

CILT International

Risk Register (Draft 3)

Risk management is aimed at reducing the 'gross level' of risk identified to a 'net level' of risk, in other words, the risk that remains after mitigating action is taken. The objective of this register is to record the risks identified by CILT International and the mitigating actions agreed by the Trustees to enable them to form a view as to the acceptability of the net risk that remains after management action.

Impact

Descriptor	Score	Impact on service and reputation
Insignificant	1	<ul style="list-style-type: none">• no impact on service• no impact on reputation• complaint unlikely• litigation risk remote
Minor	2	<ul style="list-style-type: none">• slight impact on service• slight impact on reputation• complaint possible• litigation possible
Moderate	3	<ul style="list-style-type: none">• some service disruption• potential for adverse publicity - avoidable with careful handling• complaint probable• litigation probable
Major	4	<ul style="list-style-type: none">• service disrupted• adverse publicity not avoidable (local media)• complaint probable• litigation probable
Extreme/Catastrophic	5	<ul style="list-style-type: none">• service interrupted for significant time• major adverse publicity not avoidable (national media)• major litigation expected• resignation of senior management and board• loss of beneficiary confidence

Likelihood

Descriptor	Score	Example
Remote	1	may only occur in exceptional circumstances
Unlikely	2	expected to occur in a few circumstances
Possible	3	expected to occur in some circumstances
Probable	4	expected to occur in many circumstances
Highly probable	5	expected to occur frequently and in most circumstances

The 'heat map' below shows a different way of assessing risk by increasing the weighting of impact. **This works on a scoring of $xy+y$ where x is likelihood and y is impact. This formula multiplies impact with likelihood then adds a weighting again for impact.** The effect is to give extra emphasis to impact when assessing risk. It should be remembered that risk scoring often involves a degree of judgement or subjectivity. Where data or information on past events or patterns is available, it will be helpful in enabling more evidence-based judgements.

The colour codes are:

- Red - major or extreme/catastrophic risks that score 15 or more
- Yellow - moderate or major risks that score between 8 and 14
- Blue or green - minor or insignificant risks scoring 7 or less

Impact	Extreme/ Catastrophic	5	10	15	20	25	30
	Major	4	8	12	16	20	24
	Moderate	3	6	9	12	15	18
	Minor	2	4	6	8	10	12
	Insignificant	1	2	3	4	5	6
			1	2	3	4	5
			Remote	Unlikely	Possible	Probable	Highly Probable
			Likelihood				

X=Likelihood

Gross Risk = xy+y

Y=Impact

Risk Identified	X	Y	Gross Risk	Control/Mitigation Procedures	Mitigated Risk Level	Monitoring
<u>Governance</u>						
Charity lacks direction, strategy and forward planning	2	3	9	The Charity budgets on an annual basis considering it's strategy and objectives. This is monitored against monthly results. Reforecasts are completed as regularly as necessary.	Minor	Regular COT and IAC Meetings
Trustee body lacks relevant skills or commitment	2	4	12	Skills required are reviewed and agreed. Recruitment processes are in line with the skills required.	Minor	COT
Conflicts of Interest	1	2	4	Trustee Disclosures are minuted in each COT meeting	Insignificant	COT Meetings
Activities outside of objects, powers or terms of gift (restricted funds)	3	3	12	All new projects are reviewed to ensure consistency with objects, powers and terms. Financial systems identify restricted funds and their applications	Minor	COT and Director of Finance
Loss of Key Staff	2	4	12	Systems are documented to enable handovers withing agreed notice periods. Succession planning and training programmes are in place.	Moderate	Secretary General and Director of Finance International
The business is unable to deliver value and relevance to its diverse and wide-ranging membership to enable it to deliver sustainable growth	3	4	16	Education leads are in constant touch with the membership. New products/courses and methods of delivery are regularly implemented.	Moderate	IESC
Damage to the reputation of the business including loss of Chartered Status	2	5	15	COT ensures that the Charity always operates within its stated objects, powers and terms of gift.	Minor	COT

Operational

Inappropriate Country partners are selected	2	4	12	Prospective partners are subjected to detailed vetting and audit prior to and during the set-up of any new relationship	Minor	CILT International Education Team
Training Partners prove incapable of delivery of services	2	4	12	Training Partners are subjected to detailed vetting prior to commencement. Follow up surveys on delivery are completed at least four times per year.	Minor	CILT International Education Team
Overseas Trading debt recovery is difficult due to state action and legal costs of recovery in some Countries	3	4	16	Invoices are raised at the earliest possible moment. Debt is monitored daily and regular contact made with slow payers. Where necessary personal visits are made	Moderate	CILT International Education Team
Competition from similar organisations	4	3	15	Performance and quality of service is regularly reviewed. Regular contact with all Territories, Branches and partners.	Minor	Secretary General and Education Leads
High Staff Turnover	1	3	6	Rates of pay, training, working conditions are regularly reviewed	Minor	Secretary General
IT Resilience is inadequate to support the business and not held in an appropriate environment	3	4	16	Ongoing Risk	Major	CILT (UK)
IT System does not provide business continuity in a disaster scenario	4	4	20	Ongoing Risk	Major	CILT (UK)
System infrastructure is fragmented and does not enable the business to operate in an efficient and effective manner	4	3	16	Ongoing Risk	Major	CILT (UK)

Financial

Financial Control Environment is not robust	2	4	12	Financial results and Balance Sheet are reviewed monthly. Accounts are reconciled and analysed as necessary	Minor	CILT (UK) and Director of Finance International
Reserves policies are inadequate with insufficient strength to withstand any variability in performance.	2	4	12	Reserves policies are documented and regularly reviewed	Moderate	COT
Investment policies lead to financial loss or insufficient return	2	4	12	Funds are invested with a professional third party. Returns are targeted and monitored	Minor	IAC
Status of Contractors may lead to HMRC investigation	3	4	16	Ensure employee status is monitored and appropriate actions taken	Moderate	COT