

Good practice guide

Overcoming challenges to managing risks in government: Assessment template



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Introduction

The assessment template is a way of measuring an organisation's risk management performance against the approaches set out in the [Overcoming challenges to managing risks in government](#) good practice guide. Completion is not mandatory.

It can be used as a driver for discussions between leaders and practitioners or as part of an occasional check on the organisation's risk management performance.

Every organisation is different – whether in terms of size, complexity, or resources dedicated to risk management. We recommend that organisations use the assessment proportionately and revisit at time intervals that make the most sense to them.

How to use

This assessment template should be used in conjunction with the [*Overcoming challenges to managing risks in government*](#) good practice guide, which is available on our website, and explains each of the sections in full detail.

This assessment can be undertaken in two ways:

- a** As a method of self-assessment by risk leaders and practitioners on the organisation's current level of risk management performance
- b** As a method of challenge by Audit and Risk Assurance Committees on the organisation's risk management performance

The template covers the ten approaches to overcoming the challenges of managing risks in government which we set out in our good practice guide.

Each section:

- contains a number of measures which users can assess against, most of which are drawn directly from our guide; and
- has a space for users to add further comments for discussion.

There is space at the end of the template for users to capture key points and actions to take forward.

If you have any questions on how to make best use of the template for your organisation, please contact us at: farm.insights@nao.org.uk



Establish strong leadership and risk culture

A tone from the top that establishes the importance of risk management and promotes a positive risk culture will have greater success in driving the right behaviours and actions throughout the organisation.

		Strongly agree	Agree	Disagree	Strongly disagree	Don't know or N/A
1.1	The right tone is set at and from the top of the organisation					
1.2	There is strong leadership, accountability, and assurance arrangements for risk management					
1.3	The risk of optimism bias is reduced through independent challenge					
1.4	A culture of psychological safety is promoted to allow open dialogues around risk					
1.5	Positive risk behaviours are incentivised across the organisation					
1.6	Innovative approaches to risk and opportunity management are encouraged					
1.7	The culture of the organisation encourages people to challenge existing practices and identify new ways of doing things					

Further comments



Build capability and expertise

Developing risk management expertise and credibility will strengthen the organisation's ability to make risk-informed decisions that achieve strategic objectives and deliver value-for-money outcomes.

		Strongly agree	Agree	Disagree	Strongly disagree	Don't know or N/A
2.1	There is an assessment of the skills and capabilities needed, and gaps are addressed					
2.2	Interventions are delivered to raise risk awareness and capability across the organisation					
2.3	Risk practitioners are upskilled and developed to strengthen risk management credibility					
2.4	Risk experts and specialists are engaged where appropriate					
2.5	Succession plans are in place to meet the risk management capabilities and expertise levels needed in the future					

Further comments



Define and embed risk appetite and tolerance

Expressions of risk appetite and risk tolerance that are understood across the entire organisation will set parameters for individuals to operate and enable risk taking that supports the achievement of strategic objectives.

		Strongly agree	Agree	Disagree	Strongly disagree	Don't know or N/A
3.1	There is a clear articulation of the levels of risk the organisation is willing to accept and tolerate					
3.2	Good quality information is used to inform risk appetite and tolerance					
3.3	Risk appetite is communicated across the organisation so it can be understood and put into action					
3.4	Risk appetite is flexed to reflect changing dynamics in the environment and management's preferences					
3.5	There is a high level of confidence in the quality and accuracy of data being used to inform risk appetite					
3.6	Risk appetite is appropriately aligned with the strategic ambitions and priorities of the organisation					

Further comments



Take a forward-looking view

Anticipating future risks will enable organisations to be better prepared and more responsive to changes and shocks.

		Strongly agree	Agree	Disagree	Strongly disagree	Don't know or N/A
4.1	The organisation continually scans the horizon for emerging risks and future threats and opportunities					
4.2	Diversity is built into risk identification by including expert viewpoints					
4.3	The organisation uses foresight tools and futures thinking to understand uncertainty and inform risk identification					
4.4	The organisation is sufficiently imaginative in planning for severe but plausible scenarios					
4.5	The risk identification process involves a range of stakeholders, and independent and robust challenge					
4.6	Horizon scanning exercises are utilised effectively to identify emerging risks and future threats and opportunities					
4.7	Scenario planning exercises and stress-tests are well planned and executed					

Further comments



Make risk-informed decisions

Decisions that are informed by robust risk management will take threats and opportunities into account so the organisation can better achieve its objectives.

