

# UKGI - Improving our risk reporting process

13 June 2018

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# What we'd like to talk to you about today:

- How the UKGI risk process works
- What the Board want
- How the risk registers work
- What we'd like your help with
- Next steps

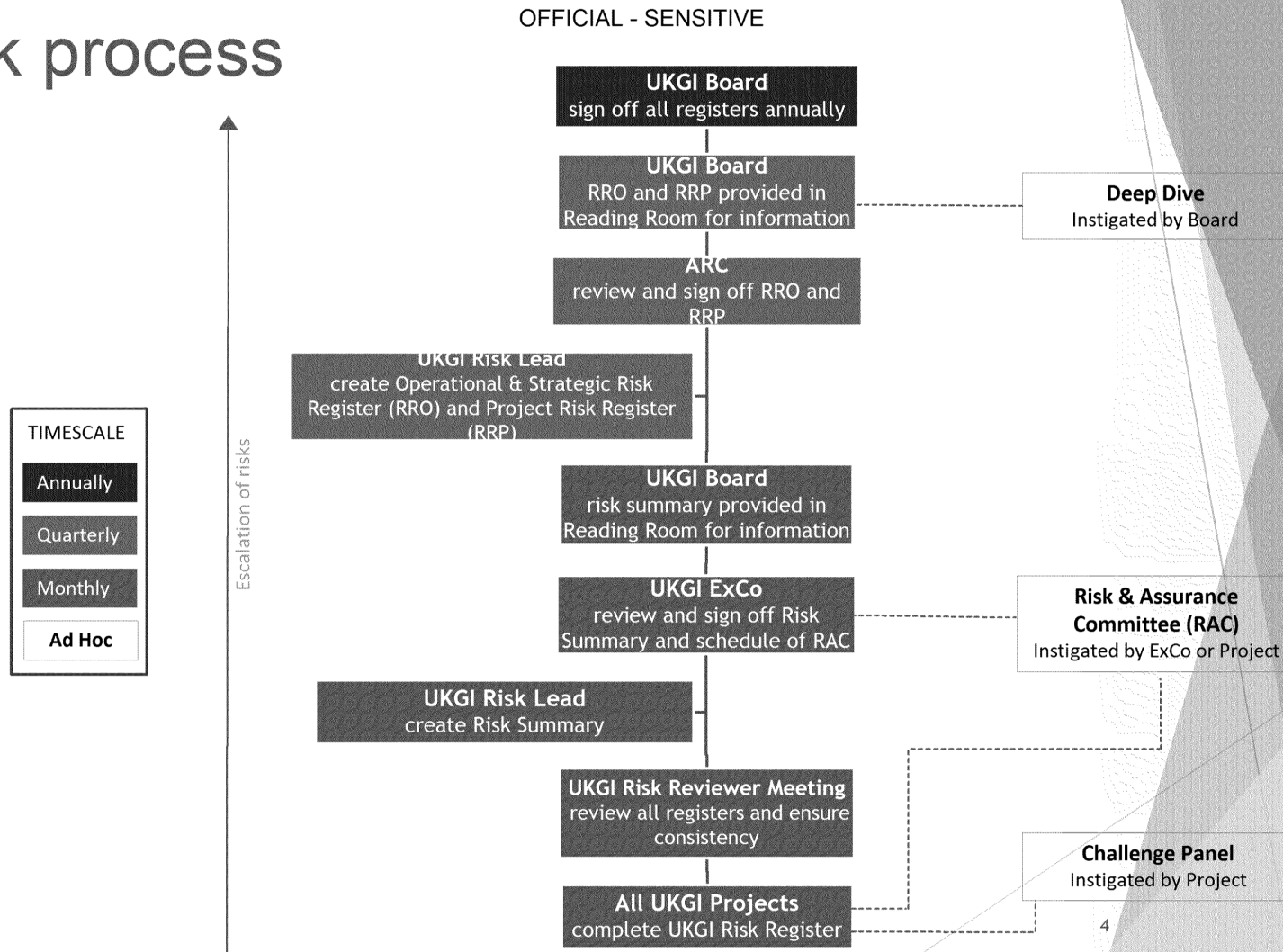


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# The UKGI Risk Process



# The risk process



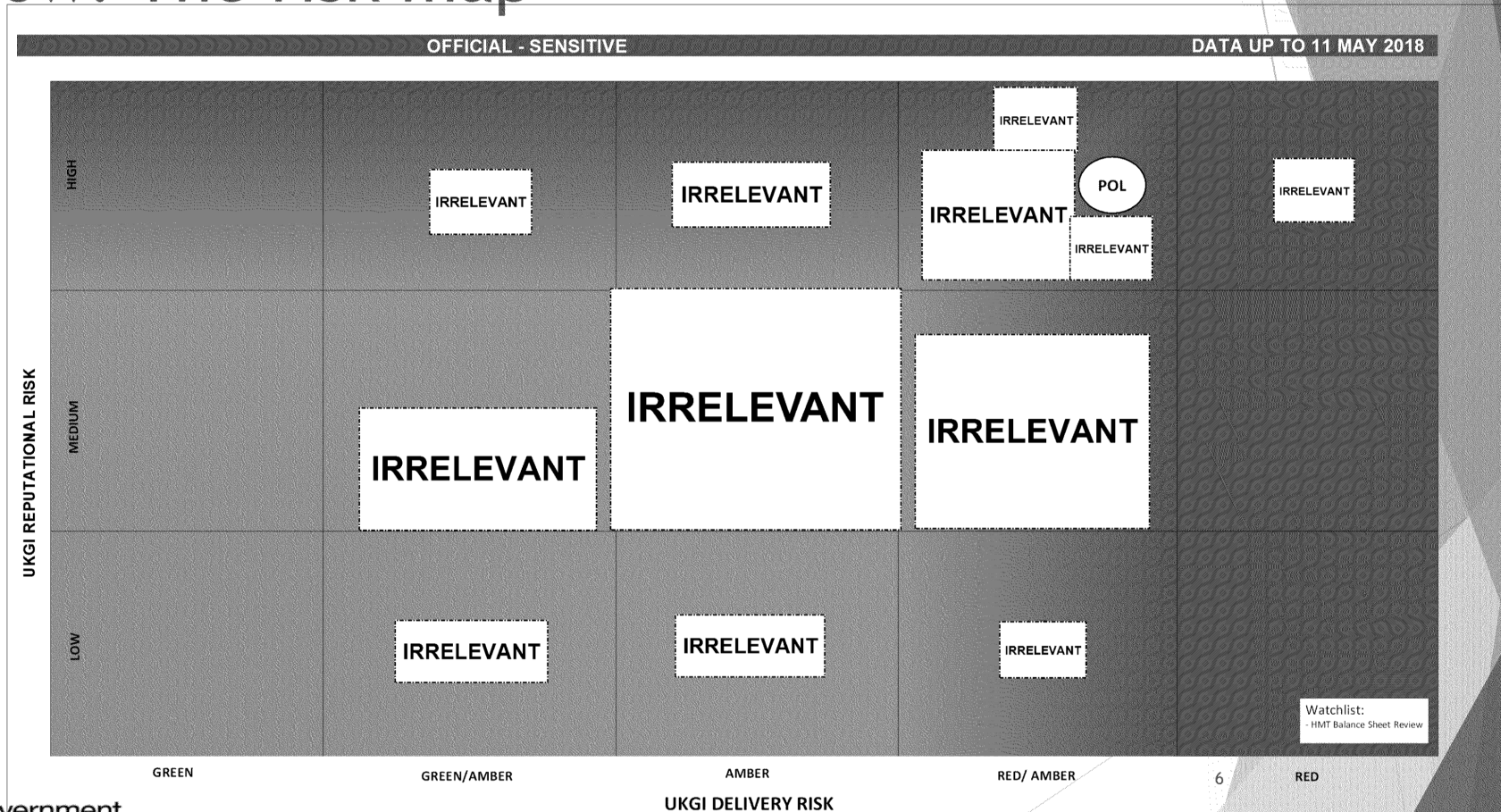


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# Now: The risk map





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## Now: The summary boxes

*RISK SUMMARY *	
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DATA UP TO 11 MAY 2018	
Geospatial Commission Overall Risk Profile	[GSC] IRRELEVANT
IRRELEVANT	
Reputational Risk Profile	IRRELEVANT
IRRELEVANT	
UKAR (Reported under UKFI risk process) Overall Risk Profile	[UKA] IRRELEVANT
IRRELEVANT	
Reputational Risk Profile	IRRELEVANT
IRRELEVANT	
Nuclear Decommissioning Authority Overall Risk Profile	[NDA] IRRELEVANT
IRRELEVANT	
Reputational Risk Profile	IRRELEVANT
IRRELEVANT	
Student Loans Overall Risk Profile	[SL] IRRELEVANT
IRRELEVANT	
Reputational Risk Profile	IRRELEVANT
IRRELEVANT	



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# Important changes:

- The map is driven more accurately by project/asset team assessment of risk
- Helps ExCo and the Board use their time more effectively
