Risk & Opportunity Register

The risk and opportunity register outlines potential risks that could prevent your organization from achieving its strategic goals and objectives. Risk identification should be carried out with the full involvement of the relevant parties to ensure the relevant perspectives and expertise should be represented (e.g., appropriately qualified representatives from various functions, contractors, stakeholders, suppliers and specialists as appropriate). The inherent and residual risk columns (O and Z) contain formulae that calculate the risk exposure; the residual risk exposure should always be no worse than the post-control residual risk score.

											Pre-control Score										Post-control Score					
Ref	Date Raised	Process Name	Source	Risk or Opportunity	Category	Description	Interested Party Concerns	Potential Cause(s)	Potential Consequences	Current Controls	Effectiveness of Controls	Likelihood	Impact	Risk Score	Exposure Indicator	Auto Assessment	Actual Control Measure	Mitigation Response	Mitigation Plan (including timescales)	Objectives	Opportunities	Process Owner	Likelihood2	Impact3	Risk Score4	Residual Risk	Date Implemented	Comments
RO1	2-Feb-26	Quality Assurance	Internal	Risk	Financial	Risk of major nonconformance at external surveillance audit due to outdated inspection criteria and undertrained QA inspectors, threatening ISO 9001 certification and customer confidence	Customers expect consistent product quality; certification body requires conformance evidence	Inadequate inspection criteria, untrained inspectors, outdated quality manual	Major nonconformance at surveillance audit, loss of ISO 9001 certification, customer complaints	Internal audits identify issues but response time to close findings exceeds target; quality manual revision cycle too slow	Partially effective	4	5	20	Very High	Intolerable, the risk cannot be justified	Implemented revised inspection criteria, retrained all QA staff, updated quality manual to V3.2	Reduce	Complete QA staff retraining by end Feb 2026; issue quality manual V3.2 by mid-Mar 2026; implement weekly inspection criteria review cycle	Achieve zero major NCs at next external audit	Benchmark QMS against industry best practice to exceed certification requirements	Quality Manager	1	2	2	Very Low	10-Feb-26	Closed following successful surveillance audit Mar 2026 — zero major NCs raised
RO2	3-Feb-26	Business Planning	External	Opportunity	Human Factors	Opportunity to enter new European export markets leveraging post-Brexit trade agreements, increasing revenue diversification and brand recognition internationally	Shareholders expect sustainable growth; employees seek job security	New market segments identified in post-Brexit trade agreements	Increased revenue from export markets, improved brand recognition internationally	Annual business plan review captures market intelligence; however, export-specific opportunities not systematically assessed	Effective	1	2	2	Very Low	No mitigation, no action is required	Completed market feasibility study for European distribution partners	Exploit	Complete EU feasibility study by Q2 2026; identify 3 distribution partners by Q3 2026; first export orders by Q4 2026	Enter two new export markets by Q4 2026	Leverage free trade agreements to establish competitive pricing in EU markets	Managing Director	1	1	1	Very Low	11-Feb-26	Feasibility study complete — 2 EU partners identified, negotiations ongoing
RO3	4-Feb-26	Sales & Marketing	External	Risk	Financial	Risk of declining order intake and market share erosion from competitor pricing pressure and inaccurate sales forecasting leading to missed revenue targets	Customers require competitive lead times; sales team needs accurate forecasting tools	Competitor pricing pressure, loss of key account, inaccurate sales forecasting	Reduced order intake, declining market share, revenue shortfall against budget	Monthly pipeline reviews held but forecasting accuracy below 80%; key account management plans not updated quarterly	Partially effective	1	3	3	Very Low	No mitigation, no action is required	Introduced CRM system with automated pipeline tracking and win/loss analysis	Reduce	CRM deployment by end Q1 2026; sales team training complete by Apr 2026; win/loss analysis process embedded by May 2026	Maintain customer retention rate above 90%	Develop digital marketing strategy to reach new customer segments	Sales Director	1	2	2	Very Low	12-Feb-26	CRM live since Feb 2026 — forecast accuracy improved to 87%
