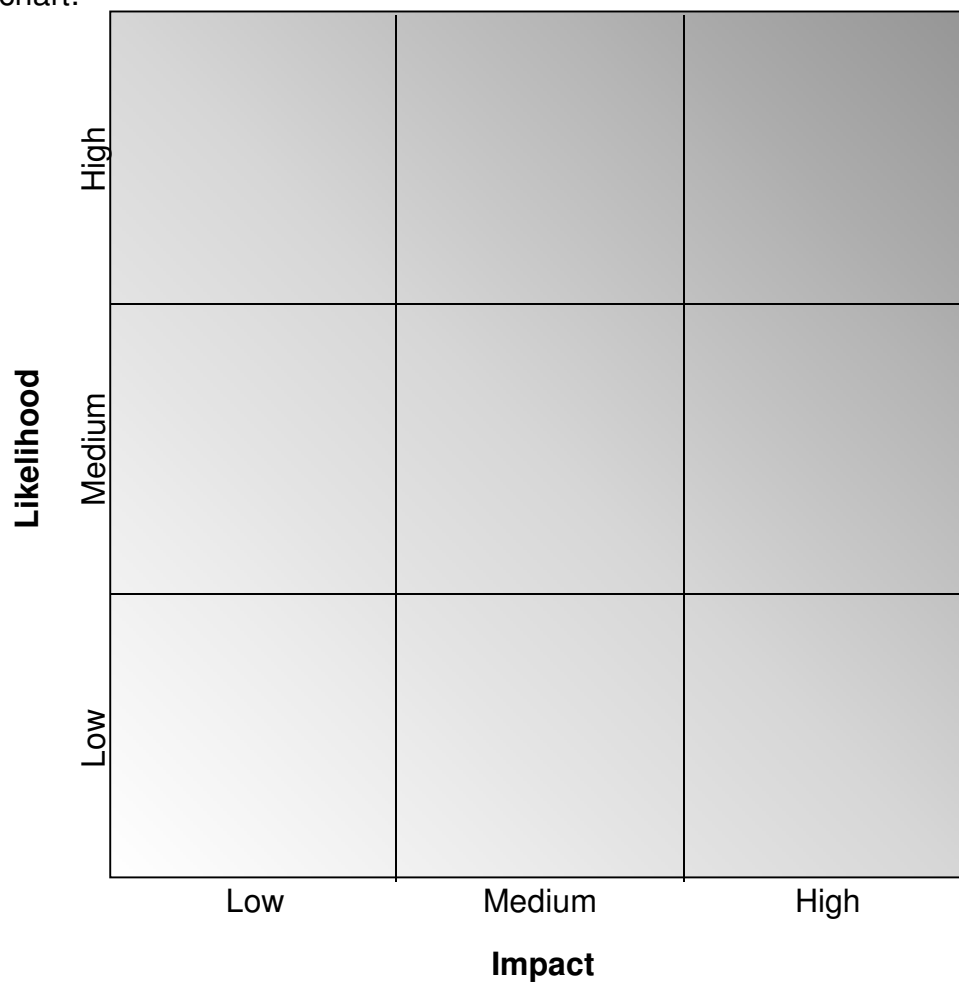


Figure 6: Risk Analysis Chart

Any risks in the top right corner need to be addressed, either by choosing a different option which avoids that risk, or by developing a well-defined plan to mitigate the risk.