

The Shareholder Executive Risk Register

What is the Heat Map?

This will be used as a graphical representation of the TOP RISKS each team faces and also allows for different assets'/projects' risks to be compared easily. Top risks ONLY and their mitigating actions should be allocated bubbles (e.g. putting R8 in the two bubbles for Risk #8, and so on). These should be positioned using ratings as coordinates - for instance a risk with probability 4 and impact 3 would be positioned 4 places along the x-axis and 3 places up the y-axis.

PLEASE ONLY INCLUDE YOUR TOP RISKS

Completing the Risk Register

Please only include top risks on the heat map, to avoid overcomplicating the graphic (e.g. top 3 or top 5, but number selected is to be decided at each team's discretion). Risk "bubbles" are **BLUE** while mitigating action "bubbles" are **GREEN**. The positioning of each "bubble" should reflect the coordinates defined by the **CURRENT** probability and impact ratings.

In the top left hand corner of the Risk Register box 1 asks you for a brief description of the overall project. Box 2 asks you to set a RAG rating that reflects your overall view of the different risks faced by your asset or project alongside a simple and brief rationale. Box 3 asks you to provide a HML rating of the reputational risk of your project to ShEx alongside a simple and brief rationale. The ratings in boxes 2 and 3 will be used as a high-level identifier on the ShEx Summary Risk Register which will be approved by ExCo.

The "[Current Status]" box should provide a summary of today's state-of-play; it might well overlap with the general description of the risk. This should also include a comment on any external review (e.g. internal ShEx quarterly or annual review, or risk committee (internal or external) assessments).

Under each risk for "[date of entry]" (i.e. the third row under the summary column for all risks) please input the **DATE THE RISK WAS INPUTTED NOT THE DATE THE RISK WAS AMENDED**. This allows the risk team to monitor the ageing of various tasks.

Please populate all **RELEVANT UNSHADED** cells in this document. To ensure consistency between months only add new risks below existing risks and **DO NOT REPLACE EXISTING RISKS WITH NEW RISKS**. If a risk is no longer relevant please **DO NOT DELETE IT** and instead add CLOSED in the current status column (last column). You only need to include **AS FEW OR AS MANY** risks as you feel should be reported.

For clarity the ratings on the mitigating actions should relate to the effect of the action on the underlying risk, **NOT** the effect of the mitigating action itself - e.g. if a risk has probability 4 and impact 3, a mitigating action might change the profile of the risk to probability 2 and impact 2. Please also move the old rating values to the "[Prev]" column and input the new rating values to the "[curr]" column. This allows the risk team to monitor month on month changes.

Definition of Risk Types

Finance: Related to financial performance (e.g. risks to milestones or of underperformance, or in relation to key financial parameters) of BIS, ShEx or ShEx's assets or partners / projects.

Strategic: Related to business and strategy planning of BIS, ShEx or ShEx's assets or partners / projects.

Operational: Related to business-as-usual performance of ShEx or ShEx's assets or partners / projects.

People: Related to employees of ShEx's assets or partners / projects. Likely to focus on management issues (e.g. capability, remuneration, succession, etc.).

Reputational: Related to reputational considerations for Government. Ministers, BIS, ShEx, ShEx's assets or partners / projects. Also includes other possible external communications or handling risks.

Legal: Related to legal, compliance, regulatory or equivalent risks faced by Government, BIS, ShEx, ShEx's assets or partners / projects or other third parties.

Information: Related to situations in which data or information is or could be at risk, including in respect of information held by Government, ShEx or ShEx's assets or partners / projects. Also relates to information held by third parties that could impact Government, ShEx or ShEx's assets or partners / projects.

Other: Related to any category not defined above.

