Risk Management
Policy and Guidelines

Delivering the Higher Education
Funding Council for Wales mission

Date: February 2006
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Higher Education Funding Council for Wales Risk Management Policy

The Higher Education Funding Council for Wales (HEFCW) has adopted a risk based approach to internal control which is designed to provide reasonable assurance that we will achieve our corporate objectives and overall mission.

The approach to risk management, set out in this Policy and Guidelines, has been approved by the Audit and Risk Committee and Higher Education Funding Council for Wales (the Council). The approach allocates responsibility for risk management and establishes a framework within which risks are identified and evaluated so that an appropriate response can be determined and affected.

Risk management needs to allow for the effective assessment and exploitation of opportunities while also identifying what will prevent us from achieving our objectives, and ensuring we have in place procedures to minimise, or manage, those risks. Risk management therefore involves a planned and systematic approach to the identification, assessment and mitigation of the risks that could hinder the achievement of strategic objectives. It involves the following main steps:

- identifying the key strategic risks that would prevent achievement of objectives
- assigning ownership
- evaluating the significance of each risk
- assessing the Council’s risk appetite
- identifying suitable responses to each risk
- ensuring the internal control system helps manage the risks
- developing the assurance mechanism to the Chief Executive
- regular review.

To coordinate the risk management process, the approach combines oversight by the Audit & Risk Committee and the Management Board. The Management Board comprises the Chief Executive, the Director of Finance and Corporate Services and all of the HEFCW Heads of Team. Each Head of Team is responsible for the creation of Risk Management Groups, located within their individual Team. These Risk Management Groups are tasked with preparing a Register of the specific risks and controls relating to their areas of responsibility. The Register forms the basis for action plans designed to address weaknesses in controls identified and mitigate risks where this is considered to be desirable.
Each Team is expected to:

- Establish clear objectives for their area of operations and identify and evaluate the key risks to achieving those objectives. This task should be linked to the annual planning process.

- Incorporate risk responses into a system of internal control that is designed to address opportunities, facilitate effective and efficient operations, protect the HEFCW’s interests and ensure compliance with applicable laws and guidance.

- Follow HEFCW guidelines and standards relating to particular types of risk and ensure that emerging risks are identified and an appropriate response is affected.

- Design, operate and monitor the system of internal control.

- Monitor the effectiveness of the system of risk and internal control management and report significant weaknesses or non-compliance to the Management Board.

- Ensure that a risk-based approach to internal control is communicated to all their team’s staff and embedded in operational processes.

- Assign responsibility for managing risks within boundaries agreed by the Management Board and the Audit and Risk Committee.

- Provide an annual assurance in the form of a statement of internal control to the Chief Executive on the extent of compliance with this Policy.

In its broadest sense, responsibility for the ongoing management of risk rests with all staff in their respective area of operation. Therefore, all staff should be aware of our approach to risk management and understand the concepts described in the Guidelines.
INTRODUCTION

What is Risk?

Risk can be defined as the element of uncertainty of which affects operational decisions and planned outcomes. Risk factors may be either positive opportunities or negative threats. Essentially, they are the factors that help or hinder the achievement of our objectives. Annex A sets out examples of the different types of risks that might affect us.

By identifying the key risks to achieving HEFCW’s objectives, we are able to consider and plan our response to them. This helps us to minimise the impact of ‘surprises’ and to respond more effectively to possible opportunities.

Risk management is not new. Planning and decision making within HEFCW already includes significant elements of risk assessment. For example, when developing corporate and operational plans we automatically reflect on the threats and opportunities associated with meeting our objectives. In addition Council papers include a risk assessment section which provides detail of any identified risks, current or future, arising from the issues covered by the paper. The risk management process formalises a number of these existing processes and helps us to ensure that key risks are not overlooked.

Who is this guidance for?

Risk management is a particular responsibility of the Council, the Audit and Risk Committee, the Directors and all the Heads of Teams. However, management of risk is something that we all do every day. It affects all aspects of our planning and decision making processes. Consequently, all staff need to be aware of the HEFCW Risk Management Policy, the mechanisms through which it is implemented and their own role in identifying and managing operational risks.

