

Ratings Methodology

Evidence, Judgment & Release Controls

From a defined institutional mandate to an explained, reviewable executive execution-risk opinion.

01

Define the mandate

02

Trace the evidence

03

Control the conclusion

DISCUSSION EDITION | 28 SEPTEMBER 2026

A public companion to the Faxoc reference pages. This edition does not establish an approved methodology version or operational validation.

01 / PURPOSE & STATUS

What this paper establishes

A public explanation of how an executive execution-risk opinion should be reasoned, challenged and controlled.

The founding white paper explains the institutional need. This companion develops the analytical path: define a mandate, examine evidence, explain material exposure, distinguish evidence confidence and preserve the basis of a controlled conclusion. It is written for boards, authorised investors and institutional decision-makers.

Status	How to read it
Existing reference vocabulary	The three pillars, four risk bands and three evidence-confidence designations follow the current Faxoc reference pages listed at the end.
Proposed analytical specification	The working records, review questions and sequence below explain how those principles could be applied. They are not proof that procedures or systems are operating.
Fictional worked example	All names, sources, dates, findings and analytical positions in the example are invented. No client, issued opinion or verified result is represented.
Not established here	Approved operating criteria, adoption of a method version, release appointments, measured reliability and predictive performance remain outside this paper.

Discussion edition | 28 September 2026

This document date is not a methodology effective date. For an actual opinion, the applicable approved method, version, definitions and report-specific conditions govern. Approval cannot supply missing evidence or reasoning.

PDF reading route: scope and evidence, pages 3-6; rating, confidence and controls, pages 7-12; fictional case, pages 13-15; report record and reference basis, pages 16-17.

02 / MANDATE BOUNDARY

Define the decision before the exposure

The unit of analysis is a defined executive mandate in its institutional setting, not a universal judgment about a person or organisation.

Begin with the commitment under consideration: appointment, delegation, capital release, expansion, recovery or another specified decision. Establish what would need to be true for the proposed arrangement to execute that mandate.

Record	Required boundary
Decision and unit	Identify the decision-maker, executive mandate or structure, organisational perimeter and intended use. Separate the purchaser from the authority entitled to decide.
Outcomes and consequence	Specify required delivery, acceptance conditions and the material consequence of delay, interruption or non-delivery.
Authority and resources	Record decision rights, committed capacity, funding, material dependencies and the authority able to resolve cross-boundary constraints.
Time and coverage	Distinguish delivery horizon, decision gates, evidence period and evidence cut-off. Record exclusions and access limits.

Confirm the requirement against authorised mandate records. An executive title, client preference or previous organisational model cannot substitute for that basis. If different parties describe different mandates, resolve the conflict or state the affected analytical limit before forming an overall opinion.

Scope must remain explicit

A narrower review can support a bounded finding. It cannot retain an enterprise-wide conclusion after the material dependencies have been excluded. Record who authorised any scope change, why it occurred and which conclusions remain possible.

Three connected analytical pillars

Requirement, evidence and control must connect. None can be interpreted in isolation.

Pillar	Analytical question and record
Mandate Alignment	What must the arrangement support? Record required outcomes, remit, decision powers, resources, timing and institutional consequences. Identify mismatches between responsibility and usable authority.
Execution Evidence	What do relevant records establish? Trace delivery and operating claims to attributable sources. Preserve contrary evidence, contextual differences and unexamined periods.
Governance Controls	Who can decide and intervene? Examine ownership, oversight, escalation, continuity and evidence of operation. Distinguish an available escalation route from its demonstrated use.

A prior delivery record may support experience under one scope while leaving authority under a new mandate unresolved. A signed delegation may establish formal power while leaving practical access to resources unproven. These are connected findings, not interchangeable strengths.

Research may return to scope when evidence reveals an overlooked dependency. Record that revision instead of forcing the evidence into the original perimeter. Review and release govern all three pillars; they are not a fourth analytical pillar.

No compensating average

This paper introduces no pillar weights, points or mathematical conversion to a rating. A strong finding in one area does not cancel an unrelated material weakness in another.

Build a source-to-claim record

A document is useful for the claim it can support, within its authority, period and coverage.