The Shareholder Executive Risk Register - Post Office Limited

30-Jun-2015

1. Overview				A1		A10		A11		R20		R25			
POL is wholly owned by HMG. HMG has committed £2bn funding since 2010 to maintain, modernise and protect a network of at least 11,500 branches by 2019 to secure its long term future and reduce reliance on HMG subsidy. The network of post offices across the UK provide access to a range of vital services (including Government, mails and financial).				I-5				R10		R15					
				I-4		A6		R412		R16		R20			
								R4		R5		R10			
										R16		R22			
2. Overall RAG Rating				RA											
If not managed successfully, the risks - including commercial, strategic and stakeholder risks and those linked to management appointments and remuneration - have the potential to significantly impact the financial sustainability of POL and its ability to achieve policy objectives (e.g. financial network, reduced HMG funding).				I-3		A5		R1		R412		R415			
				I-2		A4		R2							
				I-1		B1		G4				A5			
3. Reputational Risk				High											
There is significant political interest in the Post Office network and there are a number of clear policy objectives. Risk is mainly centred on these areas, but it can also be linked to management and remuneration issues. The ShEx POL team are aware of the pressures and are working collaboratively with Post Office Limited to manage the risks away.															
				P-1		P-2		P-3		P-4		P-5			
Risk #	Summary	Risk Overview	Impact of Risk	Type	RAG Rating	Cur.	Prev.	U/D	Mitigation Overview	Mitigation Rating	Cur.	Prev.	U/D	Further Mitigating Actions	Current Status
1	Network Transformation		-No BIS VFM for existing funding+ Higher levels of subsidy required in the future.	Finance	Probability	3.0	3.0	-	- Engage regularly with POL ensuring effective monitoring and review of NT and to provide robust challenge.	Probability	2.0	2.0	-	Continue to engage with POL and where relevant also the NFSP. Make sure POL has support and HMG insight to develop future options to maintain progress, including "Transnational Leavers".	POL beat end of year target for branch openings and contract signatures (389 and 305 respectively). Another "come on the journey" letter has gone to unengaged Postmasters. POL hopeful of agreeing heads of terms with NFSP on future relationship.
	Michael Dollin	POL is unable to deliver Network Transformation targets for various reasons, including programme design and / or due to loss of stakeholder support. POL remains on high levels of public subsidy	Strategy	Impact	4.0	4.0	-	- Ensure POL takes appropriate action to maintain momentum, particularly as NT enters its final years (e.g. Transitional Locals).	Impact	3.0	3.0	-			
	19/02/2014		Reputational	Rating	12.0	12.0	-		Rating	6.0	6.0	-			
2	State Aid		If approval fails, BIS would not be able to channel funding to POL. The business would be unable to deliver its strategy, putting its long term sustainability at risk. This would impact POL's mutualisation process and have significant reputational concerns for HMG	Finance	Probability	0.0	0.0	-	- We have been working closely with the Commission to address their concerns. Having now submitted our Formal Notification we believe we have addressed any outstanding issues.	Probability	0.0	0.0	-	Closed. The Commission's decision was published in May.	
	Tim McInnes	POL is not able to secure European Commission approval for its £640m funding for 2015/16, 16/17 and 17/18 time (by March 2015)	Legal	Impact	0.0	0.0	-		Impact	0.0	0.0	-			
	19/02/2014 - term intsted 31/06/2015		Reputational	Rating	0.0	0.0	-		Rating	0.0	0.0	-			
3	Crown Transformation		-POL unable to meet HMG objective of run-rate break-even by 2015. -In branch improvements (such as investment in automation) improved - customer experience not met and profitability impacted.	Reputational	Probability	5.0	5.0	-	- Manage external narrative and stakeholders; even if targets are missed considerable progress will have been made.	Probability	5.0	5.0	-	Planning for BAU optimisation of the estate is underway and will be shared shortly. POL plans to run more mergers, and the next 3 cases may stretch the concept too far. POL will share its evidence with us before it moves to public consultation.	
