KILIMANJARO CHRISTIAN MEDICAL UNIVERSITY COLLEGE

(A Constituent College of Tumaini University Makumira)

Formatted: Font: 14 pt

RISK MANAGEMENT POLICY

Formatted: Font: 14 pt

PREPARED BY:

Formatted: Font: 14 pt

Provost office
P.O Box 2240
Moshi –Kilimanjaro

Table of Contents

Formatted: Normal

1 Introduction

Like every business the Kilimanjaro Christian Medical University College faces numerous risks. These risks have the potential to disrupt achievement of the College's strategic and operational objectives. KCMU College aims to use risk management to take better informed decisions and improve the probability of achieving its strategic and operational objectives.

2 Corporate Governance

a) KCMU College is required to include in its annual financial statement a statement on internal controls, including how the following broad principles of corporate governance have been applied:
   i. The identification and management of risk should be a continuous process linked to the achievement of the College's objectives;
   ii. The approach to internal controls should be risk based including one valuation of the likelihood and impact of risks becoming a reality;
   iii. Review procedures must cover business, operational and compliance as well as financing risk;
   iv. Risk assessment and internal controls should be embedded in ongoing operational procedures;
   v. The governing body or relevant committee should receive regular reports during the year on internal controls and associated risks;
   vi. The principal results of risk identification, evaluation and management review of its effectiveness should be reported to, and reviewed by, the governing body;
   vii. The governing body acknowledges that it is responsible for ensuring that a sound system of control is maintained and that it has reviewed the effectiveness of the above process;
   viii. Where appropriate, set out details of actions taken or proposed, to deal with significant internal controls issues.

3 Purpose of this policy

This policy is a formal acknowledgement of the commitment of the College to risk management. The aim of the policy is not to have risk eliminated completely from KCMU College activities, but rather to ensure that every effort is made by the College to manage risk appropriately and if possible to reduce at minimum acceptable level so as to maximize potential opportunities and minimize the adverse effects of risk.

4 Policy Objectives

a) To confirm and communicate the College's commitment to risk management to assist in achieving its strategic and operational goals and objectives.
b) To formalize and communicate a consistent approach to managing risk for all KCMU College activities and to establish a reporting protocol.
c) To ensure that all significant risks to the KCMU College are identified, assessed and where necessary treated and reported to the College legal office in a timely manner through the KCMU College's audit committee.
d) To assign accountability to all staff for the management of risks within their areas of control.
e) To provide a commitment to staff that risk management is a core management capability.

5 Policy Statement

a) The KCMU College considers risk management to be fundamental to good management practice and a significant aspect of corporate governance. Effective management of risk will provide an essential contribution towards the achievement of the KCMU College's strategic and operational objectives and goals.
b) Risk management must be an integral part of the KCMU College's decision making and routine management, and must be incorporated within the strategic and operational planning processes at all levels across the College.
c) Risk assessments must be conducted on new ventures and activities, including projects, processes, systems and commercial activities to ensure that these are aligned with the KCMU College's objectives and goals. Any risks or opportunities arising from these assessments will be identified, analysed and reported to the appropriate management level. KCMU College will maintain a strategic risk register. All Schools, Institutes and Sections will maintain operational risk registers. The College is committed to ensuring that all staff, particularly Heads of Schools, Institutes and Sections are provided with adequate guidance and training on the principles of risk management and their responsibilities to implement risk management effectively.
d) KCMU College will regularly review and monitor the implementation and effectiveness of the risk management process, including the development of an appropriate risk management culture across the College.