Check	What the analyst should preserve
Identity and permitted use	Source owner, origin, version, date, locator and the basis for access and use. Sensitive evidence requires an authorised handling route.
Relevance and authority	The precise mandate requirement addressed; whether the source establishes approval, intention, operation or an account of events.
Time and coverage	Applicable period, sampling or access limits and whether the source remains relevant to the decision horizon.
Corroboration and contradiction	Independent support where available, conflicting accounts and whether apparently separate sources share the same underlying origin.

There is no universal document hierarchy in this paper. A signed instrument may establish formal authority; operating records may establish its use. Neither necessarily proves the other. Interviews and management statements can explain context but should retain their attribution and corroboration limits.

Keep the original evidence reference distinct from the analyst's interpretation. Where an AI or research tool assists, verify each material claim against its source. Multiple summaries of one record do not create independent corroboration.

A proposed evidence register

For each source, record an identifier, exact locator, claim addressed, relevant period, use restrictions, limitations and linked findings. Its form is proposed here; no deployed register or security certification is claimed.

05 / FINDING FORMATION

Explain the difference that matters

A finding connects a requirement, an evidenced position and a decision consequence.

Position	Analytical treatment
Established exposure	Evidence supports a relevant weakness or dependency. Explain its mechanism, affected commitment, consequence and any verified protection.
Unresolved evidence	A material question lacks adequate support or remains contradictory. Identify what is unknown and which conclusion must be restricted or held.
Prospective protection	A safeguard is proposed or promised. Record its owner, prerequisites and verification needs; do not treat it as operating protection.

For every material finding, preserve the requirement, source references, supported facts, contrary evidence, interpretation, consequence and unresolved questions. Test credible alternative explanations. Good results may reflect an external tailwind, a predecessor's work or temporary support rather than the mechanism being examined.

Materiality follows the defined decision. Explain whether the issue could alter the mandate's supportability, a critical delivery gate, capital exposure or continuity. Record why an issue is material; this paper supplies no universal numeric threshold.

Resolve the claim, not the disagreement

Invite correction of relevant facts through an appropriate authorised process. Log the response and the evidential reason for accepting or rejecting it. A client's preferred outcome does not determine the finding; unresolved differences must remain visible.

06 / RATING SYNTHESIS

Form an explained risk position

Risk bands are ordered qualitative positions. They are not success probabilities, numerical intervals or an average of pillar scores.

Band	Current reference definition
AA / Low Risk	Execution risk is low against the defined mandate. Material controls are broadly sufficient within the evidence boundary.
A / Moderate Risk	Execution is supportable, but specific controls, oversight, staging or conditions are required.
BB / High Risk	Material mandate, authority, evidence or governance weaknesses constrain supportability and require correction or redesign.
B / Critical Risk	Critical exposure prevents the decision from being supportable as proposed without fundamental intervention.

Synthesis should identify the dominant execution mechanisms, material dependencies, verified protections and unresolved issues. Explain why the proposed band fits the applicable criteria, why neighbouring bands are less appropriate and which factual change could alter the conclusion. This is a proposed reasoning record, not a new band threshold.

The band definition's reference to evidence weaknesses does not make missing records an automatic adverse rating. Distinguish demonstrated exposure from uncertainty. If uncertainty prevents a supported overall classification, obtain evidence, agree an appropriate scope revision or hold the conclusion.

Authority remains separate

A released Bureau opinion informs the institutional decision. It does not grant appointment powers, approve expenditure, determine an investment's merits or guarantee execution. Use the full rationale, scope and conditions.

07 / EVIDENCE CONFIDENCE

State how firmly the opinion is supported

Confidence describes the evidential basis of the conclusion. It does not describe how favourable the risk position is.

Designation	Current reference definition
Strong	Relevant, attributable evidence provides a well-supported conclusion within the reviewed scope. Remaining limitations still matter.
Moderate	The conclusion has support, with qualifications, uneven coverage or uncertainty affecting its interpretation.
Limited	Evidence supports only a restricted finding or leaves substantial uncertainty. Limited confidence cannot justify an unsupported conclusion.

Explain the designation through relevance, attribution, coverage, consistency and unresolved contradictions. A large volume of records does not establish confidence if the critical requirement remains unexamined. Precise locators and clear reasoning improve traceability but do not by themselves establish completeness.