What is the purpose of this guidance?

The key purpose of these guidelines is to:

- Inform staff about why and how we apply risk management within HEFCW and, thereby, promote a culture of ‘risk awareness’ across the organisation.
- Assist the development of risk management processes across HEFCW in a consistent manner in line with a common understanding.
Gaining Assurance

The Risk Management Cycle

Risk management is a fluid process that affects all areas of our planning and decision making processes. Key stages in the cycle of risk management are set out below:

This section describes the stages we go through to integrate risk management into HEFCW’s processes.

Our Approach

Risks are identified and assessed at two levels:

Level 1: Corporate Risks
Level 2: Operational Risks

These two levels equate to our two levels of business planning i.e. corporate and operational planning. Corporate risks will arise from HEFCW’s overall objectives with operational risks arising from the activities and processes undertaken to achieve those objectives

Example - Human Resource Needs

The right level of expertise and experience amongst staff is essential if we are to deliver the objectives set out in our corporate and operational plans.

At the corporate level, we may face a risk that we do not currently have a sufficient level and mix of skills and expertise across HEFCW to deliver those objectives. Our response to this risk includes establishing appropriate policies and strategies for training and development and carrying out a broad assessment of our skills needs.

At the operational level, there may be a risk that we do not have expertise in a specific area. Our response to this risk would include recognising the training need in an individual Forward Job Plan and organising a training course or programme of training to meet it.
### Roles and Responsibilities

The roles and responsibilities of the various groups and individuals within HEFCW are outlined below:

<table>
<thead>
<tr>
<th>Body</th>
<th>Key Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>HEFCW Council</td>
<td>To approve the risk management strategy and policies and to determine HEFCW’s ‘risk appetite’ advised by the Audit and Risk Committee, the Chief Executive and the Management Board.</td>
</tr>
<tr>
<td>Audit and Risk Committee</td>
<td>To monitor and advise the Council on the preparation, implementation and maintenance of the Council’s risk management strategy.</td>
</tr>
</tbody>
</table>
| The Chief Executive         | As Accounting Officer, the Chief Executive remains ultimately accountable for the organisation and its management of risk. He must:  
  • have a clear understanding and assessment of the risks that could prevent delivery of objectives  
  • ensure that the organisation has effective risk management and control processes  
  • be provided with assurance that the processes and the key strategic risks are being effectively managed |
| Management Board            | Owners of the Corporate risk register responsible for reviewing it on a regular basis to ensure that the key risks for HEFCW are recorded and are being effectively managed.                                            |
| Director and Heads of Team  | Owners of Operational risk registers and project risk registers for their own Teams. Responsible for establishing Risk Management Groups for their team.                                                               |
| Team Risk Management Groups | Responsible for ensuring that:  
  • registers are prepared, covering the key risks that exist within the Team or project;  
  • systems are established to regularly monitor and update the registers;  
  • actions identified to manage the key risks are sufficient; and  
  • risks that are sufficiently significant to warrant inclusion on the Corporate risk register are drawn to the attention of the Management Board. |
| Risk Assurance Section      | Advising on the development and implementation of the risk management policy and guidelines and facilitating implementation. Providing an annual opinion to the Accounting Officer on the effectiveness of corporate governance, risk management and internal control. |
| All Other Staff             | Identification and management of operational and project risks. Drawing the attention of their line manager to key risks, which may be sufficiently serious to require monitoring at corporate level. |
Identifying the Risks

If all key risks are to be identified, we will need input from those who are familiar with our processes and procedures as well as those involved in determining our strategies. Therefore staff at all levels within HEFCW need to be involved.

Risk management should not be seen simply as a desk exercise to be undertaken only by Directors, Heads of Team or the Risk Assurance function.

The Corporate Risk Register will be developed by the Management Board. The Management Board presently extracts its key objectives from the Corporate Strategy and develops them into a corporate operating plan. The Corporate Risk Register will therefore consist of:

- Key risks to the achievement of the Strategic Objectives; and
- Risks arising from Operational Risk Registers that have been evaluated as potentially having a significant impact at Corporate level.