RO4	5-Feb-26	Operational Planning	Internal	Risk	Regulatory	Risk of late customer deliveries and excessive overtime costs from poor capacity planning, unplanned machine breakdowns, and material shortages	Production team needs clear schedules; customers expect on-time delivery	Poor capacity planning, machine breakdowns, material shortages	Late deliveries, increased overtime costs, customer dissatisfaction	Weekly planning meetings held but lack real-time visibility of shop floor status; maintenance schedule reactive rather than preventive	Partially effective	1	4	4	Very Low	No mitigation, no action is required	Implemented visual planning board and daily stand-up meetings on shop floor	Reduce	Visual planning board installed by Feb 2026; daily stand-ups embedded by Mar 2026; preventive maintenance schedule for all critical machines by Apr 2026	Achieve 95% on-time delivery performance	Introduce lean manufacturing principles to reduce lead times by 20%	Operations Manager	1	2	2	Very Low	13-Feb-26	On-time delivery improved from 88% to 94% since implementation
RO5	6-Feb-26	Business Review	Internal	Opportunity	Operational	Opportunity to improve strategic decision-making and resource allocation through structured KPI review process, increasing management visibility and staff engagement	Top management needs performance visibility; staff want recognition for achievements	Structured KPI review process revealing improvement potential	Better strategic decision-making, improved resource allocation, staff engagement	Quarterly management reviews held consistently; KPI dashboard established but limited to financial metrics only	Effective	1	5	5	Minor	Maintain assurance that the risk remains tolerable	Launched monthly performance dashboards accessible to all department heads	Exploit	Dashboard design complete by Jan 2026; pilot with 3 departments by Feb 2026; full rollout to all dept heads by Mar 2026	Reduce management review action close-out time to under 30 days	Use data analytics to identify trends and predict performance issues before they arise	Managing Director	1	2	2	Very Low	14-Feb-26	Dashboards live across all departments — management review action close-out time reduced by 40%
RO6	7-Feb-26	Business Review	Internal	Risk	Technical	Risk of uninformed strategic decisions from incomplete data collection, delayed departmental reporting, and inconsistent KPI definitions across business functions	Board requires accurate financial reporting; auditors need transparent records	Incomplete data collection, delayed departmental reporting, inconsistent KPI definitions	Uninformed strategic decisions, missed improvement opportunities	Standardised reporting templates templates exist but submission deadlines frequently missed; no consequence for late reporting; KPI definitions not standardised	Not Effective	2	1	2	Very Low	No mitigation, no action is required	Defined mandatory data submission deadlines 5 days before each review meeting	Reduce	Standardised KPI dictionary issued by Feb 2026; mandatory deadlines with auto-escalation by Mar 2026; first compliant review cycle by Apr 2026	Achieve 100% on-time submission of departmental reports	Automate data collection from ERP system to eliminate manual reporting errors	Finance Manager	1	1	1	Very Low	15-Feb-26	100% on-time submission achieved for last 3 consecutive review cycles
RO7	8-Feb-26	Business Planning	External	Risk	Market	Risk of budget shortfall and deferred capital investment from economic downturn, rising material costs, and changing customer demand patterns	Investors expect return on capital; employees need clarity on strategic direction	Economic downturn, rising material costs, changes in customer demand patterns	Budget shortfall, deferred investment, potential redundancies	Annual budget process robust but quarterly reviews lack scenario modelling; contingency reserves insufficient for prolonged downturn	Partially effective	2	2	4	Very Low	No mitigation, no action is required	Established rolling 3-month forecast with monthly variance analysis against budget	Reduce	Rolling forecast model live by Feb 2026; monthly variance reviews embedded by Mar 2026; supplier diversification for top 5 materials by Q3 2026	Maintain operating margin above 12% despite cost pressures	Diversify supplier base to negotiate better pricing on key raw materials	Finance Manager	1	2	2	Very Low	16-Feb-26	Rolling forecast operational — variance reduced to ±3% of budget