6 Scope of the policy

a) Risk is an inherent aspect of all academic, administrative and commercial business activities.
b) Sound risk management principles must become part of routine management activity across the College.
c) The key objective of this policy is to ensure the College has a consistent basis for measuring, controlling, monitoring and reporting risk across the College at all levels.
d) The policy details the following:
e) What is risk?
    i. The College's approach
    ii. Risk Responsibilities and Risk Owners
    iii. How is risk assessed?
    iv. Risk Process
    v. Risks above the tolerance line
    vi. School, Institute and Section risk management
    vii. Project risk management
    viii. Rollout and review of the risk policy

7 The appendixes provide:

a) Categories of risk
b) Risk Responsibilities
c) Risk Management Strategy Group
d) Gross / Net Tool
e) Guide to the KCMU College's Risk Register
f) Typical questions at a risk review

8 What is Risk?

Risk exists as a consequence of the degree of uncertainty and/ or potential loss inherent in a decision and is present in all activities whatever the size or complexity and whatever industry or business sector. It is important to understand that risk is a broader concept than the traditional view of merely a threat. It also recognises the risks of taking or not taking opportunities.

9 Risk includes:

Threats (damaging events) which could lead to failure to achieve objectives. Opportunities (challenges) which if exploited could offer an improved way of achieving the desired objectives but which could potentially have negative impacts.

KCMU College considers all types of risk it faces, strategic, operational, financial, reputational and regulatory and compliance risks. Appendix 1 gives a list of the different categories of risks.

10 The College's Approach

KCMU College's approach to risk management follows several key principles:

a) The Risk Management process will be as user friendly as possible and add value. For this reason considerable effort has been put into keeping the process as simple as possible.
b) KCMU College seeks to embed risk management across all Schools, Institutes, Sections and project management but its immediate aim is to ensure that it is embedded in the College's management group.
c) The aim is to marry top down and bottom up assessments to produce a comprehensive picture of risk across all KCMU College activities.
d) All Schools, Institutes and Sections will use a consistent and transparent approach to risk, ensuring an agreed and widely understood method and language.
e) A key focus of the risk management process is the concentration on control improvements to mitigate significant risks, however there is a need to balance the cost and the effectiveness of the controls; for example where marginal improvements in control require substantial costs, the proposal may be unviable.
f) Upward reporting of risk ensures that significant risks are reported and closely monitored on a regular basis at the appropriate level.

11 Risk Responsibilities

a) The key responsibilities are detailed in Appendix 2

12 Provost

The Provost, advised by the Risk Management Strategy Group is responsible for managing corporate risks.

13 KCMU College Legal Office

The Legal office of the College has responsibility for the total risk exposure of the College and approves the risk tolerance line annually.

Formatted: Font: 10 pt

14 Heads of Schools, Institutes and Sections

Heads of Schools, Institutes and Sections are responsible for the management and monitoring of risk in line with this policy within their areas of responsibility.

15 Staff and students

Effective risk management depends on the commitment and co-operation of all staff and students. All staff members have a significant role in the management of risk, particularly within their own areas of control. Consequently all staff members are responsible for and have accountability for adherence to the principles outlined in this policy.

16 Project Managers and Project Teams

Project managers and project teams are responsible for managing project specific risk and complete a project risk register to demonstrate that this is being done.

17 Head of Finance

The Head of Finance reviews the risk management process annually and reports this in an annual report on risk management to the Audit Committee. The internal audit programme is partly based on the risk registers of the College.

The Head of Finance and the Group Risk Manager manage the risk process including the roll out of the risk management programme.

18 Group Risk Office

a) The Group Risk Office is responsible for coordinating the risk management programme and will provide advice and guidance, including the development of standard templates and tools to assist the College in managing risk.
b) The Group Risk Office will develop and conduct training on the principles of risk management, risk assessment and on how to implement risk management effectively.
c) Where necessary, the Group Risk Office will assist Schools, Institutes and Section to conduct risk assessments on new ventures and activities.
d) The Group Risk Office will maintain the College's strategic risk register.
e) The Group Risk Office will develop a comprehensive incident reporting system and maintain information on losses or adverse events when risks eventuate.
f) The Group Risk Office will manage the insurance and risk financing requirements of the College.