Operational Risk Registers will be developed for each Team with the key risks being identified by each Team’s Risk Management Group in parallel with the development of Operating Plan objectives. The register should be developed by considering each operating plan objective and recording any significant risks to achieving that objective. Judgement needs to be exercised in this process, one objective could have several significant risks associated with it, and another may have none. It is perfectly acceptable to record an objective and note that there are no significant risks associated with it.

Each Head of Team has a specific responsibility for oversight of the identification and management of operational risks within their team. Oversight of the preparation of the Operational Risk Registers will therefore ultimately be the responsibility of the relevant Head of Team. Notwithstanding this, the precise organisational arrangements for managing operational and project risks are left to the discretion of the relevant Head of Team. Each Head of Team may appoint a Risk Management Champion or Champions to advise on and oversee the risk management process. These Champions would also play a leading role in the Team’s Risk Management Group. If the risk management process is to be effective, the Head of Team together with the team’s Risk Management Group will need to involve a wide range of staff in identifying and managing risks.
Evaluating Risks

Having identified our key risks, we then assess the likelihood of occurrence and the potential impact on the goals of HEFCW should they be realised. This provides us with a hierarchical assessment of the risks as illustrated below.

<table>
<thead>
<tr>
<th>Impact</th>
<th>Probability</th>
<th>Mitigation Controls / Contingency Plans</th>
<th>Mitigation Controls / Contingency Plans; Monitor Closely</th>
<th>Take Urgent Remedial Action; Monitor Rigorously</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIGH</td>
<td>HIGH</td>
<td>mitigation controls / contingency plans</td>
<td>mitigation controls / contingency plans; monitor closely</td>
<td>TAKE URGENT REMEDIAL ACTION; MONITOR RIGOROUSLY</td>
</tr>
<tr>
<td>MEDIUM</td>
<td>MEDIUM</td>
<td>tolerate; keep watching brief</td>
<td>mitigation controls / contingency plans; monitor closely</td>
<td>mitigation controls / contingency plans; monitor closely</td>
</tr>
<tr>
<td>LOW</td>
<td>LOW</td>
<td>tolerate; no action</td>
<td>tolerate; keep watching brief</td>
<td>mitigation controls / contingency plans</td>
</tr>
</tbody>
</table>

**Probability**

This methodology helps us to prioritise our response to risk, to determine which risks we need to manage and which are less critical. As indicated above we have decided that we will tolerate and take no specific actions to manage those risks that fall into the ‘Low’ impact and ‘Low’ probability category. Annex C provides guidance for measuring the impact and probability of risk.

**Assess Risk Appetite**

The main focus of private sector risk management is on maintaining and enhancing profitability. In contrast, the public sector focuses on the fulfilment of objectives and delivery of a beneficial outcome in the public interest. As an Assembly Sponsored Public Body (ASPB) the National Assembly’s priorities and objectives largely drive our risk appetite. Our understanding of these objectives, in consultation with our other key stakeholders, is reflected in our strategic plan. To deliver these objectives we need to balance opportunities to innovate and improve with our responsibilities in terms of accountability, propriety, regularity and value for money.

The level of risk that is acceptable, our ‘Risk Appetite’, will be determined by the Council who are advised by the Audit and Risk Committee and the Management Board. Risk appetite may vary on a case by case basis depending on the perceived benefits of the issue being considered. For example we may be prepared to accept a higher level of risk in relation to a project with major potential benefits throughout the HE sector in Wales compared to one with similar risks but where the benefits are more tenuous or would only apply to a proportion of the sector. The Management Board will ensure consistency of approach and make sure that cross-functional risks are considered.
Identifying Suitable Risk Responses

Having identified the key risks faced by HEFCW we then need to decide how they should be managed. Responses to the risks will fall into four categories:

- **TRANSFER** – We already transfer some financial risks in relation to our contracts with Higher and Further education institutions because we can recover funds where our requirements are not met.