	Michael Dollin	POL fails to bring the Crown estate to break-even in line with expectations, including not franchising all planned branches, failing to meet revenue targets, missing cost saving objectives.	Finance	Impact	2.0	2.0	-	- Make sure POL is developing a March plan to continue progress after BAU 2015.	Impact	2.0	2.0	-			
	19/02/2014		Strategy	Rating	10.0	10.0	-		Rating	10.0	10.0	-			
4	Mutualisation		Considerable possible reputational impact on HMG, who in 2010 made a commitment to move POL towards a mutual future. Minister remains keen on the subject and a perceived lack of progress would reflect badly on ShEx and POL.	Reputational	Probability	4.0	4.0	-	- POL has continued to resist our encouragement, but following a POL/ to meeting in December we might be unlocking possible near-term progress. This remains to be seen.	Probability	3.0	3.0	-	Position around the risk is uncertain given long unknown Ministerial appetite regarding POL's ownership. Once we have briefed our new Minister we will have a clearer picture of the risk.	
	Tim McInnes	Progress made towards a mutualisation is slow, or is perceived to be slow, meaning HMG is unable to evidence "clear progress towards mutualisation" being made "in this Parliament"	Finance	Impact	4.0	4.0	-		Impact	4.0	4.0	-			
	19/02/2014		[Select]	Rating	16.0	16.0	-		Rating	12.0	12.0	-			
5	Government Digital Transformation		Hampers POL's ability to win new GS contracts - impacting revenues, commercial strategy and financial sustainability. POL's profile and relationship across Government diminished. Govt. seen as reneging on commitment to POL's front office for Government ambitions.	Strategy	Probability	3.0	3.0	-	- Reinforce message on opportunities offered by the PO network, tech and contracts (incl. FOCs framework) across Govt, utilising PCA, APG, Ministerial Bilaterals and other channels to deliver and reinforce the POL message. Support POL with HMG stakeholder engagement.	Probability	2.0	2.0	-	IDA product was launched in March and current volumes are performing significantly above plan - challenge will be to manage demand. POL & ShEx planning Govt Services strategy session focusing in particular on AD.	
	Laura Thompson	Government Digital Service (GDS) resistance to support role POL can play in providing HMG with digital services including assisted digital, through existing channels leading to ongoing reluctance for Depts. to engage commercially with POL.	Finance	Impact	4.0	4.0	-		Impact	3.0	3.0	-			
	19/02/2014		Reputational	Rating	12.0	12.0	-		Rating	6.0	6.0	-			
6	POCA		Revenues and commercial strategy severely impacted. Undermines stakeholder support for Transform action HMG criticised for failing to deliver on front office of Govt commitment. Bad negotiation and outcome leads to other depts. being unwilling to engage with POL and/or POL being unwilling to go for Govt contracts.	Finance	Probability	0.0	0.0	-	- Meetings and discussions with HMT/DWP officials and Ministerial level with IDS/CST, to seek extension and collectively identify future and vfm opportunities to HMG.	Probability	0.0	0.0	-	Agreement reached and DWP has publicly announced (16th December) extension to POCA contract with POL until 2022. Risk thus reduced. Assist POL with front office messaging	
	Leonie Lambert	POL fails to secure new POCA contract and DWP go to full public procurement.	Reputational	Impact	0.0	0.0	-		Impact	0.0	0.0	-			
	19/02/2014 - terminated 07/01/2015		Strategy	Rating	0.0	0.0	-		Rating	0.0	0.0	-			
7	DVLA		Material financial impact on POL and subpostmasters - and negative fallout impact in branch. Separately DVLA do not press on with driver licensing transformation - reducing potential upside for POL revenues	Finance	Probability	0.0	0.0	-	- Engage with DVLA contacts to work through issues and promote awareness of POL opportunities and FOCs	Probability	0.0	0.0	-	New contract now signed for car tax work. As part of this agreement, we agreed to mitigate impact on paper licence recall not going ahead. Risk is thus reduced.	