RO8	9-Feb-26	Design	External	Opportunity	Human Factors	Opportunity for product differentiation and premium pricing through adoption of sustainable composite materials and additive manufacturing technology for prototype development	Customers requesting lighter and more sustainable product designs	Availability of new composite materials and additive manufacturing technology	Product differentiation, premium pricing potential, reduced material waste	Design design review process captures technology trends; however, no formal technology scouting or university partnership programme	Effective	2	3	6	Minor	Maintain assurance that the risk remains tolerable	Completed feasibility trial of 3D-printed tooling for prototype development	Exploit	3D printing feasibility trial complete by Mar 2026; university partnership MOU signed by Apr 2026; first sustainable material product variant by Q4 2026	Launch two new product variants using sustainable materials by end of 2026	Partner with university research centre for advanced materials testing	Design Manager	1	2	2	Very Low	17-Feb-26	Feasibility trial successful — 3D-printed tooling reduced prototype cost by 35%
RO9	10-Feb-26	Inspection & Testing	Internal	Risk	Operational	Risk of nonconforming product reaching customers due to calibration drift on CMM, insufficient sampling frequency, and inspector fatigue on night shifts	Customers require certificates of conformance; regulators mandate traceability	Calibration drift on CMM, insufficient sampling frequency, inspector fatigue on night shifts	Nonconforming product shipped to customer, product recall, warranty claims	Calibration schedule maintained but no automated drift detection; sampling plans based on outdated AQL tables; shift rotation inadequate	Partially effective	2	4	8	Minor	Maintain assurance that the risk remains tolerable	Installed automated vision inspection on production line, reduced reliance on manual checks	Reduce	Vision system procurement by Feb 2026; installation and validation by Apr 2026; SPC charts live for 10 critical dimensions by May 2026	Reduce customer-reported defects to below 500 PPM	Implement statistical process control to move from detection to prevention	Quality Manager	1	2	2	Very Low	24-Feb-26	Vision system installed — customer-reported defects reduced from 820 PPM to 380 PPM
RO10	11-Feb-26	Manufacturing	Internal	Risk	Regulatory	Risk of unplanned production downtime, missed deliveries, and HSE incidents from ageing CNC machines with insufficient preventive maintenance and single-point-of-failure on key equipment	Customers expect consistent quality; HSE requires safe working environment	Ageing CNC machines, insufficient preventive maintenance, single-point-of-failure on key equipment	Unplanned downtime, missed delivery dates, health and safety incidents	Preventive maintenance programme exists but compliance below 60%; OEE tracking manual and unreliable; breakdown response reactive	Partially Effective	2	5	10	Medium	Tolerable if the cost of reduction would exceed the improvement	Approved capital expenditure for replacement of 2 critical CNC lathes in Q3 2026	Reduce	Capex approved Q1 2026; first CNC lathe delivered by Jun 2026; second by Sep 2026; condition monitoring sensors installed on 5 machines by Q4 2026	Achieve overall equipment effectiveness (OEE) of 85% or above	Evaluate condition-based monitoring sensors to predict failures before they occur	Production Manager	1	3	3	Very Low	3-Mar-26	First replacement CNC delivered — OEE on new machine at 91% vs 68% on old unit
RO11	12-Feb-26	HR & Training	Internal	Opportunity	Human Factors	Opportunity to build a more versatile and resilient workforce through structured cross-training programme, reducing single-person dependencies and improving employee retention	Employees want career development; management needs skilled workforce	Skills gap analysis revealing training needs aligned with business growth plans	More versatile workforce, improved employee retention, reduced recruitment costs	Annual training needs analysis comprehensive; competency matrix maintained; however, cross-functional training ad hoc rather than systematic	Effective	3	1	3	Very Low	No mitigation, no action is required	Launched cross-training programme — each operator trained on minimum 3 processes	Exploit	Cross-training programme design by Jan 2026; first cohort of 12 operators enrolled by Feb 2026; 4 apprentices recruited by Sep 2026	Achieve 100% completion of annual training plans	Develop apprenticeship programme to build talent pipeline for critical roles	HR Manager	2	1	2	Very Low	10-Mar-26	Cross-training programme 80% complete — 10 of 12 operators now qualified on 3+ processes