19 Risk Management Strategy

Formatted: Space Before: 0 pt

Formatted: Space Before: 0 pt

There are five steps to management of risks identified in the risk register (illustrated in Appendix 5) which consists of:

a) Identifying the risks to achieving strategic and operational objectives
b) Determining the owner of the risk
c) Determining and assessing the existing controls in place
d) Assessing the impact and likelihood of the risk after taking account of existing controls to derive the net risk
e) Determining further control improvements to mitigate the risk and indicate what their impact on net risk will be when they are fully implemented.

Risk can be assessed using brainstorming sessions, SWOT analysis or risk assessment user groups. Management groups should carry out an annual review of the linkages between strategic objectives and risks to ensure that focus is maintained on priority activities.

The College uses a risk model (Appendix 4) to define likelihood and impact. Impact is the potential severity or effect of the risk. Likelihood is the frequency or probability of a risk occurring. The ratings given to impact and likelihood produce an evaluation of net risk. Both the adequacy of existing controls and net risk are denoted by a traffic light system. Any risks in the red will require explicit review and approval by the Risk Management Strategy Group.

Each level of management should use a risk register to manage identified significant risks and report these to the next appropriate level. Project risk will be reported to the project team. Red risks for projects will be reported to the Head of Finance who will decide whether they should feature in the corporate register.

20 Institute, Department and Section Risk Review

A formal risk review should take place at least twice a year with a review of progress on control improvements for red risks every six weeks. In the case of projects there should be a risk review at each project team meeting. During the risk review, thought should be given to each risk to ensure that the risk is still relevant and applicable and that the risk register is complete (new risks should be considered at this point). It is good practice for Institute and Section management groups to note emerging risks for consideration and review during their regular meetings.

It is important that the number of risks under active management does not exceed a manageable number (10-20) and where the net risk is considered very low the risk can be removed from the risk register. The list of questions in Appendix 6 should be addressed at all risk reviews.

21 Reporting significant risk

The normal reporting regime will include publication of a revised risk register for any red risks that require reporting to that level of authority or any existing controls that have been scored as red. The risk map shows the level of likelihood and impact of the net risk and the adequacy of controls.

Institute, Department and Section risk management will follow a similar process to that defined for corporate risks. It is important that each Institute, department and Section nominates a member of staff to take responsibility for managing the risk management process. After defining the risks and ownership, the risk register should be populated by each risk owner as set out in this policy. The register should be reviewed at least twice a year (including consideration of new risks) by the risk owners. An annual report should be presented to the Risk Management Strategy Group and include the risk register.

The risk register will form part of the planning process for each Institute, Department and Section.

Any red risks and any risk where existing controls are assessed as inadequate should be reported to the Head of Institute, Department or Section for reporting to the Planning and Top Management System. The Planning and Top Management Team will determine whether or not the risk should appear on the Corporate Register.

The Head of Finance will make arrangements to audit the risk process for each Institute, Department and Section as part of a regular cycle of audits and will report explicitly on the risk management processes in Institutes, Department and Sections.

22 Significant risk can be defined as:

Corporate Level – Any controlled red risk and any risks with existing controls assessed as inadequate will be reported to the Planning and Top Management Team.

23 Institute, Department Section and Project Level

Major and catastrophic red risks and any risks with inadequate existing controls must be reported to the Head of Finance (Bursar).

As control improvement plans are developed, the Risk Management Strategy Group will need to take a view as to whether the actions being taken to mitigate the risk are adequate (including risk transfer for example insurance) or whether more could be done. As a result of this exercise it will decide whether the level of residual risk is acceptable or whether the risk should be terminated (for example ending the activity where the risk originates).

24 Project Risk Management

Project risk management will follow a similar process to that defined for corporate risks. The Project Manager will take responsibility for risk management. The risk register in the format set up in this policy will be populated at the point at which permission is sought for a project to proceed. The risk register will be updated and presented at each project meeting.

25 New Projects

Where a project requires approval then a full business case including a risk register must be submitted to the Head of Finance for consideration.

26 Risk Management Process – Roll Out

The risk process including the risk strategy and risk register have been embedded at corporate level during respective financial year.