	Leonie Lambert	DVLA decision to withdraw car tax deals in Oct 2014 - earlier than planned	Reputational	Impact	0.0	0.0	-		Impact	0.0	0.0	-			
	19/02/2014 - terminated 01/10/2014		Strategy	Rating	0.0	0.0	-		Rating	0.0	0.0	-			
8	ATM Rates		Risk that SPMs or POL or BIS needs to absorb some/all of this cost. Seen by SubPM's and key stakeholders as Govt. failure to protect SubPM revenues. Significant unfunded spending risk.	Finance	Probability	0.0	0.0	-	- Ministers fully aware of risks and have opined that SPMs should not pay for the liabilities	Probability	0.0	0.0	-	VOA has reached a decision that BOI ATM's at Post Office branches are not separately rateable for the purposes of business rates. Risk is thus reduced.	
	Peter Batten	Valuation Office Agency decide that external facing ATM's at PO's are separately rateable. Adverse decision would see £18m baccidated cost and c£5m ongoing a cost to SubPM's.	Finance	Impact	0.0	0.0	-	- POL has developed an operational contingency plan to mitigate risk of adverse noise.	Impact	0.0	0.0	-			
	19/02/2014 - terminated 05/12/2014		Legal	Rating	0.0	0.0	-	- Agreement with VOA on an "alcated" period post-Opinion	Rating	0.0	0.0	-			
9	Premium Bonds		Premium Bonds are an important revenue driver for POL and they are considered to be a representative product by customers and by subpostmasters. Withdrawal would be poorly received and raises real political risks.	Reputational	Probability	4.0	4.0	-	- Engage with POL and HMT on plans to ensure actions taken in time to ensure continuity of service provision.	Probability	3.0	3.0	-	NS&I has put advice to Ministers and we await feedback. This was not supportive of continuing the service although options were presented for Ministers to consider should they want to renew the relationship. We are staying close to the situation.	
	Tim McInnes	Contract to provide Premium Bonds ends in September 2015 and for this service to continue actions need to happen shortly (esp. with HMT and NS&I). The Commission have an interest and it is important anything done is in line with procurement legislation.	Finance	Impact	3.0	3.0	-		Impact	1.0	1.0	-			
	Reopened 27/02/2015		[Select]	Rating	12.0	12.0	-		Rating	3.0	3.0	-			
10	Mails contract with RM		Impact could be significant and long-lasting (e.g. weakened commercial position, less viable branches, lost revenue, lower volumes, a higher subsidy, and a challenging stakeholder landscape).	Reputational	Probability	4.0	4.0	-	- Limited direct influence given the commercial nature of the risk; we are keen to encourage engagement with Royal Mail at multiple levels, and develop a shared understanding. We also look to provide support as when it's required.	Probability	3.0	3.0	-	Engagement with Mark Syrett. POL's new head of mails continues. Strategy still in planning phase; we await progress and actions being taken. New strategy expected to be presented to ShEx mid-year.	
	Tim McInnes	Discussions with RM regarding future relationship, products and contract move slowly and / or not in the direction POL needs. Has a financial impact on POL as it loses share, foothold and volumes.	Finance	Impact	5.0	5.0	-		Impact	5.0	5.0	-			
	19/02/2014		[Select]	Rating	20.0	20.0	-		Rating	15.0	15.0	-			
11	Project Sparrow		POL's reputation and brand are damaged by accusations. Costs spiral out of control, particularly if legal action is taken. Government risks being drawn closer into the scheme or our level of involvement being made public.	Reputational	Probability	4.0	4.0	-	- ShEx is ensuring POL addresses issues as they arise and is keen to take the lead on this matter. Important that the mediation scheme remains independent of Government.	Probability	3.0	3.0	-	JSA are urging members to refuse mediation and are campaigning for an independent inquiry. BBC Panorama to feature this issue on 22 June. We are staying close to POL on their handling of this (particularly Panorama) and will brief new Ministers asap.	
	Laura Thompson	Increased attack from JSA agent POL on alleged faults with Horizon system, including attempts to derail the mediation scheme set up to address individual cases.	Finance	Impact	4.0	4.0	-		Impact	3.0	3.0	-			
	19/02/2014		Legal	Rating	16.0	16.0	-		Rating	9.0	9.0	-			