RO12	13-Feb-26	Sales & Marketing	External	Risk	Legal	Risk of significant revenue concentration with top 3 customers accounting for 65% of revenue, creating vulnerability to key account loss and cash flow disruption	Key accounts expect dedicated support; marketing team needs up-to-date collateral	Overdependence on top 3 customers accounting for 65% of revenue	Significant revenue loss if key account is lost, cash flow disruption	Key account reviews conducted but no formal diversification strategy; customer satisfaction surveys annual rather than continuous	Partially effective	3	2	6	Minor	Maintain assurance that the risk remains tolerable	Hired business development executive focused on new sectors, target: reduce top-3 dependency to 50%	Reduce	BD executive hired by Mar 2026; new sector pipeline of 20 prospects by Jun 2026; 5 new accounts won by Dec 2026	Win 5 new accounts contributing at least 15% of total revenue	Develop e-commerce channel for smaller orders to broaden customer base	Sales Director	2	2	4	Very Low	12-Mar-26	BD exec in post — 3 new accounts won to date, dependency reduced to 58%
RO13	14-Feb-26	Business Planning	External	Risk	Political	Risk of non-compliance penalties and loss of approved supplier status from upcoming ISO 9001:2026 revision, evolving regulatory requirements, and tightening customer specifications	Regulators require compliance; industry bodies setting new standards	Upcoming ISO 9001:2026 revision, new regulatory requirements, evolving customer specifications	Non-compliance penalties, loss of approved supplier status, increased audit burden	Regulatory tracking log maintained but not proactive; standards committee participation limited; gap analysis for ISO 9001:2026 not yet started	Partially effective	3	3	9	Medium	Tolerable if the cost of reduction would exceed the improvement	Assigned Quality Manager to ISO 9001:2026 transition planning committee with gap analysis due Q2	Reduce	QM assigned to transition committee by Jan 2026; gap analysis complete by Jun 2026; transition plan approved by Sep 2026; full compliance by Dec 2027	Complete transition gap analysis 12 months before ISO 9001:2026 deadline	Use the transition as a catalyst to simplify and digitalise the QMS	Quality Manager	2	2	4	Very Low	17-Mar-26	Gap analysis 60% complete — 8 of 15 clauses reviewed to date
RO14	15-Feb-26	Orders & Quotes	External	Opportunity	Strategic	Opportunity to significantly reduce quotation turnaround time and improve accuracy through deployment of ERP quoting module with automated material cost lookup and customer self-service portal	Customers want faster quotation turnaround; sales team needs accurate costing	New ERP quoting module available, customer requests for online order tracking	Faster quote-to-order conversion, improved accuracy, reduced admin overhead	Costing spreadsheets manual and error-prone; management approval workflow paper-based; no automated material price updates	Not Effective	3	4	12	Medium	Tolerable if the cost of reduction would exceed the improvement	Deployed ERP quoting module with automated material cost lookup and margin calculator	Exploit	ERP quoting module live by Feb 2026; customer portal scoped by Q2 2026; pilot with 5 accounts by Q3 2026; full rollout by Q4 2026	Reduce average quotation turnaround from 5 days to 2 days	Add customer self-service portal for order tracking and repeat order placement	Sales Director	2	2	4	Very Low	20-Mar-26	Quoting module live — turnaround reduced from 5 days to 1.8 days average
RO15	16-Feb-26	Customer Service	External	Risk	Technical	Risk of customer attrition, negative online reviews, and regulatory action from increasing complaint volumes, slow root cause analysis, and inadequate feedback loop to production	Customers expect rapid complaint resolution; regulatory bodies monitor recall rates	Increasing complaint volumes, slow root cause analysis, inadequate feedback loop to production	Customer attrition, negative online reviews, potential regulatory action	Complaint procedure exists but initial response time averaging 5 days; 8D reports lack depth; production feedback informal and unreliable	Not Effective	3	5	15	High	Tolerable only if risk reduction is impractical	Implemented 48-hour initial response target with automated escalation alerts to management	Reduce	48-hour response SLA live by Feb 2026; automated escalation system by Mar 2026; weekly complaint-to-production feedback meetings from Apr 2026	Resolve 95% of complaints within 10 working days	Analyse complaint data to create proactive quality alerts preventing recurrence	Customer Service Manager	2	3	6	Minor	24-Mar-26	Response time reduced to 36 hours average — complaint volumes down 22% since implementation