During the initial roll out there will be a review and any variation, needed for the effective running of the risk process will be made. Specifically the appropriate escalation level for Institute, Department, Section and projects will be reviewed. This will be based on the review from internal audit and will take into account any operational issues which occurred during the year.

Each year the Risk Management Strategy Group will review the Institute, Department, and Section risk registers. The policy will be updated annually to reflect any changes. Otherwise the policy will be reviewed every after three years.

Please contact the Head of Finance should you have any questions regarding this policy or the application of the risk management process across the College.

27 Appendix 1

Categories of Risk

This appendix provides a prompt which can be used to aid risk discussions. These can be used as a guide, a starting point or as a checklist for existing registers

27.1 Strategic Risk – Major Threats

Sources of threat that may give rise to significant strategic risk includes:

a) Budgeting (relates to availability or allocation of resources)
b) Fraud or Theft
c) Unethical dealings
d) Product and or services failure (resulting in lack of support to business process)
e) Public perception and reputation
f) Exploitation of workers and or suppliers (availability and retention of suitable staff)
g) Environmental (mismanagement issues relating to fuel consumption, pollution etc)
h) Occupational health and safety mismanagement and or liability
i) Failure to comply with legal and regulatory obligations and or contractual aspect (can you sue or be sued)
j) Civil Action
k) Failure of the infrastructure (including utility supplies, computer networks etc)
l) Failure to address economic factors (such as interest rates, inflation)
m) Political and market factors (for management of risk, security etc)
n) Operational procedures – adequate and appropriate
o) Capability to innovate (to exploit opportunities)
p) Failure to control intellectual property (as a result of abuse or industrial espionage)
q) Failure to take account of widespread disease or illness among the workforce
r) Failure to complete to published deadlines or timescales

s) Failure to take on new technology where appropriate to achieve objectives
t) Failure to invest appropriately
u) Failure to control IT effectively
v) Failure to establish a positive culture following business change
w) Vulnerability of resources (material and people)
x) Failure to establish effective continuity arrangements in the event of disaster
y) Inadequate insurance/contingency provision for disasters such as fire, floods and bomb incidents.

28 Strategic/Commercial Risks

Examples of commercial risks includes

a) Under performance of service relative to specification
b) Management will underperform against expectations
c) Collapse of contractors
d) Insolvency of promoter
e) Failure of suppliers to meet contractual commitments (this could be in terms of quality, Quantity and timescales on their own exposures to risk)
f) Insufficient capital investment, shortfall in revenue expected / planned
g) Fraud/Theft
h) Partnerships failing to deliver desired outcome
i) An event being non insurable or cost of insurance outweighs the benefit
j) Economical/Financial/Market
k) Exchange rate fluctuation
l) Interest rate instability
m) Inflation
n) Shortage of working capital
o) Failure to meet project revenue targets
p) Market developments will adversely affect plans

28.1 Legal and Regulatory

a) New or changed legislation may invalidate assumptions upon which the activity is based
b) Failure to obtain appropriate approval (e.g. planning consent)
c) Unforeseen inclusion or contingent liabilities
d) Loss of intellectual property rights
e) Failure to achieve satisfactory contractual arrangements
f) Unexpected regulatory controls of licensing requirements
g) Changes in tax structure

28.2 Organization/Management/Human Factors

a) Management incompetence
b) Inadequate corporate policies
c) Inadequate adoption of management practices
d) Poor leadership
e) Key personnel have inadequate authority to fulfill roles
f) Poor staff selection procedures
g) Lack of clarity over roles and responsibilities
h) Vested interest creating conflict and compromising the overall aims
i) Individual or group interests given unwarranted priority
j) Personality clashes
k) Indecisions or inaccurate information
l) Health and safety constraints

