

Safe roads, Reliable journeys,
Informed travellers



Risk Identification in HA

Ray Butler

Risk Management Adviser

- Strategic Risks
 - Board handle
 - Gain assurance through monitoring....
- Operational Risks
 - Tied to management planning / performance reporting
 - Take overview of...
- Project Risks

- Strategic Risks
 - Aim for 6
 - Board brainstorm issues
 - Group under themes
 - Allocate champion
 - Tidy up ownership

- Operational Risks
 - Tied to Management Plan objective setting
 - Briefing on process
 - Brainstorm risks to each objective
 - Revise / Thin list by consensus
 - Rank and allocate remaining risks

- Project Risks
 - Tied to Value Management
 - Brainstorm risks
 - Revise / Thin list by consensus
 - Rank and cost remaining risks



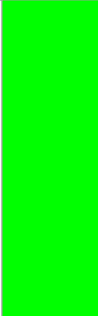
Prioritising Risks

- Risk Appetite Helps

<u>Likelihood</u>	<u>Consequences</u>		
	Low	Medium	High
High <i>(Probable)</i>	Medium	Medium	High
Medium <i>(Possible)</i>	Low	Medium	High
Low <i>(Remote)</i>	Low	Low	High



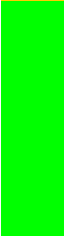
How do YOU do it ?

Consequences

Impact	Examples of Consequences
<p>High</p> 	<ul style="list-style-type: none"> • Major effects on standards of service to the customers • Significant impact on reported performance – Would reduce ability to deliver objective by over 10% • Significant impact on the business – serious damage to the Agency's ability to service customers • Unexpected impact on budgeted spending in excess of 10% • NAO qualify the accounts or PAC hearing would result (error in excess of £7 Million) • Embarrassment to ministers or serious damage to Agency's reputation
<p>Medium</p> 	<ul style="list-style-type: none"> • Some effect on service to customers • Some impact on reported performance, would reduce ability to deliver objectives by up to 10% • Some impact on the business - would affect customers • Unexpected impact on budgeted spending between 5% - 10% • NAO management letter • Damage to reputation at regional / divisional level
<p>Low</p> 	<ul style="list-style-type: none"> • No or only minor affect on standard of service to customer • No or insignificant affect on reported performance • No or insignificant effect on achievement of business objectives • Unexpected impact on budgeted spending 5% or less • NAO consider action satisfactory or comment on the accounts • Little or no damage to reputation, embarrassment at local or individual level.



Likelihood

<i>Likelihood</i>	<i>Description</i>	<i>Indicators</i>
High (Probable)	 <p>Likely to occur</p> <ul style="list-style-type: none">• In more than 25% of cases / products• 1 or more times each year	<p>Potential of it occurring frequently within the time period (for example ten years). Has occurred recently.</p> <p>Potential to impact a large proportion of products or services</p>
Medium (Possible)	 <p>Less than 25% chance of occurrence. OR Likely to occur less than annually but one or more times in a ten year period.</p>	<p>Could occur more than once within the time period (for example - ten years). Could be difficult to control due to some external influences. Is there a history of occurrence?</p>
Low (Remote)	 <p>Less than 2% chance of occurrence or Not likely to occur in a ten year period.</p>	<p>Has not occurred and is unlikely to occur.</p>

