

# Guidance for Completion of Risk Assessment

## 1. Introduction

The assessment of key business risks is part of the information required by the Faculty Dean and Head of Finance and Planning before they sign off the Business Plan and allow the proposal to go to an approval event.

This process is designed to provide an overview of the key business risks that could affect the successful delivery of the proposed programme. It is not intended to be used as a tool to prevent a proposal from proceeding. The primary benefit of the risk assessment is to highlight key uncertainties so that risk improvement actions can be identified to increase the likelihood of delivering a successful programme.

Please read this guidance note before you complete the risk template.

## 2. Background

### 2.1. What is business risk?

For the purposes of this exercise, business risk can be defined as the threat or possibility that an action or event will adversely or beneficially affect the Faculty's ability to achieve its objectives.

### 2.2. What is business risk management?

Business risk management is a process that identifies, evaluates and controls business risks. At the simplistic level, it is about asking:

- What can go wrong?
- What is the likelihood of it going wrong?
- What is the impact should it go wrong?
- What are the causes of the significant risks facing the proposal?
- How effective are the controls/counter-measures in mitigating these risks?
- What should be done to reduce the threat's likelihood or impact?

The main aims of this process are:

- better-informed decision taking
- reduction of the impact of unplanned events
- increased probability of achieving the successful delivery of the proposed programme

### **3. Guidance for the Completion of the risk assessment part of the Business Plan**

#### 3.1. Assistance

It is expected that some assistance will be needed in completing this assessment. Please contact your Faculty's Head of Finance and Planning in this regard as s/he will be able to explain the process in more detail and to provide assistance in completing the risk register. The Head of Finance and Planning's role is to facilitate the identification and evaluation of the key risks but it is ultimately the Faculty Dean's responsibility to ensure that the risk assessment is as accurate, clear and complete as possible. Therefore, please take advice from colleagues where you think that they have better expertise in terms of knowledge of the proposed programme or of the environment in which it will take place (particularly if delivery is overseas) and also refer for guidance to sections 3 and 4 of the Collaborative Provision chapter of the Quality and Standards Handbook:

<http://www.brookes.ac.uk/about/directorates/asa/registry/apqo/handbook/collaborative>

The risk assessment must be completed in the programme approval workbook before the Faculty Dean and Head of Finance and Planning are asked to approve the Business Plan.

#### 3.2. Context

A context for risk identification and assessment needs to be in place in advance of the exercise. The context for making the assessment is the successful implementation and completion of the first year's teaching of the proposed programme(s) and achieving any specific objectives detailed within the business plan.

For the purposes of this exercise, this will be the key objective of the Faculty's programme team. The aim of the assessment is to identify the key business risks that could prevent the achievement of this objective.

## 4. Completion of Risk Register

### 4.1 Evaluation of Impact

Impact is expressed as the potential severity of the consequences should a risk occur. Brookes measures the undesirable impact of business risks in this context in terms of damage to the University's reputation and financial position. Assess the potential impact of each of the defined risks as H/M/L using the scale shown below.

IMPACT RATING GUIDELINES	
<b>High</b>	Adverse publicity/demotivation of key stakeholders e.g. funding bodies/QAA/professional bodies and/or
	Additional costs and/or loss of revenue >20% of predicted income from the proposed programme delivery in first year
<b>Medium</b>	Adverse publicity/demotivation affecting external non-key stakeholders e.g. Students and/or
	Additional costs and/or loss of revenue between 5 - 20% of predicted income from proposed programme delivery in first year
<b>Low</b>	Adverse publicity / demotivation affecting internal stakeholders e.g. staff and/or
	Additional costs and/or loss of revenue < 5% of predicted income from proposed programme delivery in first year

Business risks can have a range of potential impacts, according to the extent to which the risk occurs. It may be helpful to have a specific circumstance in mind – perhaps adopting a 'worst case scenario'. Remember that the assessment must be of the impact over the period covering implementation and the first 12 months of the programme running.

If a risk is not applicable to the proposal simply enter N/A and say why it is not relevant in the comment field. Conversely, if there are any applicable and material risks which are not already included in the indicative list show in the risk assessment table of the template business plan, please refer to 4.4 below for guidance on how to include them.

#### 4.2 Evaluation of Likelihood

Likelihood can be described as the probability of the risk occurring. Assess the likelihood of the risk occurring as H/M/L using the following criteria.

LIKELIHOOD RATING CRITERIA	
<b>High</b>	This risk will probably occur during the first year of the proposed programme delivery (more than 50% probability)
<b>Medium</b>	This risk could occur during the first year of the proposed programme delivery (10% - 50% probability)
<b>Low</b>	This risk is unlikely to occur during the first year of the proposed programme delivery (less than 10% probability)

Please bear in mind that the assessment is of the likelihood of the risk occurring and producing the impacts assessed under 4.1. Once again, the likelihood must be assessed over the period from implementation to completion of the first year's teaching.

#### 4.3 Comments in Support of the Evaluation of Impact & Likelihood

Please provide sufficient information here to enable the Faculty Dean and Head of Finance and Planning to understand the reasoning behind the risk assessment. If a risk is assessed as 'High', explain why. If a risk is assessed as 'Medium' or 'Low', please outline the main risk controls or mitigating factors that justify such an evaluation.

For example: If the likelihood of the risk 'Failure to recruit suitable teaching and support staff' is scored as 'low', the key control could be 'sufficient resources and expertise already in place' or 'additional support staff to be recruited'. The Faculty Dean and Head of Finance and Planning are probably not seeking detailed information at this stage but require an indication that the risk has been considered and appropriate controls put in place.

#### 4.4 Identification and Evaluation of Additional Risks

The pre-defined risks are designed to address those areas of uncertainty that are common to many new programmes. There will be additional risks that are specific to many individual proposals. Please use the following diagnostic questions to assist in identifying any other key risks that could prevent the achievement of the objectives. Add these to the risk register and repeat the evaluation process outlined in points 4.1 – 4.3. Please note that there may be other key risks that are not specifically related to these diagnostic questions. If so, they must be included in the assessment.

- a. Any major changes planned that could impact on the delivery of the proposed programme?
- b. Is the success of the course dependent on key developments that have yet to be implemented (e.g. acquiring new premises, recruiting key staff, securing additional funding, obtaining special insurance cover)?
- c. Is there any doubt about the ownership of any of the intellectual property or technical support/software needed for the programme?
- d. Is the proposal dependent on any special/ unusual method of teaching delivery that could present additional risk (e.g. foreign language, e-Learning or distance learning)?
- e. Are there any special/unusual legal or other regulatory requirements applicable to this proposal?

#### 5. Summary

It is recommended that you arrange to complete this assessment

- a. in conjunction with your Faculty's Head of Finance and Planning
  - b. with reference to the guidance at paragraph 4.7 of the Collaborative Provision section of the Quality and Standards Handbook (see 3.1 above for the url)
- and
- c. taking advice as necessary from colleagues with experience of the programme or of the particular delivery environment, especially if overseas.

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