RO16	17-Feb-26	Operational Planning	External	Risk	Operational	Risk of production line stoppages and expedited freight costs from global supply chain disruption, single-source components, and extended lead times from Asian suppliers	Supply chain partners expect forecasts; production team needs materials on time	Global supply chain disruption, single-source components, extended lead times from Asia	Production line stoppages, expedited freight costs, partial shipments to customers	Approved supplier list maintained but single-source items not flagged; safety stock levels not reviewed in 12 months	Mostly Effective	4	1	4	Very Low	No mitigation, no action is required	Critical component audit by Feb 2026; dual-source agreements for top 10 items by Jun 2026; safety stock review complete by Apr 2026	Reduce	Dual-sourced all critical components and increased safety stock from 2 weeks to 4 weeks	Eliminate production stoppages caused by material shortages	Develop local supplier partnerships to reduce dependency on overseas supply chains	Purchasing Manager	2	1	2	Very Low	15-Apr-26	Dual-sourcing complete for 7 of 10 critical items — remaining 3 in negotiation
RO17	18-Feb-26	Packing & Shipping	Internal	Opportunity	Commercial	Opportunity to reduce packaging costs by 18% and improve sustainability credentials through adoption of biodegradable void-fill and optimised box sizing	Customers want sustainable packaging; logistics partners need standardised pallet sizes	New recyclable packaging materials available, customer feedback requesting reduced waste	Reduced packaging costs, improved sustainability credentials, competitive advantage	Packaging specifications exist but not reviewed against sustainability criteria; customer feedback on packaging not systematically collected	Effective	4	2	8	Minor	Maintain assurance that the risk remains tolerable	Trialled biodegradable void-fill and reduced box sizes, cutting packaging cost by 18%	Exploit	Packaging audit complete by Feb 2026; biodegradable trial on top 20 products by Apr 2026; full conversion of 80% packaging by Q4 2026	Convert 80% of packaging to recyclable or biodegradable materials by Q4 2026	Market sustainability improvements to win contracts with environmentally conscious customers	Warehouse Manager	2	1	2	Very Low	20-Apr-26	Trial successful — 18% cost reduction confirmed; customer feedback positive on sustainability messaging
RO18	19-Feb-26	Orders & Quotes	Internal	Risk	Environmental	Risk of incorrect orders shipped and margin erosion from manual order entry errors, outdated price lists, and miscommunication between sales and production teams	Customers need accurate delivery promises; finance requires correct pricing	Manual order entry errors, outdated price lists, miscommunication between sales and production	Incorrect orders shipped, margin erosion from underpricing, customer disputes	Order review checklist exists but not consistently followed; ERP price master updated quarterly rather than monthly; dual sign-off only for orders >£10K	Partially effective	4	3	12	Medium	Tolerable if the cost of reduction would exceed the improvement	Implemented automated order validation rules in ERP preventing submission without mandatory fields	Reduce	ERP validation rules live by Mar 2026; EDI integration scoped by Q2 2026; pilot with top 3 customers by Q3 2026	Reduce order entry error rate to below 1%	Integrate customer purchase orders directly into ERP via EDI to eliminate manual entry	Sales Administrator	2	2	4	Very Low	1-May-26	Validation rules live — order error rate reduced from 4.2% to 0.8%