Strong confidence can accompany High Risk where the exposure is well established. A reassuring management account with limited support cannot establish Low Risk. The risk position and confidence designation should remain separately stated in both review and release.

Insufficient evidence is not a fourth designation

If a material conclusion has no sufficient basis, a Limited label cannot make it issuable. Seek further evidence, revise the agreed scope where appropriate or withhold that conclusion. State which supported findings can still be communicated and within what limits.

08 / CONDITIONS & RESPONSE

Keep present exposure and future protection separate

A correction promise is not a corrected position. A condition must identify what changes, who owns it and when proof is needed.

State	What can be credited
Proposed	A plan, draft or intention. Its anticipated benefit is prospective; retain the current exposure.
Adopted	An authorised commitment or instrument exists. Check its scope, effective period and prerequisites.
Implemented	The arrangement has been put in place. Examine whether access, capacity and dependencies exist in practice.
Verified for the purpose	Relevant evidence demonstrates the required operation within the reviewed scope and period. Do not generalise beyond that basis.

A condition record should identify the finding addressed, accountable institutional owner, required action, proof, decision gate and consequence of non-completion. Distinguish prerequisites to activation from actions that can properly occur later under an agreed sequence.

The institution owns implementation and acceptance of its commitments. Faxoc's analytical verification and release authority are separate. Acceptance of exposure does not remove it. Where a prerequisite is unmet, retain its consequence for the decision rather than describing it as completed mitigation.

Evidence can change the position; a promise cannot

New evidence may justify review. No condition, management response or action-plan submission automatically changes a band, extends validity or authorises release. Revisit connected findings before issuing a revised opinion.

09 / INDEPENDENT REVIEW & RELEASE

Challenge the conclusion before release

Review must be capable of changing or stopping a conclusion. Human approval is necessary within the framework, but cannot cure an unsupported basis.

Responsibility	Proposed control requirement
Analytical author	Preserve sources, reasoning, uncertainty, the proposed position and the evidence supporting each material conclusion.
Independent reviewer	Challenge scope, evidence treatment, alternative explanations, band rationale, confidence and conditions. The author cannot be the sole final reviewer.
Methodology authority	Resolve interpretation, applicability and methodological exceptions through an identified, recorded decision.
Release authority	Confirm resolved release blockers, approved content/version, intended recipients, confidentiality, limitations and permitted use before issue.

Disclose relevant interests and prior involvement; require appropriate recusal, alternative review or an engagement restriction where independence cannot be protected. Commercial fees, account importance and desired outcomes must not determine findings. A correction to factual input is distinct from negotiation of the opinion.

Record review challenges and their disposition. Before release, verify that the reviewed evidence supports the final wording, all material changes have received the required review, report identifiers are correct and later factual information has been considered within an explicit cut-off.

A gate can remain closed

Unresolved material support, independence, authority or handling issues prevent release of the affected conclusion. These are proposed requirements, not a claim that particular reviewers or operational gates have been appointed or tested.

Govern consistency without manufacturing certainty

Comparable reasoning requires controlled definitions and documented judgment. Agreement alone does not establish validity.

Discipline	What should be documented
Version and applicability	Method owner, approval authority, applicable decision types, effective date, changes and treatment of earlier reports.
Calibration	Use matched cases and explicit criteria to examine whether reviewers interpret evidence and bands consistently. Preserve disagreement and reasons for resolution.
Validation	Test claims against appropriate evidence: scope fit, repeatability, source limitations and, where supported by data, later outcomes. Record design limits and uncertainty.
Exceptions and revision	Record rationale, authority, affected conclusions and review. An exception cannot supply missing evidence or silently change the scale.

Any numerical reliability or predictive claim would require a defined dataset, selection rules, outcome definitions, time horizon, independence checks and disclosed limitations. Theoretical plausibility, a worked example and reviewer agreement are not substitutes for those results.

This edition supplies no weights, score cut-offs, predictive accuracy, pass rates or validation findings. Operational criteria and review arrangements must be approved and tested before being represented as established practice.

Version the method and the report separately

A revised methodology does not silently replace the basis of an earlier report. Preserve the original record and state whether a fresh review is required under the applicable change policy; do not retrospectively imply approval.