29 Political

a) Change of government policy
b) Change of government

c) War and disorder
d) Adverse public opinion/media intervention

30 Environmental
a) Natural disasters
b) Storms, flooding
c) Pollution incidents
d) Transport problems

31 Technical/Operational/Infrastructure
a) Inadequate design
b) Professional negligence
c) Human error/incompetence
d) Infrastructure failure
e) Operation lifetime lower than expected
f) Increased dismantling/decommissioning costs
g) Safety being compromised
h) Performance failure
i) Residual maintenance problems
j) Unclear expectations
k) Breaches in statutory/information security
l) Lack or inadequacy of business continuity

31.1 Operational Risks
a) Lack of clarity of service requirements
b) Inadequate infrastructure to provide required operational services
c) Inadequate or inappropriate people available to support the required service provision
d) Inappropriate contract in place and or inadequate contract management to support the required level of service provision
e) Changing requirements, enabled in an uncontrolled way
f) Products passed to operational teams without due consideration to implementation,
g) handover, subsequent maintenance and decommissioning
h) Unexpected or inappropriate expectations of service users
i) Inadequate incident handling
j) Lack or inadequacy of business continuity or contingency measures with regard to maintaining critical business services
k) Failing to meet legal or contractual obligations
l) Extracted from Management of Risk: Guidance for practitioners

32 APPENDIX 2
Risk Responsibilities
It is essential that all participants in risk management are aware of their roles in the overall process and their own responsibilities.
College Legal Office

The Legal Office has responsibility for the total risk exposure of the College by:

a) Setting the tone and influence of the culture of risk management across the College
b) Determining the extent to which the College is "risk taking" or "risk averse" as a whole sets the College's risk tolerance line
c) Approving major decisions affecting the College's risk profile or exposure
d) Determining what types of risk are acceptable/not acceptable and monitoring significant risks and control improvements to mitigate risks
e) Annually reviewing the College's approach to risk management and approving changes or improvements to key elements of the process and procedures

32.1 Top Management Team (TMT)

The Planning and Management Executive, advised by the Head of Finance, is responsible for corporate risks by:

a) Identifying and evaluating the significant risks faced by the College
b) Providing adequate information in a timely manner to Legal Office on the status of risks and controls
c) Participating biannually in a risk review and reporting the outcomes to Legal Office
d) Implementing policies on risk management and internal control
e) Reviewing School, Institute, Section and Project red risks
f) Participating in the annual review of effectiveness of the system of internal control and risk management by internal audit

32.2 To aid this Legal Office will receive

An annual report from Internal Audit on the effectiveness of the risk management process in the College, making recommendations when necessary.

32.3 Institutes, Department and Sections

Heads of Schools, Institutes and Sections supported by their management groups are responsible for the management and monitoring of risk within their areas of responsibility.

School, Institute and Section risks will be implemented in a fashion similar to that at KCMU College strategy level. Full details can be found in Appendix 3.

32.4 Risk Management Strategy Group

The risk owner has responsibility of monitoring and managing their individual risk. The strategic risk register clearly documents the risk owner along with other relevant information data on the risk and therefore each owner is required to be familiar with the risk register. The risk owner is also responsible for the implementation of the measures taken in respect of each risk.

32.5 Head of Finance

The Head of Finance and the Group Risk Manager, as the risk process owner ensures that risk is managed effectively at all levels and that risk registers are reported at an appropriate level.

33 APPENDIX 3

RISK MANAGEMENT STRATEGY GROUP

1. Introduction

The Risk Management Strategy group is a key tool in the management of the risk and opportunities associated with achieving the College's Strategic Plan. Strategic risk includes operational, financial and reputational risks. The strategy is based upon assessment and prevention rather than reaction and remedy.

Whilst overall corporate governance responsibility rests with The College Legal Office, risk management will be coordinated and monitored by the TMT. The responsibility for implementation of the Risk Management Strategy is shared by all staff across the College.

33.1 Objective

The objective of the Risk Management Strategy Group is to establish formal mechanisms that will facilitate the timely identification and management of risk and hence ensure the delivery of the strategic plan objectives.

