Free essay on the five designations for risk probability

John Q. Student

Augusta State University

Risk probability is defined as a likelihood in which a certain disastrous event may occur. This is measured through a scale of probability ranging from 1 to 99. Note that the value must not be either 0 or 100 because when the value is set to zero it suggests no risk and when it is 100, it suggests that it not a risk but a certainty. The probability value need not be exact provided that the method of obtaining the measure is consistent. For the purpose of organization, there are five designations in which risk probabilities are divided into; namely, Frequent, Likely, Occasional, Seldom, and Unlikely.

The Frequent designation describes a situation where everyone is exposed to the event as well as having it continuously experienced. When the risk event occurs several times with all members exposed it is designated as Likely. The probability in which the event occurs sporadically is the Occasional designation. When there is a remote chance of the event occurring however not often, it is called the Seldom risk probability. And, finally, when it can be assumed that the situation will not occur or is improbable, it is designated as Unlikely.

Figure 1. Risk Assessment Matrix .

Risk probability is usually paired up with Risk severity to form an organized matrix which classifies the risk event in an orderly and comprehensible fashion (as seen in the figure above). Severity is divided into four designations which are: Catastrophic, Critical, Marginal, and Negligible.

References

Risk Assessment Matrix. (2008, June 02). Retrieved February 18, 2013, from

ArmyStudyGuide. com: http://www. wpi.

edu/Images/CMS/GPP/Risk_Assessment_Matrix. pdf

Acquisition Risk Management Probability Definitions. (2013). Retrieved

February 18, 2013, from Risk Management Toolkit: http://www. mitre.

org/work/sepo/toolkits/risk/StandardProcess/definitions/occurence. html