RO19	20-Feb-26	Customer Service	External	Risk	Financial	Risk of losing largest customer account (£1.2M revenue) and being placed on supplier probation due to recurring quality issue on Product Line A and delayed corrective actions	Key customers threatening to dual-source; industry reputation at stake	Recurring quality issue on Product Line A, delayed corrective actions, insufficient root cause depth	Loss of largest customer account (£1.2M revenue), supplier audit failure, probationary status	8D methodology applied inconsistently; root cause analysis lacks depth; poka-yoke opportunities on assembly not explored	Not Effective	4	4	16	High	Tolerable only if risk reduction is impractical	Formed dedicated task force, completed full 8D with customer sign-off, implemented poka-yoke on assembly	Reduce	Task force formed immediately; 8D completed with customer approval by Mar 2026; poka-yoke devices designed by Apr 2026; installed and validated by May 2026	Zero repeat nonconformances on Product Line A within 12 months	Use the improvement as a case study to strengthen relationships with other key accounts	Quality Manager	2	3	6	Minor	15-May-26	Task force active — 8D signed off by customer; poka-yoke installed; zero repeat NCs in 90 days
RO20	21-Feb-26	Design	External	Opportunity	Technical	Opportunity for first-mover advantage in connected products through IoT sensor integration, enabling premium pricing and recurring service revenue from product-as-a-service model	Customers requesting next-generation product with smart monitoring capabilities	IoT sensor technology now cost-effective, competitor launching connected product range	First-mover advantage in connected products, premium pricing, recurring service revenue	Design and development procedure, stage-gate design process robust; IP protection in place; however, no IoT expertise in-house and no connected product strategy	Effective	4	5	20	Very High	Intolerable, the risk cannot be justified	Secured Innovate UK grant for smart product R&D, prototype due Q3 2026	Reduce	Grant application submitted by Jan 2026; funding confirmed by Mar 2026; prototype specification by May 2026; functional prototype by Sep 2026	Complete functional prototype with IoT connectivity by September 2026	Establish product-as-a-service revenue model alongside traditional sales	Design Manager	2	3	6	Minor	10-Mar-26	Innovate UK grant secured (£180K) — prototype build underway, first sensor integration test successful
RO21	22-Feb-26	Inspection & Testing	Internal	Risk	Reputational	Risk of invalid measurement results and undetected product nonconformity from calibration backlog, overdue gauge R&R studies, and no backup for specialist CMM operator	Regulators require traceable calibration; customers audit our measurement capability	Calibration backlog, gauge R&R studies overdue, no backup for specialist CMM operator	Invalid measurement results, potential product nonconformity undetected, customer audit finding	Calibration management system exists but backlog of 15 instruments overdue; gauge R&R studies not completed for 2 years; single CMM operator creates key person dependency	Not Effective	5	1	5	Minor	Maintain assurance that the risk remains tolerable	Cleared calibration backlog, trained second CMM operator, completed all overdue gauge R&R studies	Reduce	Cleared calibration backlog cleared by Mar 2026; second CMM operator trained by May 2026; all gauge R&R studies current by Jun 2026	Maintain 100% calibration compliance with zero overdue instruments	Invest in portable CMM arm to enable in-process measurement on shop floor	Quality Manager	3	1	3	Very Low	1-Jun-26	Backlog cleared — second operator training 75% complete; 8 of 12 gauge R&R studies done
RO22	23-Feb-26	Sales & Marketing	External	Risk	Financial	Risk of damaged brand reputation, lost tender opportunities, and reduced enquiry volumes from negative social media exposure following a high-profile delivery failure and competitor marketing campaign	Customers evaluating alternative suppliers; brand reputation needs protecting	Negative social media exposure following delivery failure, competitor marketing campaign	Damaged brand reputation, lost tender opportunities, reduced enquiry volumes	Brand guidelines exist but no social media monitoring tool; PR response protocol untested; no proactive customer testimonial programme	Partially effective	5	2	10	Medium	Tolerable if the cost of reduction would exceed the improvement	Engaged PR agency for crisis response plan, implemented proactive customer testimonial programme	Reduce	PR agency retained by Feb 2026; social media monitoring tool deployed by Mar 2026; first 5 customer testimonials published by Apr 2026	Achieve Net Promoter Score of 50+ across all customer segments	Launch content marketing programme showcasing engineering expertise and case studies	Marketing Manager	3	2	6	Minor	1-Apr-26	PR agency active — social media monitoring live; 8 testimonials published; NPS improved to 52