2. Implementation

Implementation of the Risk Management Strategy has four strands.

a) Embedding risk assessment in the strategic decision making process
b) Internal review of risk and how it is managed
c) External assessment of the effectiveness of the strategy
d) Provision of resources to implement the strategy including staff training

33.2 3.1 Embedding risk management in the strategic decision making process

The assessment of risk should be an integral part of the planning and review process. All strategic proposals should include a risk assessment both of doing and of not doing the proposed activity.

Strategic decisions are taken by the TMT in setting the College strategy. Institute, Department, and section will also their own which are in line with College strategy.

Where a strategic decision is taken or activity undertaken then the major risks associated with that decision or activity should be added to the Strategic Risk Register.

The Strategic Risk Register is a summary of the major risks associated with all KCMU College activities and decisions at the date of its latest formal review.

Decisions involving significant risk should be reported to The College Legal Office and, where appropriate, The College Legal Office's approval should be sought.

Formatted: Space Before: 0 pt

33.3 3.2 Internal review of risk and the risk strategy

The Strategic Risk Register will be formally reviewed by TMT at 3 monthly intervals. The register will be updated at 8 weekly intervals by the risk owners and the Risk Management Strategy Group as the identified risk increases or decreases. Where risks have reduced to a level below an agreed threshold, they will be removed from the risk register.

The TMT will report to the Audit Committee who in turn report to the College Legal Office.

33.4 3.3 External assessment of the effectiveness of the strategy

An integral part of this Risk Management Strategy is that there should be a formal evaluation of its effectiveness. This evaluation will be undertaken annually by the Audit Committee and will report to the College Legal Office.

The effectiveness review will determine whether risks are being properly identified, managed and reported at appropriate levels. The review will include a report on the risks identified within the Risk Register.

33.5 3.4 KCMU College Risk Management Strategy Governance Process

The process can be summarized as follows:

33.6 Strategic decision

Strategic decision or activity risk control actions risk identification, assessment and control action plan

Major risks recorded in Risk Register Action by TMT, Institute or Section, Audit Committee or Legal Office, as appropriate feedback& update strategic decision or activity risk control actions risk identification, assessment and control action plan major risks.

33.7 3.5 Resources

Resources required for the management and possible amelioration of risk associated with specific projects should be included in the business plan for each project or proposal. The costs associated with the general management of risk should be included in each budget holder's annual budget and reviewed as part of the annual planning round.

All Heads of Institutes, Department or Sections are responsible for ensuring that staff development needs are identified including risk training of appropriate staff. This training includes the identification and management of strategic risk and of operational risk.

34 Appendix 4

Formatted: Space Before: 0 pt

34.1 Gross/Net Risk Model

This model explains how we assess risk and the effectiveness of the controls established to mitigate it. Gross Risk (G) is the risk of an uncontrolled event. For example, if one of our labs operates heavy machinery then there is a probability that badly installed equipment is not maintained properly and is then operated by an untrained person who is then injured.

However, the College, like most organizations has established procedures that are put in place to mitigate the likelihood and impact of such events. This is what we term "Existing Response" in the model.

There is still a residual, uncontrolled, risk because the equipment is being operated by untrained staff and students. This is flagged to the risk management group who determine that an appropriate control would be to introduce training. Once the training is complete, the Net Risk-Projected will reflect both lower probability of occurrence and lower impact.

Situations change and Net Risk-Current, and Net Risk-Projected could increase or reduce between reviews, requiring additional controls to be introduced or existing controls to be strengthened.

34.2 Likelihood

Insignificant Minor Moderate Major Catastrophic Resolution would be achieved during normal day to day activity. Resolution would require coordinated input from Institute, Department and Section and therefore would require the mobilization of a dedicated project team Resolution which would require input from Legal Office

Actions to reduce

Assess the Net Risk - Current with regard to Likelihood and Impact. Describe key management controls. The risk owner is the best person placed to manage and monitor the risk, Assess potential impact considering controls currently in place, Assess probability of occurrence considering controls currently in place. Set target date for controls to be in place. Reflect progress towards completing Actions to Reduce Probability Planned action to mitigate the impact if risk crystallizes, or exploit challenges by: transferring the risk, treating the risk, tolerating the risk, terminating the risk, Enter target date by which control should be put in place Indicate the planned impact of the control improvement on the net risk once the actions have been fully implemented.