11 / MONITORING & REVALIDATION

Revisit the basis when material facts change

Monitoring is an agreed scope of work. It is not a promise of continuous surveillance or an automatic extension of a report's validity.

Trigger	Question for review
Mandate or authority changes	Does a new remit, delegation, ownership boundary or decision gate change the requirement or the ability to intervene?
Delivery or dependency changes	Do delays, revised capacity, funding constraints or critical external dependencies alter a material finding?
Evidence or condition changes	Does new or corrected information affect confidence, the rating rationale or a condition previously relied upon?
Time or status changes	Has a delegation, validity period or prerequisite expired? Are a correction, restriction, updated issue or other formal status action needed?

The proposed sequence is to record the signal, verify its source and materiality, revisit affected findings and dependencies, obtain appropriate review, and communicate the authorised outcome through the agreed report channel. A signal is not yet a revised opinion.

Record the earlier and revised bases, evidence cut-offs, changes to conditions, issue status and recipients. Preserve superseded versions without allowing them to appear current. Handle factual corrections and challenges under the applicable Appeals & Corrections process.

Check reliance before a revision exists

Expiry, an unmet prerequisite or material change can affect reliance while review is pending. A pending review neither confirms the old position nor renews validity. Where status is unclear, seek clarification through the agreed contact route.

WORKED EXAMPLE · 01 / SCOPE AND SOURCES

A mandate with an unresolved dependency

All institutions, records, dates and conclusions in this example are fictional. They demonstrate reasoning; they are not a client case, validation result or released rating.

Example Institution A plans three service-unit openings on 1 March 2027. Its mandate requires committed capacity before the non-cancellable mobilisation decision on 15 October 2026. The board is asked to waive that prerequisite and proceed on management expectations. This review examines that proposal, using evidence at 30 September 2026 and a horizon through 31 March 2027. Demand forecasting and legal or technical assurance are excluded.

Fictional source	Relevant evidence and locator
S1 · Board minute 15 Sep 2026	Section 4: three concurrent openings; confirmed capacity required before the non-cancellable 15 October mobilisation commitment. Board approval is required to change that basis.
S2 · Capacity agreement 12 Sep 2026	Schedule A, items 1-2: supplier capacity is committed for two units, with no third-unit reservation.
S3 · Readiness register 17 Sep 2026	Entry D-03: third-unit capacity is unsigned; no alternative is authorised.
S4 · Pilot record 12 Aug 2026	Gate 2 and acceptance log: the operating process met the stated pilot requirements for two units.
S5 · Sponsor memorandum 28 Sep 2026	Paragraph 6: proposes waiving the capacity prerequisite and proceeding on the two-unit agreement. Expects third-unit capacity later, without binding confirmation.
S6 · Programme committee minute 29 Sep 2026	Section 3: the committee cannot approve a two-unit launch or change the board's mandate.

What the records establish

Two-unit capacity and pilot performance are supported; full launch readiness is unverified. The issue is the proposed waiver, not a missed deadline. The board can decide the exception; management expectation does not establish its execution support.

WORKED EXAMPLE · 02 / FINDINGS AND JUDGMENT

From evidence to a bounded position

A successful pilot is relevant positive evidence. It does not remove a dependency that is essential to the wider mandate.

Finding	Reasoning within the defined boundary
Supported capability	S4 supports the operating process for two units; S2 supports their reserved capacity. This is positive evidence within that scale.
Requested exception	S1 requires capacity before commitment; S2 and S3 show third-unit commitment outstanding. S5 requests a waiver. Exposure arises from proceeding without the specified protection, not from an open future prerequisite alone.
Fallback requires authorisation	S1 and S6 reserve mandate changes to the board. A two-unit fallback is not authorised. Board authority is not itself weak; the requested exception needs an evidenced execution basis.
Management expectation	S5 expects third-unit capacity later. That expectation is relevant contrary input, but supplies neither a commitment nor evidence that the proposed waiver is supportable.

Proposed illustrative interpretation: BB / High Risk

For the proposal to commit without the mandated capacity protection, a material dependency constrains supportability and requires correction. This illustrates BB for challenge, not an actual rating, approved criterion or released opinion. Retaining the gate would be a different proposal.