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12	POL Management	Senior management not capable of meeting/ delivering HMG objectives, with limited ministerial appetite to approve changes due to severance or remuneration levels.	Network transformation, other cost savings, and revenue diversification are not delivered as planned, meaning further funding is required and POL is less sustainable	People	Probability	3.0	3.0	-	Management team is under ongoing review by the Board, with new joiners in the CFO and GC.	Probability	3.0	3.0	-	Raise shareholder concerns through the POL Board and, where remuneration is concerned, use the POL Board to engage with Ministers / HMG Stakeholders to influence outcomes.	Performance of the executive gradually improving as the new CFO beds in. New chair arriving in July will present opportunity to reassess position.
	Richard Callard			Strategy	Impact	4.0	4.0	-		Impact	3.0	3.0	-		
	13/02/2014			Reputational	Rating	12.0	12.0	-		Rating	9.0	9.0	-		
13	Network Development	POL fails to respond to the competitive threat it is facing, by simplifying its existing network and by opening new access points.	Some reputational risk (e.g. MSP) but mostly financial risk linked to an ineffective response to competitive pressures and an erosion of POL's core mals and transactional services revenues. This has potential knock on effects on POL's ability to reduce subsidy.	Finance	Probability	0.0	0.0	-	Work closely with POL to make sure stakeholder engagement remains positive and that plans are aligned with shareholder objectives so barriers are not put in front of delivery. New strategy (of which Network Development will form part) will be presented mid-year.	Probability	0.0	0.0	-	Further mitigating actions will depend on the nature of the risk if / when it crystallises.	Closed. This now forms part of POL's broader strategic work; any plans to grow the network will form part of this work stream.
	Tim McInnes			Reputational	Impact	0.0	0.0	-		Impact	0.0	0.0	-		
	13/02/2014 - terminated on 31/05/2015			Strategy	Rating	0.0	0.0	-		Rating	0.0	0.0	-		