- **TOLERATE** – Accept the risk in view of the potential benefits and the cost of mitigating the risk.

- **TREAT** – This is the most likely category. We introduce additional internal controls to reduce the risk to an acceptable level. This could include, for example: monitoring reports to management; reviewing authorisation arrangements; audit reviews etc. Alternatively we might wish to consider changing the way we deliver aspects of our work to reduce the risks.

- **TERMINATE** – This option is probably limited to those aspects of our operations where we might decide that the risks are too great and the potential rewards insufficient for us to engage in the activity at all. There is unlikely to be an option to terminate activities that fall within our core remit.

The responses to the risks will form the basis of a plan setting out the actions, timescales and responsibilities necessary to manage the key risks down to an acceptable level.

It may not always be possible to manage all risks down to an acceptable level because of factors that are beyond our control. For example, we could be dependent upon the National Assembly or others to take some form of action. Whilst there are measures we could adopt to minimise the chances of the risk being realised, (allowing sufficient planning time/ ensuring clear communication of our needs etc) we may also need to develop suitable contingency plans. These should be specifically identified within the Risk Registers

System of internal control

A control is any action or procedure performed by management to increase the likelihood of activities achieving their objectives. In other words, control is a response to risk, either to contain the risk to an acceptable level or to increase the likelihood of a desirable outcome.

A system of internal control provides a framework for all processes and activities designed to give reasonable assurance regarding achievement of objectives. Such systems should be designed to manage, rather than eliminate, the risk of failure. Controls are often broken down into three categories:

**Operational controls:** relating to the effective and efficient use of resources

**Financial controls:** relating to the proper management and oversight of the organisation's finances, leading to the preparation of reliable published financial statements

**Compliance controls:** relating to compliance with applicable laws and regulations

Our system of internal control must also encompass the funds provided by the Council which are transmitted to higher and further education institutions (and related bodies) for education, research and associated purposes.

The Statement of Internal Control (SIC) requires the Chief Executive to carry out a review of the effectiveness of the Council’s system of internal control and to report on that review each year.
The Chief Executive participates in the exercise of many of the key internal controls or, through participation in activities, sees evidence of their existence and operation. In addition the Chief Executive receives confirmation from the Management Board and Risk Management Groups that the controls are working effectively.

**Monitoring the Risks**

A project management structure has been developed to facilitate input from all HEFCW staff, as follows:

![Project Organisation Diagram](image)

The main work of identifying and evaluating risks is the responsibility of each team’s Risk Management Group, with the Management Board taking responsibility for corporate level risks. The Risk Management Groups will take the lead in developing registers of the key risks that we face and in leading the consultation with other staff. They will also lead the development of action plans to highlight the action which needs to be taken to manage risks to an acceptable level.

The Audit and Risk Committee has a specific responsibility for overseeing the risk management process on an ongoing basis. Members of the Risk Assurance section will act as facilitators and advisors to the Risk Management Groups as required.

**Embed and Review Risk Management**

The assessment and management of risk is not a ‘one off’ activity. It should affect all key aspects of our planning and decision making processes.

*No changes of strategy or objectives should occur without first considering the potential risks involved*

Risk registers should be ‘live’ documents. Key risks will change over time and new responses to manage them may be required. Significant new risks should be recorded and assessed as soon as they become apparent. All Council, committees and management board papers should include a risk assessment section which provides detail of any identified risks, current of future, arising from the issues covered by the paper. The risk assessments in these papers should be consistent with the risks assessed in the risk registers.

Formal reassessment of the risks recorded in our risk registers will be undertaken on an annual basis as part of our corporate and operational planning processes but this must not prevent ongoing re-assessment, recording and monitoring of risks as and when they arise. As a general guide, a formal full review of potential new risks to achieving our operational objectives should be carried out at least quarterly with formal monitoring of the actions due for completion being carried out at least once during each quarter by each Risk Management Group.
Project Management

Risk management is a key element in the control framework for running projects. HEFCW’s Project Management Guidance requires the Project Manager to prepare a risk register for approval by the Project Owner when proposing a new project. The register must be prepared in accordance with these guidelines and in consultation with the Risk Assurance section.