RO23	24-Feb-26	Operational Planning	Internal	Opportunity	Operational	Opportunity for step change in productivity and reduced labour dependency through investment in robotic welding cell for high-volume product line, with ROI within 18 months	Board targeting margin improvement; operations team keen to adopt new technology	Industry 4.0 technology maturity, availability of automation grants, competitor investment in robotics	Step change in productivity, reduced labour dependency, improved consistency	Capex approval process robust; technology roadmap reviewed annually; however, automation business cases historically slow to progress	Effective	5	3	15	High	Tolerable only if risk reduction is impractical	Approved investment in robotic welding cell for high-volume product line, ROI within 18 months	Exploit	Business case approved by Feb 2026; robot cell ordered by Mar 2026; installation and commissioning by Jul 2026; production use by Aug 2026	Increase labour productivity by 25% on automated production lines	Position as technology-led manufacturer to attract higher-value contracts	Operations Manager	3	2	6	Minor	20-Mar-26	Robot cell ordered — delivery confirmed for Jun 2026; operator training programme designed
RO24	25-Feb-26	Improvement	Internal	Risk	Market	Risk of external audit observation on lack of continual improvement evidence and competitive disadvantage from stagnating improvement culture, action overload, and absence of prioritisation framework	Certification body expects evidence of continual improvement; customers benchmark our performance	Stagnating improvement culture, action overload from multiple initiatives, no prioritisation framework	Audit observation on lack of continual improvement evidence, competitive disadvantage	Improvement suggestion scheme generates volume but lacks screening; improvement register not prioritised; management review actions frequently overdue	Not Effective	5	4	20	Very High	Intolerable, the risk cannot be justified	Introduced structured improvement prioritisation matrix using impact vs effort scoring	Reduce	Prioritisation matrix designed by Feb 2026; first cross-functional team launched by Mar 2026; quarterly Pareto reviews embedded from Q2 2026	Complete 90% of improvement actions within agreed timescales	Establish cross-functional improvement teams to tackle top-3 Pareto issues each quarter	Quality Manager	3	3	9	Medium	15-Mar-26	Prioritisation matrix in use — 3 improvement teams active; 15 actions closed in first quarter
RO25	26-Feb-26	I.T. & Doc Control	Internal	Risk	Operational	Risk of complete QMS documentation loss, data breach, and extended business interruption from cyber attack, ransomware, server failure, and untested disaster recovery plan with obsolete documents in circulation	Certification body requires controlled documents; employees need access to current revisions	Cyber attack, ransomware, server failure, no tested disaster recovery plan, obsolete documents in circulation	Complete loss of QMS documentation, data breach, business interruption, regulatory non-compliance	Firewall and antivirus in place but no penetration testing; daily backups untested; DR plan written but never rehearsed; obsolete hard copies found in 3 workshop areas	Not Effective	5	5	25	Very High	Intolerable, the risk cannot be justified	Deployed offsite cloud backup with 4-hour RPO, completed penetration test, removed all obsolete hard copies	Reduce	Penetration test by Feb 2026; cloud backup migration by Mar 2026; obsolete document sweep by Apr 2026; first DR test by May 2026	Achieve zero unplanned system downtime and pass annual IT security audit	Migrate document control to cloud-based DMS for real-time access and version control	IT Manager	3	4	12	Medium	20-May-26	Pen test complete (3 critical findings remediated); cloud backup live; DR test achieved 3.5hr RPO

SAMPLE

Risk Assessment Scoring

The risk rating is based on a 5 x 5 matrix with five levels of risk (i.e. very low, low, medium, high, and very high). The matrix presents examples of risk likelihood rankings, and risk consequence rankings for issues relating to health and safety, environment, quality, delivery, cost, programme. They should all be customized to match your organization's individual risk thresholds. Each risk should be evaluated and scored, using the risk register, in accordance with the defined risk parameters identified below. The goal is to identify the 'high' and 'very high' priority risks and focus risk mitigation resources on them as the risk management programme evolves over time.