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14	Shareholder Relationship	Breakdown in channels of communication with POL at some or all levels with anticipated loss of goodwill creating unhelpful distraction from business as usual matters.	POL team becomes obstructive to engaging and complying with shareholder requests Hampers ability to effectively monitor and challenge business performance and strategy - shareholder team is only told what POL wants us to know	Information	Probability	3.0	3.0	-	Ensure we effectively communicate and make clear to POL our reasons for our requests for information or areas of policy delivery	Probability	2.0	2.0	-	Richard Callard and CEO have agreed to work together in partnership to be open and transparent, and to highlight areas where our respective teams are not acting in accordance with those principles	Relationship is currently quite positive and improving at the senior level. We continue to encounter pockets of resistance at lower levels of POL which we continue to challenge or circumvent. New CFO adopts quite an open and transparent posture, at the moment.
	Richard Callard			Strategy	Impact	3.0	3.0	-		Impact	3.0	3.0	-		
	13/02/2014			[Select]	Rating	9.0	9.0	-		Rating	6.0	6.0	-		
15	Stakeholder Relationships	Breakdown relationships with general stakeholders - e.g., Citizens Advice, other Whitehall Deptts. (Defra etc.) creating unhelpful distraction from business as usual matters.	- Could impact POL's ability to deliver successful strategy and transformation of services and network - Undermines reputational and customer confidence in POL - Undermines Ministerial confidence in POL	Reputational	Probability	3.0	3.0	-	Ensure continued and responsive dialogue with all stakeholders understanding their needs and motivations and seeking to allay these where possible and appropriate	Probability	2.0	2.0	-	Seek to maintain flow of positive news across the national and local media to build momentum and consensus behind HMG policy and POL programmes	Royal Mail has challenged CAB's right to levy for work CAB does on POL that is not connected with postal services. Initial view from CIP colleagues in BIS is that RM has a good case and lead to a review of the CAB work plan.
	Michael Dollin			Finance	Impact	2.0	2.0	-		Impact	1.0	1.0	-		
	13/02/2014			Strategy	Rating	6.0	6.0	-		Rating	2.0	2.0	-		
16	Business Transformation	POL is unable to design or implement an appropriate target operating model (e.g. which leads to reduced costs) and fails to realise efficiencies to reduce reliance on subsidy. Key strategy targets are missed. Tough choices to be made by POL could attract political interference.	Unable to reduce reliance on public funding, and continued weakening of financial position. Depending on target operating model work, activities could also trigger significant stakeholder / external comms risks	Finance	Probability	3.0	3.0	-	Work closely with POL to understand and challenge its plans as they are developed in the coming months. Ensure sufficient contingencies are "baked in" to this early stage of the work and that we are able to respond to possible "bad news" leaks of proposals.	Probability	2.0	2.0	-	Escalate concerns with senior management and, potentially, through the POL Board. Ensure Ministers and BIS Comms are aware of risks.	New transformation director, David Hussey, now in place. Clear intent to ensure all programmes are properly scrutinised and the balance of risk and reward has been properly considered (but it is early days in his tenure).
	Richard Callard			Strategy	Impact	4.0	4.0	-		Impact	4.0	4.0	-		
	29/07/2014			People	Rating	12.0	12.0	-		Rating	8.0	8.0	-		
17	Budget Performance	POL misses budget targets for 2014/15 POL misses budget targets for 2014/15	Short term impact on narrative (e.g. independence, financial sustainability) and (possibly) SHEx's reputation as shareholder. Longer term on POL's ability to meet its plan targets and reduce subsidy from HMG.	Finance	Probability	0.0	0.0	-	Monitoring POL closely to ensure trends are properly understood and that POL is identifying opportunities to address underperformance in-year. Keep Ministers regularly informed on progress as the year progresses.	Probability	0.0	0.0	-	Escalate concerns through Board to express dissatisfaction with: (i) credibility of budget and challenge processes that went into this, and (ii) current year financial performance. Unlikely to help as little more can be done vs. what's being done already	Closed: POL missed revenue budget but met operating profit budget for 2014/15. 2015/16 has started positively (although budget has not been formally approved by the Board).