35 Appendix 5

Guide to the College's Risk Register LIKELIHOOD IMPACT Almost Certain.

May occur only in exceptional circumstances - Chance 10% Event could occur at some time – Chance 10 - 30% Event should occur at some time – Chance 30 - 50%Event will probably occur in most circumstances - chance 50 - 90% Event is expected in most circumstances - Chance > 90% represents the Projected Net Risk after considering the actions to reduce probability and to mitigate the consequences.

a. **Strategic Risk Criteria**

b) **Methodology**

- Uses descriptive scales
- Shows relative risks graphically
- Enhances understanding & acceptance

c) Quantification Criteria for Likelihood Description Chance Score Likelihood Event is expected in most circumstances>90% Almost Certain

d) Event will probably occur in most circumstances 50 - 90% Likely

e) Event should occur at some time 30 - 50% Possible

f) Event could occur at some time 10 - 30% Unlikely

g) Event may occur only in exceptional circumstances <10% Rare 1

35.1 Quantification Criteria for Impact
Overall Impact
Rating

1, 2, 3, 4 & 5

1. Insignificant
2. Minor
3. Moderate
4. Major
5. Catastrophic

35.2 Management Time

Resolution would be achieved during normal day to day activity. Resolution would require coordinated input from Institutes / Department/Sections. Resolution would require the mobilization of a dedicated project team Resolution would require input from the Legal Office, Health & Safety on-site exposure, immediately contained on-site exposure, contained after prolonged effect on-site exposure, contained with outside assistance Prolonged/Major incident with serious casualties

35.3 Regulatory & Legal Action

Minor breaches by individual staff members

a) No fine, no disruption to courses / research Fine but no disruption to teaching / research Fine and disruption to teaching / research significant disruption to courses / research over an extended period of time Staff Impact (Morale, Recruitment, Retention).

b) Trade Unions in conflict mode Management effort An event which can be absorbed through normal activity

c) An event the consequences of which can be absorbed but management effort required to minimize the impact.

d) A significant event which can be managed under normal circumstances

e) A critical event which, with proper management can be endured

f) A disaster with potential to lead to the collapse of the College.

36 Appendix 6

These questions should be read with reference to the risk responsibilities in Appendix 2.

1. Brief review of individual risk ownership.

a) Is the ownership still appropriate?

b) Should the risks be delegated?

c) Is the risk a risk or a sub risk?

2. Each risk owner should discuss their individual risks as presented on the risk register.

a) Introduction to each risk.

b) Challenge by other staff.
c) Consider the controls in place.
d) Does anything need to be done to improve the controls further?
e) Are there resources available to implement controls?

3. Review of overall risk map and comparison to the previous risk exercise

37 Appendix 7
<Project Title>
Risk Register as at <Date>

File No.

REPORT FOR: *(Optional) eg <Project Name> Steering Committee*

PROJECT MANAGER: <Name>

PROJECT OBJECTIVE: *As stated in the Project Business Plan*.

Rating for Likelihood and Seriousness for each risk			
L	Rated as Low	E	Rated as Extreme (Used for Seriousness only)
M	Rated as Medium	NA	Not Assessed
H	Rated as High		

Grade: Combined effect of Likelihood/Seriousness					
	Seriousness				
Likelihood		low	medium	high	EXTREME
	low	N	D	C	A
	medium	D	C	B	A
	high	C	B	A	A

Recommended actions for grades of risk	
Grade	**Risk mitigation actions**
A	Mitigation actions, to reduce the likelihood and seriousness, to be identified and implemented as soon as the project commences as a priority.
B	Mitigation actions, to reduce the likelihood and seriousness, to be identified and appropriate actions implemented during project execution.
C	Mitigation actions, to reduce the likelihood and seriousness, to be identified and costed for possible action if funds permit.
D	To be noted - no action is needed unless grading increases over time.
N	To be noted - no action is needed unless grading increases over time.