- ExCo/Board changes/challenges to risk ratings can be more easily transmitted back to the team





# What the Board want

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# The way ExCo and the Board use risk reporting has changed

- Risk has become a standing Board discussion
- The “Top Risks” list has gone
- The Top Right Map Boxes will drive Board discussions
- Changes in reputational or delivery risk are also reported

***The underlying risk reporting data - gathered by the risk registers - has to be right***



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# How the risk registers work

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## Individual risks and summaries

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# Probability and Impact Illustrated

Probability x Impact = Risk Score

Risk Register - RAG Distribution						
<i>(Probability X Impact)</i>						
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
		Probability				

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# The challenge of consistency

- Across the UKGI portfolio, we receive 35 risk registers- it is important that we get them right
- Currently, differentiation in how the risk registers are completed means we are not giving ExCo as consistent a view of risk as we could
- *We need to standardise the way we think about and report risk across the UKGI portfolio.*





What we'd like your  
help with

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# We want to align our risk reporting across the UKGI portfolio

- **Training:** Complete *CSL Risk Management* training to build common understanding
- **Probability & Impact guidelines:** Use shared guidelines to assess probability and impact of risks
- **Reputational and Delivery risk guidelines:** Use 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





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# Risk Training

- We would encourage all risk reviewers and those responsible to undergo the *Risk Management* training which can be found on the civil service website
- You will find this beneficial to understanding how to access and review risks as well as how to define risks
- We will circulate the link to you - it is a desk-top course and takes 1.5hrs

*Please let us know when you have completed the training*



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# Guidelines for assessing risks:

## How likely is the risk to materialisation, before and after mitigation? **Probability**

### **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





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# 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



# Reputational risk

A risk that may effect UKGI's reputation within government and further  
afield



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# How to work out reputational risk