Illustrative Evidence Confidence: Moderate. The records support the mandate and outstanding prerequisite. The supplier's current position is not directly corroborated, and the pilot does not establish three-unit operation. These limits qualify the position without removing the recorded gap.

An open condition alone does not exclude AA. Here, sufficient protection for the requested waiver is not evidenced. A would need a supportable route with specific controls or staging; expectation alone does not supply it. B is not established: the records do not demonstrate a need for fundamental intervention. If the evidence cannot support a distinction, hold the classification. No probability or inevitable failure is implied.

WORKED EXAMPLE · 03 / REVIEW AND RESPONSE

Challenge, conditions and changed evidence

The following are proposed questions and actions for the fictional case. No independent review, approval or subsequent improvement is represented as having occurred.

Proposed reviewer challenge	Evidence or reasoning required
What proposal is actually being tested?	Confirm S1 and S5: a waiver enabling commitment, rather than continued preparation subject to the existing gate. Check any later authorised change.
Could the missing capacity be secured?	Obtain direct confirmation of availability, delivery timing and enforceable commitment; distinguish a possibility from a current resource.
Does the pilot support the wider claim?	Test which dependencies change at three-unit scale and whether the pilot covers them.
Does the band rationale survive challenge?	Challenge whether evidence supports BB, conditional support under A, critical exposure under B, or no overall classification. Apply approved criteria in any real engagement.

Illustrative correction priorities: retain the capacity prerequisite unless a revised basis is authorised and analytically supportable. The procurement owner would provide the signed third-unit commitment and relevant readiness evidence before mobilisation. Alternatively, the sponsor could seek board approval of a staged mandate with revised obligations. Neither proposal is evidence that a condition has been satisfied.

A changed position would require a fresh review of the new evidence against the relevant mandate. Closing one gap does not produce an automatic upgrade: remaining dependencies, operating readiness and contrary evidence still matter. Any revised mandate must be identified explicitly so the comparison is not presented as improvement on an unchanged basis.

If a controlled opinion were subsequently authorised

Its record would identify the mandate, evidence cut-off, methodology version, rating rationale, separate confidence, limitations, conditions, review and release authority, issue date, permitted use and revalidation triggers. The fictional material here supplies none of those approvals.

15 / THE CONTROLLED REPORT

What the reader should receive

The report must carry enough of its analytical boundary to prevent the rating from becoming a detached badge.

Report element	Reader check
Identity and scope	Reviewed unit, decision, intended use, recipients, report reference, version and released status.
Method and time	Applicable approved method and version; evidence period/cut-off, issue date, delivery horizon and stated validity.
Position and support	Risk band, separate evidence confidence, material findings, source basis available through authorised access and explained rationale.
Conditions and limits	Owners, required proof, timing and unmet prerequisites; exclusions, contrary evidence, coverage gaps and limitations.
Review and change	Authorised review/release record, corrections or later notices and an agreed route to establish current status.

Read the opinion against the same decision for which it was prepared. A different mandate, time period, organisational perimeter or proposed use may require a new scope. Matching bands do not establish comparability across materially different mandates.

A practical institutional question

Before relying on a conclusion, ask: what exactly was examined, what remains unproven, which conditions are still open, and what change would require a new decision? The institution retains its decision responsibilities.

Reference basis and adoption requirements

This companion draws on Faxoc's existing reference pages. These explain the framework; they are not independent validation of it.

Ratings Methodology - Framework, scope and controlled judgment

Rating Scale & Definitions - AA, A, BB and B meanings

Evidence Confidence - Strong, Moderate and Limited meanings

Evidence Standards & Limitations - Source relevance, attribution and coverage

Independent Review & Release - Challenge, authority and controlled issue

Methodology Governance - Ownership, versioning and change

Validation & Calibration - Testing principles and comparison limits

Monitoring & Revalidation - Triggers, currency and formal review

Before operational adoption: approve decision-specific criteria and applicability; assign conflict-checked authorities; establish secure evidence and review records; test case consistency and release controls; approve version/change treatment; and disclose the limits of any validation claim. None of these steps is represented as completed by this paper.

A companion, not a replacement

Use the approved engagement method and controlled report for a real decision. This discussion edition creates no new formal rating class, monitoring status, numerical model or promise of results. Corrections to this paper should be versioned and kept distinct from changes to an issued opinion.