Change to Grade since last assessment			
NEW	New risk	↓	Grading decreased
—	No change to Grade	↑	Grading increased

Id	**Description of Risk** (including any identified 'triggers')	**Impact on Project** (Identify consequences [1])	Assessment of **Likelihood**	Assessment of **Seriousness**	**Grade** (combined Likelihood and	**Change**	**Date of Review**	**Mitigation Actions** (Preventative or Contingency)	**Responsibility** for mitigation action(s)	**Cost**	**Timeline** for mitigation action(s)	**Work Breakdown Structure**
<n>	*<A "newspaper headline" style statement. Also identify relevant triggers that may cause the risk to be realised.>*	*<Describe the nature of the risk and the impact on the project if the risk is not mitigated or managed>*				*<Change in Grade since last review>*	*<Date of last review>*	*<Specify planned mitigation strategies:* • *Preventative (implement immediately)* • *Contingency (implement if/when risk occurs).>*	*<Specify who is responsible for undertaking each mitigation action(s)>*		*<Specify timeframe for mitigation action(s) to be completed by>*	*This is to indicate that the identified mitigation action has been included in the WBS (workplan).*
1	*Steering Committee unavailable. Identified triggers:* • *Steering Committee meetings repeatedly rescheduled due to lack of availability;* • *Members do not attend despite prior confirmation of attendance.*	*Lack of availability will stall progress (ie. delayed decisions will defer output finalisation, extend project timelines and staff resources will be required for longer than anticipated)*	*H*	*H*	*A*	*NEW*	*15/02/06*	*Preventative:* • *Highlight strategic connection - link Project Objective to relevant Agency strategic objectives* • *Confirm 2006 meeting schedule in January* • *Confirm SC membership* • *Widen representation*	*Project Manager*	*NA*	*15/03/06*	*Y*

1 *In larger projects, the consequences of the threat may not be evident, and noting them under each risk or in a separate column can be useful in identifying appropriate mitigation actions*.

								(include other Agencies)				
2	*Inadequate funding to complete the project Identified triggers:* • *Funding is redirected;* • *Costs increase (poor quality materials/ inaccurate cost estimates)*	*Budget blow out means cost savings must be identified – ie. reduced output quality, timeframes are extended, outcomes (benefits) will be delayed and/or reduced.*	*M*	*M*	*B*	*No change*	*15/02/06*	*Contingency: Re-scope project, focusing on time and resourcing*	*Project Manager*	*TBC*	*TBC*	*N*

3	*Staff reject new procedures* *Triggers include* • *Staff don't participate in training (not prepared for new roles);* • *New procedures not applied (work-arounds still used).*	*Rejection means additional time and resources required to achieve successful implementation - ie. outputs languish; more training is required (additional cost, time delays); potential for 'falling back into old ways' (more change mgt required); loss of credibility for project (perception of failure).*	*H*	*H*	*A*	*NEW*	*15/02/06*	*Preventative:* *High level reinforcement of policy changes;* *Provide opportunity for staff feedback prior to policy/procedure finalisation;* *Develop Training Plan that allows for repeat attendance (perhaps 2 stage training?);* *Identify staff 'champions' to promote adoption of new procedures (buddy system);* *Circulate information to staff that* • *promotes how new procedures have improved processes (eg. 10 steps reduced to 4 steps etc);* • *proportion of staff that have successfully completed the training.* • *Identifies local 'buddies' for troubleshooting.*	*Sponsor* *Project Manager* *Consultant* *Project Manager* *Project Manager*	*NA* *NA* *$3,000* *NA* *NA*	*21/02/06* *21/02/06* *30/03/06* *30/03/06* *30/04/06*	*Y* *Y* *N* *N* *N*	