

RESERVES RISK ASSESSMENT - SCORING MATRIX

IMPACT		LIKELIHOOD				
		4	4 (20%)	8 (40%)	12 (70%)	16 (100%)
		3	3 (10%)	6 (30%)	9 (50%)	12 (70%)
		2	2 (5%)	4 (20%)	6 (30%)	8 (40%)
		1	1 (0%)	2 (5%)	3 (10%)	4 (20%)
		1	2	3	4	
		Unlikely	Could Happen	Likely to Happen	Almost Certain	
		<ul style="list-style-type: none">• 0 – 20% chance of occurrence• 1 in 20-year event• May occur only in exceptional circumstances• Has never or very rarely happened before	<ul style="list-style-type: none">• 20% to 60% chance of occurrence• 1 in 10-year event• Is unlikely to occur but could occur at some time / in some circumstances	<ul style="list-style-type: none">• 60% to 90% chance of occurrence• 1 in 5-year event• Will probably occur at some time / in most circumstances	<ul style="list-style-type: none">• Over 90% chance of occurrence• Occurs on an annual basis• Is expected to occur in most circumstances	

- % relates to the weighting which will be given to the potential impact to determine the reserve provision required.
- Impact based on governance thresholds – Extreme £2.6m representing 10% Operational (Unearmarked) Reserves