Risk registers for individual projects should be prepared on the same basis as the Corporate and Operational risk registers except that when evaluating the risks you should evaluate the impact as being the impact on the project rather than the overall impact on HEFCW. Risks for key projects could potentially be recorded at three different levels as illustrated:

The Higher Education Funding Council for Wales Framework

If we are to achieve HEFCW’s mission, every member of staff will need to help by working towards the achievement of individual operational objectives. Our planning processes help to ensure that we all understand what our individual objectives, set for each member of staff, are and that they are consistent with the overall mission. The National Assembly, the HEFCW Council and the Management Board need a mechanism through which they can gain assurance regarding our ability to meet our objectives.

The risk-based approach to internal control described in these guidelines provides a basis for the provision of assurance regarding our ability to deliver our objectives.
HEFCW’s obligation to make an annual Statement of Internal Control

The Combined Code and the subsequent Turnbull report both emphasise the need for more focused and open ways of managing risks. To reflect this approach, corporate governance statements have been widened to include internal controls (not just financial controls). This has led to the inclusion of a new Statement of Internal Control (SIC) within financial statements, premised on strategic risk management processes being embedded in the operation of the organisation. The SIC is a narrative statement that explains how the Council has applied the internal control principle. This should cover risk management and all controls, including financial, operational and compliance controls.

Since April 2002 the Chief Executive as the HEFCW Accounting Officer has been required by the National Assembly to provide a Statement of Internal Control (SIC) within the Accounts of the Higher Education Funding Council for Wales. This includes a commentary on:

- The Council’s risk management strategy.
- Audit arrangements established by the Council.
- Monitoring procedures for subsidiary bodies – institutions and third party providers.
- Procedures established to ensure that aspects of risk management and internal control are regularly reviewed and reported on.

The Chief Executive therefore requires assurance that the processes and the key strategic risks are being effectively managed in order to sign off the SIC. As part of this process the Chief Executive must undertake an annual review of the effectiveness of the system of internal control, which will enable the appropriate statement to be made in the Council’s annual accounts.

The approach to internal control described in these guidelines, combined with our existing monitoring and audit arrangements, enables us to meet these requirements.
Examples of Risks

Examples of the types of risks that we may face in meeting our objectives are suggested below. The examples are intended to be illustrative only, not a definitive list of all possible risks:

- **Fraud**
  - Unauthorised use,
  - Misrepresentation
  - Theft, Hacking

- **Support**
  - Service levels
  - Reliance on other bodies

- **Information**
  - Integrity, Accuracy
  - Timeliness

- **Technology**
  - Failure, Innovation
  - Project Management

- **People**
  - Communications
  - Direction
  - Skills

- **Health & Safety**
  - Litigation
  - Injury, Death

- **Organisation**
  - Governance
  - Risk Management
  - Culture

- **Natural Events**
  - Fire, Flood
  - Weather, Vermin

- **Management**
  - Decision making
  - Vision, Flexibility
  - Skills

- **Financial**
  - Accounting & Audit
  - Programme Costs
  - Budgeting

- **Knowledge**
  - Market Research
  - Liaison, Deception
  - Staff Turnover

- **Reputation**
  - Public Perceptions
  - National Assembly

- **Policy**
  - Development
  - Delivery

- **Management**
  - Decision making
  - Vision, Flexibility
  - Skills
Notes on completion of risk registers

