

**Management Board****Corporate Risk Management: October 2008****Paper from the Corporate Risk Facilitator****Purpose of this paper**

This paper is the quarterly update to the Management Board on risk management.

**Decisions**

2. The Board is asked to:
  - i. Note the work in progress on improving the information provided to the Board within the monthly risk monitoring report (paras 3-7);
  - ii. Note the need for a review of the corporate risks (para 8);
  - iii. Note the work in progress in the training and communication of risk management ( para 9);
  - iv. Note the recruitment of new full-time member of staff to the risk management team (para 10).

**MONTHLY RISK REPORTING****Risk Monitoring Information**

3. We have been capturing data on Departments' top two risks since June 2008 and Departments are now getting used to this process. Recently we have also informed the Board of any emerging risks which Departments feel need to be highlighted to the Board.
4. The Board should note that for the October report, there has again been little change in departmental risks. This may be because of lower level of activity during the recess period, but it does raises questions about our risk management approach. In particular:
  - Are the risk assessments and the underlying data supporting those assessments robust?
  - Are the management actions to mitigate the risks adequate?
  - Are we really identifying and bringing to the Board's attention any emerging risks?
  - Are the risks being managed by the person best placed to mitigate them?

In short, are we doing enough to manage those risks?

5. The OCE's aim over the next few months aim is take a more pro-active approach and work more closely with Departments and corporate risk owners to review and challenge those risks and the basis of assessment. Part of the process will be to look at the mitigations to make sure that the data supporting the risk assessments is robust and "SMART".
6. The limitations of the current reporting system are also that it does not give the Board enough information on those keys risks that are causing concern across the organisation and does not highlight those risks that should really be owned at Board level.
7. A way forward is to refine and slightly revise our current approach by highlighting the highest scoring residual risks and identifying the key management action currently being undertaken to reduce the level of risk. An example is given at Annex A. The intention is to include this table within the monthly monitoring report to supplement the existing data, and, in doing so, provide assurance to the Board that these keys risks are being monitored and appropriate action is in place to reduce the level of risk; explanations can be sought from the risk owner if the Board are unhappy about progress.
8. For the longer term, we are working with the Performance Management team in OCE, and with Internal Audit, on integrating risk and performance reporting (as agreed by the Board last month).

## **OTHER RISK ISSUES**

### **Corporate Business Plan**

9. Once the corporate business plan is agreed, the board will need to review its corporate risks to ensure they remain the same in light of any changes in current strategy. The proposal is to draw up a list of risks for consideration by the Board at the November meeting.

### **Training and Communication**

10. Training and communication of risk continue to be key in embedding risk management into the House's processes. The following have been actioned over the summer :
  - a) Induction Course – risk management is now included within the section on OCE;
  - b) Managing for Excellence – work has taken place over the summer to ensure the risk management process is included within the Finance Module. It is already included in the presentation on how the House is managed.
  - c) "Pure" risk management training: we are looking at the feasibility of some "pure" risk management training for those staff responsible for risk management within departments.

## Resourcing of Risk Management

11. For information, we have recently recruited a new full-time member of staff to replace [s.40] who left at the end of August 2008. The successful candidate was [s.40], currently Internal Auditor, who will take up the position on 1 November 2008.

[s.40]  
Corporate Risk Management Facilitator

OCTOBER 2008

APPENDIX A

**TOP SCORING RISKS ACROSS THE ORGANISATION**

Risk No.	Risk	Risk Owner	Like lihood	Impa ct	RESIDUAL Risk level	Change	Management Action Plan
<b>CATEGORY: IT FAILURE</b>							
CORP 3	Major IT breakdown or the failure to develop an IT infrastructure that is robust		4	4	16		
PICT 4	Maintain a resilient, sustainable agile infrastructure and desktop environment		4	5	20☹		
DIS 3	Loss of IT services, poor quality IT services or IT services which are unable to keep pace with business change		4	4	16		
DCCS 2	Disruption to the work of the House as a result of a major IT breakdown		2	5	10☺		
<b>CATEGORY: REPUTATIONAL</b>							
DR 2	Department develops a poor reputation amongst 1) Members and their staff and 2) staff and mgmt of the House		4	4	16		
<b>CATEGORY: CHANGE</b>							
DR 8	Review of Members' allowances and Tebbit changes distract us from our core services		4	4	16		
<b>CATEGORY: UNPLANNED EVENT</b>							
DIS 1	Disruption to the work of the House as a result of an unplanned event (e.g. terrorist attack, fire, flood, IT crash etc)		4	4	16☹		
PICT 1	A strategic planning approach ensuring effective stakeholder management and communications		4	5	20☹		