	Tim McInnes			Reputational	Impact	0.0	0.0	-		Impact	0.0	0.0	-		
	01/10/2014 terminated on 31/06/2015			[Select]	Rating	0.0	0.0	-		Rating	0.0	0.0	-		
18	NFSP relationship	NFSP discussions with POL on long term future, and specific initiatives, break down leading to a withdrawal of support for HMG policy. If agreement with POL can not be found, merger with CWU can not be ruled out.	Potential to undermine NT as a strategy, or VMA, with consequent financial / subsidy impacts. Could attract negative political interest raising reputational risks in the early months of 2015.	[Select]	Probability	4.0	4.0	-	Encourage POL to work with NFSP and seek their support. Consider engaging directly if considered appropriate (or if requested by the NFSP leadership). Keep Minister apprised of developments.	Probability	3.0	3.0	-	Engage directly more frequently, including potentially with Ministers. Also build Ministerial confidence in POL's abilities (e.g. to offset NFSP criticism).	POL and NFSP close to agreeing a 15 year funding deal that will secure NFSP's long term future and tie it to responsible behaviour on POL's business plans.
	Michael Dollin			[Select]	Impact	4.0	4.0	-		Impact	4.0	4.0	-		
	03/10/2014			[Select]	Rating	16.0	16.0	-		Rating	12.0	12.0	-		
19	CWU relationship	Inability to agree pay deal leads to strike action that negatively affects POL operationally, commercially and reputationally. CWU not supportive of NT, and likely to be negative on Expansion, creating adverse noise	Strike action in the Supply Chain could be operationally disruptive if sustained over a period, and likely to hurt POL commercially. CWU would certainly seek to leverage strike action in media and politically. Risk of contagion into wider CWU represented workforce.	[Select]	Probability	0.0	0.0	-	As an operational matter, Govt is not involved in pay negotiations. SHEx to continue to engage POL to ensure they enter negotiations from a commercial perspective. Understand the risks	Probability	0.0	0.0	-	Inform and reassure Ministers regarding POL strategy and progress to avoid panicked response to any strike action.	CWU executive has endorsed a deal which resolves all issues in dispute and gives pay stability for over two years in supply chain and admin. Removing the risk of ongoing strike action. Next pay review date for supply chain and admin is 1 April 2017. Risk thus closed.
	Peter Batten			[Select]	Impact	0.0	0.0	-		Impact	0.0	0.0	-		
	03/10/2014 - terminated 07/01/2015			[Select]	Rating	0.0	0.0	-		Rating	0.0	0.0	-		
20	DVLA new work	GDS rules prevent DVLA from working with POL to deliver new services, despite DVLA and POL wishing to do this work.	Impact on G5 strategy as POL would not be winning new revenue. Increases risk of HMG being criticised for not fulfilling commitments re: front office for government. Could lead to POL de-prioritising G5 in their strategy as new work not coming through.	Finance	Probability	2.0	2.0	-	SHEx encouraging dialogue between GDS & DVLA to identify barriers and unblock if possible at official level. Recommendations developed for Cabinet Otter could help here if accepted.	Probability	2.0	2.0	-	Ministerial intervention.	POL continue to work with DVLA on new services (including under FOCs)
	Laura Thompson			Strategy	Impact	3.0	3.0	-		Impact	3.0	3.0	-		
	03/10/2014			Reputational	Rating	6.0	6.0	-		Rating	6.0	6.0	-		
21	Governance/Board appointments	Appointment of new Chair is delayed or paused, leaving a vacancy for the Chair when current Chair steps down in July. May also impact recruitment of new SID when the incumbent's post ends in September. Chair of ARC is also stepping down in July.	POL's Board will not have a Chair, or would have an interim Chair in the form of the SID. Generally the Board will look very different by year end (new Chair, SID, ARC chair) which could impact Board effectiveness.	Operational	Probability	2.0	2.0	-	Chair appointment timetable should allow new Chair to be appointed before July, assuming Ministers are content to make decision. We will prioritise advice on the Chair appointment as part of early Ministerial briefing	Probability	2.0	2.0	-	If required, the SID would probably extend his tenure for a few months if we were without a Chair. The SID would make a very good interim Chair.	Ministers have now approved the shortlist of candidates and interviews will happen on 1st June. Consider that this lowers the risk of finding a new Chair. SID and ARC chair recruitment is beginning
	Richard Callard			People	Impact	3.0	3.0	-		Impact	3.0	3.0	-		
	27/02/2015			Reputational	Rating	6.0	6.0	-		Rating	6.0	6.0	-		