<table>
<thead>
<tr>
<th>Column</th>
<th>Heading</th>
<th>Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>RISK</td>
<td>Cross reference the risk to the Corporate and team plan objective to which it relates. Each objective should be recorded, even if there are no significant risks associated with it. This will act as a reminder when reviewing the register. The objectives should appear in the same order as in the Corporate and operational plan.</td>
</tr>
<tr>
<td></td>
<td>Risk reference linked to strategic aim and description of risk</td>
<td>Risks could relate to more than one objective. To identify the risk: 1. Ask what is the objective? 2. Ask what will prevent the objective being achieved? You do not have to identify a risk/risks for every objective provided you have worked through all objectives systematically in determining what needs to be recorded.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Remember only key risks that require monitoring should be recorded in the Corporate risk register. Care is needed here to: • Avoid defining risks with statements which are simply the converse of the objectives • Avoid stating impacts as being the risks themselves • Avoid stating risks which do not impact on objectives</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A statement of a risk should encompass the cause of the impact, and the impact to the objective (“cause and consequence”) which might arise [See HM Treasury Orange Book October 2004 Page 15 for further guidance and examples]</td>
</tr>
<tr>
<td></td>
<td>PROBABILITY</td>
<td>CONSEQUENCE</td>
</tr>
<tr>
<td>---</td>
<td>-------------</td>
<td>-------------</td>
</tr>
<tr>
<td>2</td>
<td>Assess probability of risk being realised</td>
<td>This assessment of a High, Medium or Low probability of the risk being realised should be before taking account of any controls in place to manage the risk</td>
</tr>
<tr>
<td>3</td>
<td>CONSEQUENCE</td>
<td>This should be a statement of the impact that the risk would have on the organisation’s objectives if realised</td>
</tr>
<tr>
<td>4</td>
<td>IMPACT</td>
<td>This is an assessment of High, Medium or Low as to the severity of the impact of the consequence of the risk being realised</td>
</tr>
<tr>
<td>5</td>
<td>RISK RATING (GROSS)</td>
<td>This is the combined risk of the assessed probability and impact from High/High down to Low/Low before taking account of any controls in place to manage the risk (sometimes referred to as the gross risk)</td>
</tr>
<tr>
<td>6</td>
<td>TOLERATE GROSS RISK</td>
<td>This is a judgement.</td>
</tr>
<tr>
<td></td>
<td>Is this risk tolerable/acceptable? (Yes or No)</td>
<td>In general any risk with a High probability (i.e. certain or almost certain to be realised) or High Impact (i.e. a fundamental impact) is unlikely to be acceptable together with risks that have both a Medium probability and Medium impact risk score.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Based on the guidance above, risks with a high impact but low probability are therefore likely to require action. To illustrate the distinction between probability and impact consider a risk to health and safety where the likelihood of occurrence (i.e. probability) may be very small, but the impact could be a threat to life (fundamental). This would clearly require more attention than a risk where the impact is minimal even if very likely.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Members of the Management Board and the Risk Management Groups are responsible for ensuring that actions proposed are sufficient and proportional to the risk identified.</td>
</tr>
<tr>
<td>7</td>
<td>CONTROLS</td>
<td>What controls are already in place to mitigate the risk?</td>
</tr>
<tr>
<td></td>
<td>Control measures in place now</td>
<td>Controls could consist of authorisation and approval mechanisms, monitoring mechanisms, physical controls, segregation of duties, organisational, personnel, management and supervisory controls, or arithmetic and accounting controls.</td>
</tr>
<tr>
<td>8</td>
<td>RISK RATING (NET)</td>
<td></td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>ACTIONS REQUIRED TO STRENGTHEN CONTROLS</td>
<td>Identify the actions required if any to enhance the control measures currently in place.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>These actions must be specific tasks allocated to a Head of Team and their Team’s Risk Management Group with a specified timetable for completion of the task.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>9</th>
<th>TOLERATE NET RESIDUAL RISK</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>CONTINGENCY PLAN REQUIRED IF RESIDUAL RISK IS STILL NOT ACCEPTABLE</td>
</tr>
<tr>
<td></td>
<td>By whom? By when?</td>
</tr>
<tr>
<td></td>
<td>This is a forecast of the residual risk once the control actions identified above have been taken.</td>
</tr>
<tr>
<td></td>
<td>Have you done, or are planning to do, all that you reasonably can do to manage the risk down to an acceptable level? If so can HEFCW accept the risk that remains?</td>
</tr>
<tr>
<td></td>
<td>If not you first need to revisit column 7 to consider whether additional actions are required or, if nothing more can reasonably be done, you need to identify a contingency plan to manage the situation where the risk is realised.</td>
</tr>
<tr>
<td></td>
<td>In considering the need for a contingency plan, you will also need to take into account the timescales for completion of the actions. If it will take some time to manage the risk down to a reasonable level, you may need a contingency plan for what will happen if the risk is realised in the meantime.</td>
</tr>
<tr>
<td></td>
<td>Some risks will be outside our direct control. Where such risks are still deemed to be high then a contingency plan needs to be established.</td>
</tr>
<tr>
<td></td>
<td>For example, adverse weather is a risk outside our control that could have an adverse impact on the ability of staff to attend the workplace, meetings, seminars etc. Possible contingency plans would be to increase remote access to IT facilities, video conferencing facilities etc.</td>
</tr>
</tbody>
</table>
Where further contingency plans are identified as being required to address the risk the responsibility for the action plan should be allocated to a Head of Team and their Team’s Risk Management Group with a set timetable.