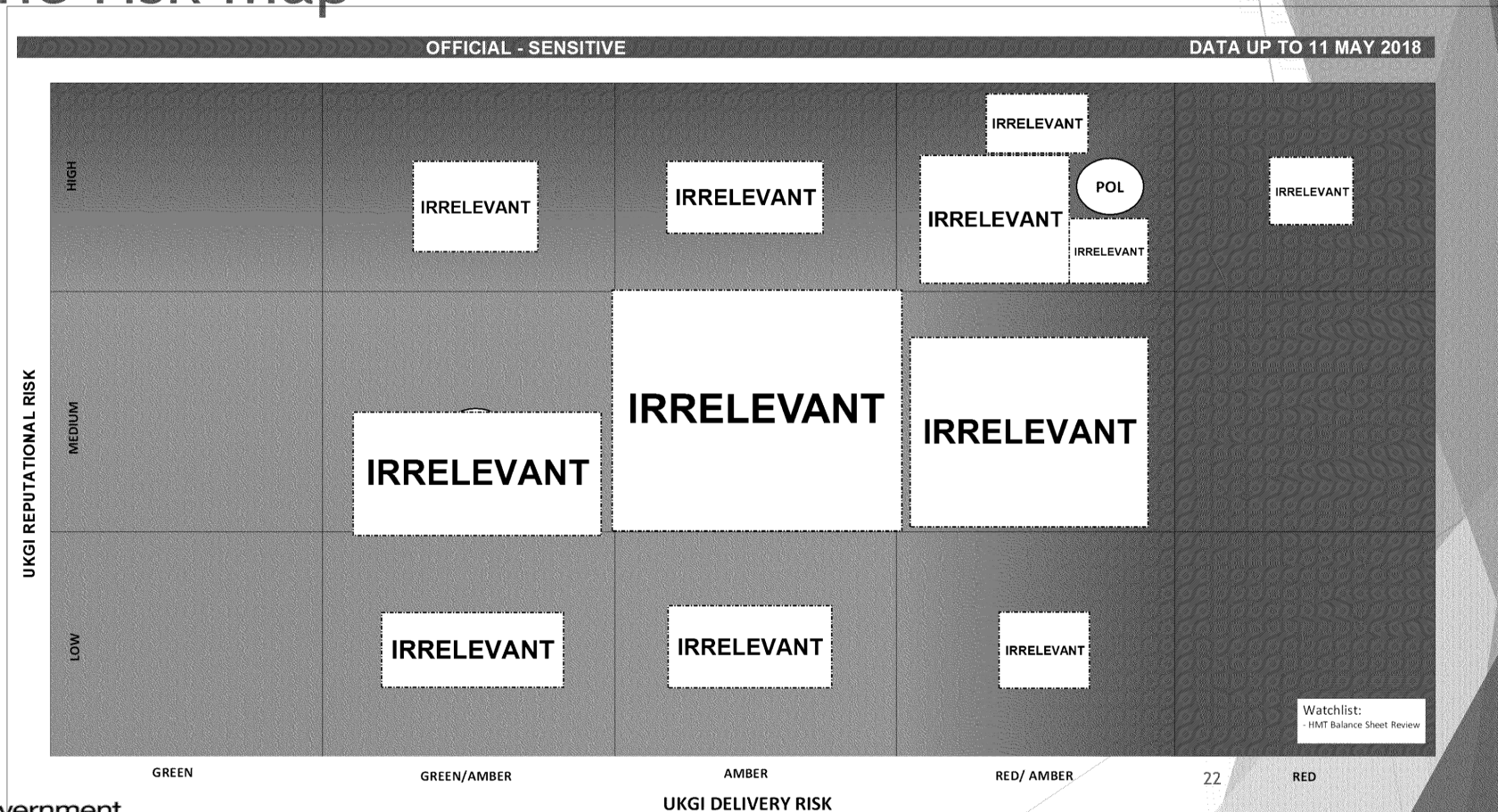
- **High Risk:** very significant risk to the reputation of UKGI, including negative external publicity, materially impairing the ability of UKGI to deliver against its objectives in future
- **Medium Risk:** significant risk to the reputation of UKGI within Whitehall, which may discourage key stakeholders 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 deciding where your project/asset sits on this scale, please have a qualitative discussion with your responsible director*



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# The risk map





# Delivery risk

A risk that may negatively impact UKGI's ability to deliver its objectives

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# How to work out 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 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***





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# Overall delivery risk - RAG Status

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



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# Completing the summary boxes

## Overview Box

- Summary of the asset/portfolio objectives and the role that UKGI plays

## Delivery Risk Box

- This is the overall RAG status box (name needs to be changes on risk registers).
- Overview of any key issues that could impact negatively on UKGI successfully delivering their objective

## Reputational Risk Box

- An outline of the reputational issue associated with UKGI's involvement





# Next steps

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# Remember to...

## Before this month's submission:

- Ensure your "Overall RAG Rating" box is now called 'Overall Delivery Risk'
- Make sure the summary boxes are updated as we've set out today

## Before next month's submission:

- Complete the CSL *Risk Management* training course, and let us know when you've completed it
- Make sure that you have appropriately considered each risk, and that they align with your overall score
- If they don't, make the necessary adjustments or explain why not
- Ensure that your Directors are comfortable with where the risks sit - they will have to represent the register at the UKGI Board

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



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# Questions?