Appendix A

ENTERPRISE RISK MANAGEMENT SCORING MATRIX

The following scoring matrix is aligned with the UW System Enterprise Risk Management Program.

The Risk Management Scoring Matrix focuses on two aspects:

**Likelihood:** The probability of the risk occurrence.
**Impact:** The negative consequences which would result from a risk occurrence.

When entering a risk into the UW System Risk Register, an overall risk score is needed. Assign a rating to its likelihood and impact, with one being lowest, and five being highest, for each aspect, then multiply the likelihood by the impact to determine the overall risk score.

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Description</th>
<th>Probability</th>
</tr>
</thead>
</table>
| 5       | Almost certain / already occurring. | • Greater than 90% probability in the next 1-3 years  
  • Nearly sure to happen, or already occurring |
| 4       | Likely                       | • Between 60% and less than 90% probability of occurring in the next 1-3 years |
| 3       | Potential                    | • Between 30% and less than 60% probability of occurring in the next 1-3 years  
  • Realistic that it may occur, but less than certain |
| 2       | Unlikely                     | • Between 10% and less than 30% probability of occurring in the next 1-3 years |
| 1       | Rare                         | • Less than 10% probability of occurrence in the next 1-3 years  
  • Possible, but not expected to occur |
## Impact

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Financial</th>
<th>Reputational</th>
<th>Operational/Health/ Safety</th>
<th>Legal/Regulatory/ Compliance</th>
</tr>
</thead>
</table>
| 5 Critical | • Adverse change in revenue of 25% over a given year  
• Cash payment, fine or increase in operating costs in excess of $20M  
• Adverse change in research funding of over 25% | • Sustained (e.g. one month) negative national or state media coverage  
• Significant brand impairment | • Fatalities and/or severe health impacts  
• Complete and total loss of critical systems (e.g. IT equipment) for more than one week | • Regulatory action negatively impacting UWS for 3+ years  
• Criminal violation or investigation  
• Loss of accreditation |
| 4 High | Financial impact is a blend of aspects from the Moderate and Critical categories. | Reputational impact is a blend of aspects from the Moderate and Critical categories. | Operational/Health/Safety impact is a blend of aspects from the Moderate and Critical categories. | Legal/Regulatory/Compliance impact is a blend of aspects from the Moderate and Critical categories. |
| 3 Moderate | • Adverse change in revenue, between 15% to 24% in a given year  
• Cash payment, fine or increase in operating costs between $6M to $20M  
• Adverse change in research funding of 16% to 24% | • One off story, but feeds into a negative narrative  
• Negative local media coverage  
• Limited brand impairment | • Major, but not fatal health impacts  
• Loss of critical systems (e.g. IT equipment, etc.) for 2-3 days | • Regulatory action negatively impacting UWS for over a one to two year time horizon  
• Non-criminal violation or investigation  
• Accreditation is put on probation |
| 2 Low | Financial impact is a blend of aspects from the Minor and Moderate categories. | Reputational impact is a blend of aspects from the Minor and Moderate categories. | Operational/Health/Safety impact is a blend of aspects from the Minor and Moderate categories. | Legal/Regulatory/Compliance impact is a blend of aspects from the Minor and Moderate categories. |
| 1 Minor | • Adverse change in revenue of 5% to 15%, in a given year.  
• Cash payment, fine or increase in operating costs, less than $5 million  
• Adverse change in research funding from 5% to 15% | • One-off story  
• No impact on reputation  
• No brand impairment | • No impact on health or safety.  
• Loss of critical systems (e.g. IT equipment, etc.) for a couple hours or less. | • No sustainable regulatory impacts or action required  
• One off warning letter issued and can be resolved  
• No loss of accreditation  
• No violation or investigation |
<table>
<thead>
<tr>
<th>Likelihood</th>
<th>Impact</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>25 (High)</td>
<td>20 (High)</td>
<td>15 (High)</td>
<td>10 (High)</td>
<td>5 (Moderate)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>20 (High)</td>
<td>16 (High)</td>
<td>12 (High)</td>
<td>8 (Moderate)</td>
<td>4 (Low)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>15 (High)</td>
<td>12 (High)</td>
<td>9 (Moderate)</td>
<td>6 (Moderate)</td>
<td>3 (Low)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>10 (High)</td>
<td>8 (Moderate)</td>
<td>6 (Moderate)</td>
<td>4 (Low)</td>
<td>2 (Low)</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>5 (Moderate)</td>
<td>4 (Low)</td>
<td>3 (Low)</td>
<td>2 (Low)</td>
<td>1 (Low)</td>
<td></td>
</tr>
</tbody>
</table>