Likelihood Criteria

Score	Likelihood	Percentage	Probability
1	Very Low	<0.1%	1 in 1,000
2	Minor	1%	1 in 100
3	Medium	1-49%	Less likely than 50/50
4	High	50-94%	More likely than not
5	Very High	>95%	Almost certain

Impact Criteria

Score	Impact	Health & Safety	Environment	Quality	Delivery Schedule	Capital Cost	Programme
1	Very Low	Non-reportable accident or injury.	No measurable environmental impact or harm. No corrective action required.	Non-compliance with standard or procedure that can be managed. Requires minor rework to bring into full conformity	Minimal, or no impact	Minimal, or no cost	Minimal, or no impact
2	Minor	Reportable minor injury. Multiple non reportable minor injuries.	Environmental impact confined to site. No significant harm but corrective action required.	Developed component or system may not receive approval through assurance process. Requires significant rework to bring into full conformity.	Minor impact. Internal schedule slip. Still able to meet original schedule and quantity.	Cost increase of < 5%	1-4 weeks
3	Medium	Major injury/illness. Multiple reportable minor injuries.	3rd Party impact. Short term environmental impact but no significant harm.	Failure of manufacture or construction of approved component or system to meet design or specification. Extensive rework or remake. Cannot be reworked to meet conformity requirements. Requires customer concession.	Requires minor schedule (< 30 days) or quantity concession from customer.	Cost increase of > 5%	2 months
4	High	Single Fatalities. Multiple major injuries.	Significant harm to environment that is repairable. Breach of legislation.	Failure of a major component or system leading to rejection. Multiple scrapped parts. Multiple parts require repair to restore to acceptable condition. Requires customer approval.	Requires major schedule (> 30 days) or quantity concession from customer. Minor impact to Customer production schedule, customer required milestones.	Cost increase of > 10%	3 months
5	Very High	Single or multiple fatalities	Significant harm to environment that is permanent or has long term effects.	Catastrophic failure of a major component or system to function in either temporary or permanent condition. All parts scrapped. Unable to produce conforming parts. Unable to obtain required materials or services.	Unable to deliver parts. Major impact to customer production or program schedule.	Cost increase of > 20%	More than 3 months

Risk Assessment Scoring

Score	Exposure	Management Control Action (MCA)
1 to 4	Very Low	No mitigation, no action is required, the risk is ALARP. Monitor to ensure that the risk remains tolerable at this level.
5 to 8	Minor	Maintain assurance that the risk remains tolerable at this level. Monitor and manage using routine procedures, unlikely to need specific application of resources (managers and key staff).
9 to 12	Medium	Tolerable if the cost of reduction would exceed the improvement gained. Mitigate through management by specific reviews and monitoring of procedures (Managers) but regular monitoring should occur.
13 to 16	High	Tolerable only if risk reduction is impractical or if cost is disproportionate to the improvement gained. Mitigate by implementing controls to reduce the risk to ALARP. Where this cannot happen, continual monitoring should occur.
17 to 25	Very High	Intolerable, the risk cannot be justified, except in extraordinary circumstances. Mitigate by ceasing all related activities.

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