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UKGI Risk and Assurance: Risk Register Guidance

July 2018



Completing the Summary Boxes

Overview Box

- This should include an outline summary of the asset/portfolio objectives and the role that UKGI plays

Delivery Risk Box

- This is the overall RAG status box (please change the 'Overall RAG ' box to 'Delivery Risk' on risk registers)
- This should include an overview of any key issues that could impact negatively on UKGI successfully delivering their objective on an asset/portfolio as well as any key mitigations in place

Reputational Risk Box

- This should include an outline of the overall the reputational issue that UKGI's involvement in the portfolio/asset has or whether there is a particular risk that has potential to compromise the reputation of UKGI

Completing individual risks on the Register

- Think about individual risks associated with your project/portfolio asset that would make it difficult for UKGI to deliver its objectives or reputationally damage UKGI if the risk were to materialise
- ExCo are concerned about the post-mitigation rating, so it is important that you think about what you are doing to decrease the chances of the risk materialising, or reduce the damage if the risk does occur

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Individual Risks and Summaries

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IRRELEVANT

Overview

Delivery
Risk

Reputational
Risk

Pre-mitigation
rating

Post-mitigation
rating



UK Government
Investments

Reputational Risk

*An issue that has the potential to compromise the reputation of UKGI within Whitehall
and further afield*

How to work out reputational risk

- **High Risk:** very significant risk to the reputation of UKGI, including negative external publicity, materially impairing the ability of UKGI to deliver against its objectives in future
- **Medium Risk:** significant risk to the reputation of UKGI within Whitehall, which may discourage key stakeholders from utilising UKGI
- **Low risk:** limited reputational impact to UKGI: a project or asset of low public profile and/or limited repercussive consequences for UKGI of failure of delivery or governance

When determining the initial rating for your project/asset or any change to its reputational risk score, please have a qualitative discussion and agree the rating with the responsible director

Delivery Risk

An issue that could compromise, hinder or stop UKGI successfully delivering their objective on an asset/ portfolio.

Probability and Impact Illustrated

The probability of each risk identified occurring and the impact if it did occur should be assessed using this guidance by the project team

Multiplying the probability and impact scores for an individual risk will give its delivery risk score

Impact	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5

Guidelines for assessing risks: Probability

- How likely is the risk to materialisation, before and after mitigation?

5 - Nearly Certain

- Extremely high likelihood so prevention highly unlikely
- Identify likely early warning signs to trigger impact reduction measures and recovery
- Contingency plans are vital

4 - Highly Likely, but preventable

- Identify early warning signs to trigger prevention.
- Next priorities are likely to be impact reduction and recovery (contingency) if prevention fails

3 - 50/50 Chance

- Good chance of prevention
- Early warning signs should trigger prompt prevention and impact reduction
- Some allowance for recovery time and cost should be considered

2 - Somewhat Unlikely

- Low likelihood & high chance of prevention
- Early warning signs are worthwhile where impact is high, to trigger prevention and reduction
- Contingency of lesser value at this level

1 - Very Unlikely Very low likelihood

- These risks should be recorded and a watch kept, particularly where the potential impact is high

Guidelines for assessing risks: Impact

- What is the impact of the risk materialising before and after mitigation?

5 - Disastrous impact

probable programme/project failure; serious damage suffered

4 - Very significant impact

programme/project may fail

3 - Significant Impact

a work-stream/project may be in doubt; damage to the programme

2 - Moderate impact

on cost, schedule, performance

a work-stream/project stage may be in doubt; damage to a work-stream/project

1- Minor impact

on cost, schedule etc.

a deliverable may be late

Impact- Further Considerations

Think about financial, reputational , operational and compliance/ legal impact.

Further guidance can be found at: [Impact- Further Considerations](#)

How to work out the overall delivery risk

The overall delivery risk should be worked out by:

- Using the probability and impact guidelines to score individual risks
- Working out the average score ***for mitigated risks*** for your project or asset
- Use that number as a guide when setting the overall delivery risk RAG rating

There may be instances that one project/asset risk is substantially higher than the others, which can justify a higher overall delivery risk - this is fine, provided you can explain why

Working out RAG status

Risk Register - RAG Status	
0 - 4 =	Green
5 - 9 =	G/A
10 - 14 =	Amber
15 - 19 =	A/R
>20 =	Red

What the RAG status means

Green

Very low or no risk to the overall delivery of the project for UKGI, will not impair the future of UKGI's ability to deliver against its objectives.

Green/Amber

A low risk to the overall delivery of the project for UKGI, will not impair the future of UKGI's ability to deliver against its objectives.

Amber

A material risk to the overall delivery of the project for UKGI, unlikely to impair the future of UKGI's ability to deliver against its objectives.

Red/Amber

A significant risk to UKGI's ability to successfully deliver the project, impactful in some way on the future ability of UKGI to deliver against objectives.

Red

A fundamental risk to UKGI's ability to successfully deliver the project, preventing the future ability of UKGI to deliver against objectives.

Things to remember

- **Probability & Impact guidelines:** Use these shared guidelines to assess probability and impact of risks
- **Reputational and Delivery risk guidelines:** Use these shared guidelines on how to assess reputational risk and overall delivery risk
- **Standardising summary information:** Make sure the risk register summary boxes give ExCo and the Board the information they need
- **If risk changes, speak to your Director:** Ensure that your Director is comfortable with where the project/asset risk sits - they will have to represent the register at the UKGI Board

If in doubt, please don't hesitate to speak to the risk team