

OXLEP Strategic Risk Management

Introduction

This document sets out OxLEP’s approach to the assessment, management and reporting of its strategic risks. It includes guidance on how to score both the inherent risks and the effects of our actual and planned mitigating actions (residual risks). Each strategic risk is described and evaluated using a standard template and its residual risk score determines the frequency and level of risk management action that will be followed.

When a new risk is identified, it must be evaluated and scored using the template and risk matrix included here and reported to Finance and Audit Committee to approve this assessment. A full list of risks is summarised in a register, including their inherent and residual risk scores and other relevant details taken from the risk assessment templates. This is attached at Appendix A.

Risk Scoring Matrix:

To be used before (inherent risk) and after (residual risk) controls have been put in place

		Likelihood			
		Unlikely 1	Possible 2	Likely 3	Very Likely 4
Impact	5 Most severe	5	10	15	20
	4 Major	4	8	12	16
	3 Moderate	3	6	9	12
	2 Minor	2	4	6	8
	1 Insignificant	1	2	3	4

N.B. numbers in boxes = the risk score

Managing Risk

Residual Risk Score	Frequency and level of risk management
High Risk (Score 15-20)	These are significant risks which may have a serious impact on the company and its objectives if not managed. They should therefore be visible to the Finance and Audit Committee and Programme Sub-Group, as relevant, reviewed at each Committee/Sub-Group meeting and reported to Board at least annually.
Medium Risk (Score 8-12)	These are risks which have the capability to cause some disruption to the company if not managed appropriately. They should be visible to Corporate Management Team and reviewed at least half yearly by Finance and Audit Committee and Programme Sub-Group , as relevant.
Low Risk (Score 1-6)	These risks may not require further action now but need to be monitored to ensure that there are no changes in circumstances which would lead to the risk score changing. They should be visible to Corporate Management Team and reviewed at least annually by Finance and Audit Committee and Programme Sub-Group , as relevant.

Appendix A: New Risk Template

Risk Ref:				
Description of Risk: Typical risk phrasing could be: loss of... / failure of... / failure to... leads to...resulting in.../ lack of... development of...	<i>The cause of the risk – what is the uncertainty you have identified?</i>			
Potential Impact	<i>The potential effect(s) if the risk were to materialise</i>			
Date Risk effective from:				
Risk Owner:	<i>The person or group that remains accountable for the risk</i>			
Risk Manager:	<i>A senior person appointed by the Risk Owner to manage the risk</i>			
Inherent risk assessment <i>Your assessment of the risk before any controls are applied</i>	Impact:	<i>Score of 1-5, see risk scoring matrix</i>		
	Likelihood:	<i>Score of 1-4, see risk scoring matrix</i>		
	Risk rating:	<i>Impact x Likelihood</i>		
Control measures: <i>List existing controls and any relevant documents e.g. action plans. List any gaps in controls.</i>				
Control assessment: <i>How effective are our control measures – full/partially/not</i>				
Residual risk assessment: <i>Your re-assessment of the risk given the controls listed above</i>	Impact:	<i>Score of 1-5, see risk scoring matrix</i>		
	Likelihood:	<i>Score of 1-4, see risk scoring matrix</i>		
	Risk rating:	<i>Impact x Likelihood</i>		
Treatment: <input checked="" type="checkbox"/> <i>cross one box</i>	Tolerate	Treat	Transfer	Terminate
Actions to Mitigate Risk	<i>List any further actions which could mitigate the risk, beyond those already listed as controls above</i>			
Comments				

Approval

New risk proposed by		Date	
Risk approved by CMT for inclusion in Strategic Risk Register? <input checked="" type="checkbox"/> <i>cross one box</i>	Yes	No	
Date			
Reason(s) for disapproval			