

**Appendix B
Strategic Risk Matrix
September 2010**



			IMPACT				
			Insignificant	Low	Medium	High	Extreme
			1	2	3	4	5
LIKELIHOOD	Almost certain	5			5. Lack of development progress 12. Supported Housing		
	Likely	4				14. Implementation of National JE Scheme	
	Possible	3			4. Climate change 6. Productive employee time 7. Shared services	8. Medium Term Financial Strategy 2. Equalities 3. Illegal traveller encampments / developments	
	Unlikely	2			9. LAA actions 10. Embedding values	13. HRA reform proposal	1. HRA financial position
	Rare	1					

Risk Tolerance Line - - - - -

Managing the risk

Above the risk tolerance line (i.e. a score of 12 – 25):

- Requires active management (consider termination of the activity or project);
- Contingency plans – robust plans in place to detect any deviation from expectations;
- May require some mitigation to reduce likelihood (if cost effective).

Below the risk tolerance line (i.e. a score of 1 – 10):

- Reassess quarterly to ensure no change to underlying risk or control measures.

[Note: The score is obtained by multiplying the Impact by the Likelihood (e.g. Impact: High; Likelihood: Possible would result in a score of 12 - i.e. 4 x 3).]