<table>
<thead>
<tr>
<th></th>
<th>NEXT REVIEW DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>What date will you review the risk?</td>
</tr>
</tbody>
</table>

Some risks require weekly or monthly monitoring, others will only need to be revisited following the proposed date for completion of the action.

<table>
<thead>
<tr>
<th></th>
<th>REVIEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Did the review take place?</td>
</tr>
<tr>
<td></td>
<td>Yes + date of review or No + why</td>
</tr>
</tbody>
</table>

Document the review and update the register accordingly.

Actions, once taken, are likely to give rise to new controls that can then be recorded in column 7 possibly reducing the assessment of the residual risk (column 8).

<table>
<thead>
<tr>
<th></th>
<th>CURRENT STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Please provide a brief indication of the current status of the risk.</td>
</tr>
</tbody>
</table>

This records progress against the actions identified. Should progress be unsatisfactory, this could give rise to the need for new actions or contingency plans.
## Risk Measurement Scales

### Probability

<table>
<thead>
<tr>
<th>Probability</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Very likely: &gt;75% chance of the threat occurring and/or likely to occur within next 6 months</td>
</tr>
<tr>
<td>Medium</td>
<td>Quite likely: 25-75% chance of the threat occurring and/or likely to occur in 6 months to 5 years time</td>
</tr>
<tr>
<td>Low</td>
<td>Unlikely: &lt;25% chance of the threat occurring and/or not likely to occur in the next 5 years</td>
</tr>
</tbody>
</table>

### Impact

<table>
<thead>
<tr>
<th>Impact</th>
<th>Definition</th>
<th>Examples</th>
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| High         | Severe; business critical | Closure or failure of business or HEI. Significant financial loss threatening institutional or business failure.  
  *Eg:*  
  - Closure of HEFCW  
  - Unplanned closure/failure of a Welsh HEI  
  - Significant failure to meet multiple areas of the Reaching Higher agenda  
  - Inability/failure to make multiple payments to Welsh HEIs, threatening financial positions  
  - Business interruption of more than three months  
  - Financial impact >£10m |
| Medium       | Serious/significant | Large financial loss or failure affecting a major part of a business or an organisation, but not threatening overall failure.  
  Threatens organisational or business credibility  
  *Eg:*  
  - Failure to make significant payment to an HEI, threatening financial position |
- Significant failure of one Reaching Higher target
- Multiple failures to meet Reaching Higher targets
- Significant failure in one major project (eg in reconfiguration/collaboration)
- Significant drop in financial health of one HEI
- Business interruption of between 2 weeks and 3 months
- Financial Impact: > £1m, <£10m

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<tr>
<th>Low</th>
<th>Minor</th>
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<tbody>
<tr>
<td></td>
<td>Some failure or financial loss, not major, affecting small part of operation</td>
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<td>Eg:</td>
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<td>- Minor failure: targets not quite met in one project area</td>
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<td>- Not quite achieving Reaching Higher targets in 1-3 cases</td>
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<td>Business interruption of less than 2 weeks</td>
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<td>Financial Impact: &lt; £1m</td>
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