OFFICIAL SENSITIVE

22	Remaining NT branches	POL is unable to execute its plans for the remaining branches leading to NT not being completed and c.2,000 branches remaining uncovered. This could be bad planning, NFSP reacting against the plans or Ministerial resistance.	If NT is not delivered in full this has financial and commercial consequences for POL. Similarly if the NFSP do not support POL's plans they might take action which could have broader consequences, e.g. also for Network Development.	Finance	Probability	4.0	4.0	-	We are working closely with POL to ensure the content and timing of its plans are acceptable and that Ministers are briefed. We are also encouraging from both sides, a greater level of engagement with the NFSP.	Probability	2.0	2.0	-	Until the nature of the risk becomes clear it is difficult to set out further mitigating actions. These will be specific to the timing and circumstances.	POL would like to issue the formal change in terms for unengaged subpostmasters but we have asked that they delay until we have adequately sighted our new Minister. Delay is not material to POL's timescales.
	Michael Dollin			Operational	Impact	4.0	4.0	-		Impact	2.0	2.0	-		
	27/02/2015			Strategy	Rating	16.0	16.0	-		Rating	4.0	4.0	-		
23	IT Infrastructure	POL is undertaking a large scale and widespread transformation of its IT infrastructure in the next few years; this in itself is high risk but core parts of POL's strategy rely on it too.	If the IT transformation is managed poorly it could trigger service disruption across the network, and also impact on the delivery of POL's commercial strategy (incl. if rollout is delayed). This has important commercial consequences too.	Operational	Probability	3.0	3.0	-	We are close to POL and are in the process of shifting our monitoring to focus on implementation (vs. planning). New governance processes are also being established and the Board is taking an increased interest in this area.	Probability	2.0	2.0	-	Review governance processes and encourage an independent review of plans and assurance structures.	We will be working closely with POL as IT Transformation now moves into implementation vs. planning and procurement. We will also encourage POL to commission an assurance review at the appropriate time.
	Tim McInnes			Finance	Impact	5.0	5.0	-		Impact	2.0	2.0	-		
	27/02/2015			Information	Rating	15.0	15.0	-		Rating	4.0	4.0	-		
24	Cyber Security			Operational	Probability	2.0	2.0	-	Board have been briefed by CPM	Probability	2.0	2.0	-	To be developed	TBC
	Laura Thompson	POL Board and senior team are not considering sufficiently the risk of cyber attack on the business.	POL is at increased risk of cyber attack and suffers reputational damage and/or loss of business.	Legal	Impact	4.0	4.0	-		Impact	4.0	4.0	-		
	27/02/2015			Reputational	Rating	8.0	8.0	-		Rating	8.0	8.0	-		
25	POL Pension Scheme	Whilst POL's pension plan is currently in surplus, the generous nature of the scheme and the high payments it requires to maintain it are commercially unsustainable and the scheme will likely require its closure over the next 2-5 years.	Likely to cause significant industrial unrest with resulting problems for the business, and impact its reputation.	Operational	Probability	4.0	4.0	-	Early consideration of the issue will help to implement any changes required at the time of POL's choosing and will allow them early engagement with unions.	Probability	4.0	4.0	-	None as yet.	POL's pensions sub committee are exploring the options available, in preparation for the next triennial valuation which begins in April.
	Richard Callard			People	Impact	4.0	4.0	-		Impact	3.0	3.0	-		
	01/04/2015			Reputational	Rating	16.0	16.0	-		Rating	12.0	12.0	-		
26	Bank of Ireland			Finance	Probability	3.0	3.0	-	This is a commercial matter for POL but it is an area in which Government is potentially exposed. We are staying close to POL on progress.	Probability	2.0	2.0	-	Further mitigating actions will emerge once the nature of the risk becomes clearer in the coming months. Preliminary discussions with POL/ Bol are ongoing and the outcome of these is unknown.	Recent "deep-dive" at the Q&M touched on Bol. The relationship still needs to be improved although, rightly, management's focus is on delivering existing initiatives - where work is required - before focusing elsewhere.
	Tim McInnes	After POL restructured its relationship with Bol in 2012 the two parties have continued to grow POL's FS business but not in the way originally envisaged. Misalignments have started to emerge in a number of areas.	POL is not able to grow its FS business as planned, which impacts delivery of POL's strategy, the returns on taxpayer investment and POL's ability to reduce its reliance on taxpayer funding.	Strategy	Impact	3.0	3.0	-		Impact	2.0	2.0	-		
	07/04/2015			Reputational	Rating	9.0	9.0	-		Rating	4.0	4.0	-		