3. Risk prioritizing criteria

Following risk prioritizing rules have been chosen:

* Prioritizing by probability of occurrence
* Prioritizing by criteria of impact, as percentage of annual income

Which has been gathered in following tables:

|  |  |  |
| --- | --- | --- |
| Probability of occurence criteria | Point value | Case |
| Rare | 1 | An event can occur only in exceptional circumstances (event that occurs once in 5 years), it concerns individual cases. |
| Unlikely | 2 | It is unlikely that this event will occur (event that occurs once per 2 years), it applies to a few cases. |
| Moderate | 3 | The event is likely to occur in the near future (event that occurs once per year), it applies to some matters |
| High | 4 | The occurrence of the event is very likely (event that occurs at least once per year). It is expected that such an event may occur several times a year. |

Table 1. Probability of occurrence criteria.

|  |  |  |
| --- | --- | --- |
| Level of impact | Point value | Case |
| Trivial | 1 | Negligible effect on the objectives and tasks of the organization, no legal effect; slight financial effect, no impact on employee safety, no impact on the image of the organization.  Less than 0,1% of annual income |
| Minor | 2 | Little impact on the achievement of goals and tasks, without legal effects, little financial effect; no impact on employee safety, little impact on the image of the organization.  0,1 – 1% of annual income |
| Moderate | 3 | The average impact on the implementation of objectives and tasks, potential threats may lead to the failure to perform basic tasks within a specified scope, moderate legal consequences, average financial effect, no impact on employee safety, medium risk of losing good image.  1 – 5% of annual income |
| Major | 4 | Serious impact on the implementation of the task, including a serious threat to the date of its implementation and achievement of the goal; extensive legal consequences; threat to employee safety; high financial losses; loss of a good image of the organization in the environment and in public opinion.  More than 5% of annual income |

Table 2. Level of impact criteria.

Risk values have been calculated as multiplication of impact and probability.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Risk | | Impact | | | |
| 1 | 2 | 3 | 4 |
| Probability | 1 | 1 | 2 | 3 | 4 |
| 2 | 2 | 4 | 6 | 8 |
| 3 | 3 | 6 | 9 | 12 |
| 4 | 4 | 8 | 12 | 16 |

Table 3. Risk values

We consider risk as: Low – [1 to 2], Medium [3 to 7], High [8 to 16]

**4. Risk identification and prioritizing**

|  |  |  |  |
| --- | --- | --- | --- |
| Issue | Probability | Impact | Risk |
| Technological Issue | | | |
| Infrastructure failure | 2 | 2 | 4 |
| Software virus | 1 | 2 | 2 |
| Interface problems | 2 | 1 | 2 |
| Data corruption | 2 | 2 | 4 |
| Hacking attempts | 3 | 4 | 12 |
| Users data leakage | 3 | 3 | 9 |
| Fraud (e.g. access without authorization) | 3 | 3 | 9 |
| Unavailability of product suppliers | 2 | 2 | 4 |
| Gap in the software used | 2 | 2 | 4 |
| Internal software errors | 3 | 2 | 6 |
| Political Issue | | | |
| Changes of law | 1 | 4 | 4 |
| Competitive Issue | | | |
| Unfair competition | 2 | 2 | 4 |
| Piracy sites | 4 | 3 | 12 |
| Significant decrease in the number of customers | 1 | 3 | 3 |
| Lack of goods providers | 1 | 3 | 3 |
| Resources Issue | | | |
| Physical theft of computer equipment | 1 | 4 | 4 |
| Hardware failure | 2 | 3 | 6 |
| Service delays | 3 | 3 | 9 |
| Loss of power supply | 2 | 3 | 6 |
| Physical damage | | | |
| Flood | 1 | 3 | 3 |
| Fire | 2 | 3 | 6 |
| Cost issue | | | |
| Budget exceeded | 1 | 3 | 3 |