

Enterprise Risk Matrix (& Assessment Procedure)

Step-by-step guide to using the Scouts Canada Risk Matrix

The following section provides guidance for how to apply the four (4) steps in the risk matrix. The matrix assessment criteria may not describe all situations. Scouter best judgement must be applied when assessing risk.

What is the Scouts Canada Risk Assessment Matrix (RAM)? Why do we use it?

A tool/methodology to be utilized by Scouters to consistently assess risk for business plan and activity/project planning (adapted from multi-industry best practice and risk standards). The Risk Assessment Matrix (RAM or "Risk Matrix") defines requirements for communicating risk information to support decision making.

Pre-Work: Hazard and Risk Identification

Brainstorm all potential hazards and risks that could impact the successful outcome of the desire objective/project/program.

Step 1: Complete the impact estimation

- Select the impact category(s) best suited for your risk scenario and use it to assess the impact (may be more than one category).
- Document all appropriate categories with the plausible, high consequence scenario including immediate impacts, secondary damage and impacts, and consequences associated with the clean-up, penalties, etc.

Impact	Safety	Financial	Reputation
Catastrophic 5	Multiple fatalities	Costs > \$1,000,000	Ongoing national media coverage impairs Scouts Canada license to operate
Critical 4	<ul style="list-style-type: none"> • Fatality • Public health/safety jeopardized 	Costs > \$100,000	<ul style="list-style-type: none"> • Negative national media more than a month • Negative provincial media for more than a quarter
Major 3	Injury or illness that causes permanent disability or significant life-altering complications	Costs > \$10,000	Negative provincial media more than a month
Moderate 2	Injury or illness that should remedy within months	Costs > \$1,000	Negative provincial media for more than a week
Minor 1	Minor Injury or illness that should resolve within weeks (or less)	Costs < \$1,000	Minimal negative local media

Step 2: Complete the likelihood assessment

- Choose the likelihood or annualized frequency to assess the likelihood of the scenario occurring.
- A likelihood assessment must be completed for all impact categories documented in Step 1.
- The likelihood criteria are intended for qualitative or semi-quantitative assessments. Most risk assessment will use these criteria. It provides measures of likelihood on a scale between what is likely to occur, and what is plausible but unlikely to ever occur.

Descriptor	Likelihood Assessment
Expected E	Likely to occur, perhaps frequently (~Monthly / 10-12 x per year)
Probable D	Probably will occur, but not a persistent issue (~Annually / once per year)
Unlikely C	May occur infrequently (~1 in every 3-5 years)
Rare B	Not likely to happen, but could (~1 in 10 years)
Improbable A	Scenario is plausible, but very unlikely to ever occur (~1 in 100 years)



Step 3: Heat map <ul style="list-style-type: none"> The heat map provides a visual representation of the risk rating for each corresponding impact and likelihood criteria combination. Plot the impact estimation criteria you selected from Step 1 and the likelihood assessment descriptor you selected from Step 2 to determine the risk rating and appropriate box on the heat map (Step 3). The impact and corresponding likelihood that yields the highest risk rating should govern the required action that should be taken, as specified in Step 4. Only residual risks (after controls are in place; or those with no controls) should move to Step 4. 	Heat Map					
	Catastrophic 5	5A	5B	5C	5D	5E
	Critical 4	4A	4B	4C	4D	4E
	Major 3	3A	3B	3C	3D	3E
	Moderate 2	2A	2B	2C	2D	2E
	Minor 1	1A	1B	1C	1D	1E
	Improbable A	Rare B	Unlikely C	Probable D	Expected E	

Step 4: Risk exposure and required action for residual risks	
<ul style="list-style-type: none"> Risks are classified by severity into 4 categories: Low, Medium, High and Extreme to enable the allocation and prioritisation of resources, actions and treatment. The categorization is a combination of Risk Impact and Risk Likelihood. The colour ('category') of the box in Step 3 determines the rating of the risk exposure and corresponding required action for your risk scenario. 	
The four categories are:	
1. Risks that are ' extreme ' or ' critical ' to the project/activity success: response plans should be explicitly approved (and resourced) by senior management and should be pro-actively managed.	3. Risks that are ' medium ': should be monitored to ensure that they do not grow in importance unnoticed but are considered within acceptable risk tolerance.
2. Risks that are ' high ': response plans should be explicitly approved (and resourced) by the leadership team and be managed with active attention and preparation.	4. Risks that are ' low ': should be monitored periodically to ensure that the severity does not increase unnoticed.

Risk exposure and required action for residual risks			
LOW	MEDIUM	HIGH	EXTREME
Low priority risks: Mitigations and/or management activities appear to be sufficient and properly designed. No NK3 or BoG oversight required. Local council to continue to monitor and review the risk, existing mitigations & management activities.	Risk appears to be within risk tolerance: Consider the cost/benefit of further mitigation and whether additional mitigation may impair the reward. Annual NK3 Review. No BoG oversight required. Continue to monitor and review the risk, existing mitigations, and management activities.	Further assessment required. Risk may be outside of risk tolerance and additional risk treatment may be required. Quarterly NK3 Review. Annual BoG Review. Risk assessment and proposed treatments must be reviewed and approved by National Key 3 and reviewed annually at the Board.	Do not proceed as planned. Risk is outside of risk tolerance and needs to be given highest priority to identify mitigation or avoidance strategies. Monthly NK3 Review. Semi-Annual BoG Review Risk assessment and proposed treatments must be reviewed and approved by the National Key 3 and reviewed bi-annually at the Board.

Discipline and Performance Management Procedure (Appendix)

Uncontrolled When Printed: When printed, document cannot be guaranteed to have the current information and should be used with caution.

This document is marked "uncontrolled" and the user is responsible for determining if the current version is active. To find the most updated version, please refer to Scouts Canada BP&P on Scouts.ca



It starts with Scouts.