		Strongly agree	Agree	Disagree	Strongly disagree	Don't know or N/A
5.1	Risks are aligned with the organisation's strategy, goals and objectives					
5.2	Risk management is designed into the governance architecture					
5.3	The organisation is deliberate about risks and opportunities in decision making					
5.4	Risk expertise is engaged early in the decision-making process					
5.5	Risk considerations inform strategic, operational and project objectives					
5.6	Risk data is effectively used to support strategy, operational delivery, financial planning and performance					
5.7	The risk management framework supports the robust identification and management of opportunities and risks across the organisation					
5.8	Risk management is integrated into the decision-making process					

Further comments



Adopt a whole-system approach

A holistic approach to risk management enables interdependent and interconnected risks to be identified and managed in a robust and integrated manner.

		Strongly agree	Agree	Disagree	Strongly disagree	Don't know or N/A
6.1	The organisation identifies risks in the third-party ecosystem					
6.2	The organisation maps interdependencies and connections for cross-cutting risks					
6.3	The organisation assesses the range of impacts and consequences of risks					
6.4	There is a joined-up approach to managing risks and breaking down silos					
6.5	Risk information is aggregated across the organisation and, where relevant, the departmental group					
6.6	The aggregated risk information is accurate and of high quality					
6.7	The organisation seeks out assurance on the effectiveness of the risk and control environment of its supply chain					

Further comments



Assess risk impact

Thorough assessment and evaluation will enable the impact of risks to be consistently understood and help prioritise the different risks the organisation is managing.

		Strongly agree	Agree	Disagree	Strongly disagree	Don't know or N/A
7.1	The right tools and expertise are used to assess and evaluate risks					
7.2	Good quality data is leveraged to support the risk assessment effort					
7.3	Qualitative and quantitative methods are deployed to assess impact					
7.4	The aggregate impact of risks across the organisation is identified and assessed					
7.5	The information and data being used to inform the risk assessments are relevant and accurate					

Further comments



Take action to address risks

An organisation where individuals understand their responsibilities for managing risks – and how risk appetite and tolerance can be applied in practice – will be better equipped to take effective action as risks develop.

		Strongly agree	Agree	Disagree	Strongly disagree	Don't know or N/A
8.1	There is clear ownership and accountability for risks					
8.2	Appropriate risk management responses are developed in line with the organisation's risk appetite and tolerance					
8.3	There are clear criteria for escalating risks that fall outside of appetite or tolerance					
8.4	Assurance is gained over the effectiveness of risk management processes					
8.5	The expectations on risk owners to take action and respond to risks are well defined and understood					

Further comments



Monitor and report on the risks that matter

Continuous risk monitoring and effective risk reporting will help focus attention on the risks that should matter most to the organisation.

		Strongly agree	Agree	Disagree	Strongly disagree	Don't know or N/A
9.1	There are meaningful performance metrics and indicators to monitor risks					
9.2	Tools are applied which enable real-time and dynamic monitoring of risks					
9.3	Timely and accurate reporting of significant risks to key decision-makers is promoted					
9.4	Risk registers are robust and 'living documents' that reflect significant risks					
9.5	Risk information and reporting is tailored and bespoke to the needs of recipients					
9.6	The criteria for the 'risks that matter' to the organisation are clear					
9.7	Early warning signals and risk data, including near misses, are effective in showing the performance of risks to trigger appropriate intervention					
9.8	Risk monitoring outcomes inform risk management arrangements and decision making					

Further comments



Drive continuous improvement

Learning lessons from others and assessing risk maturity will enable the organisation to continually develop and improve its approach to risk management.

		Strongly agree	Agree	Disagree	Strongly disagree	Don't know or N/A
10.1	The current level of maturity is assessed to identify gaps and areas for development					
10.2	Good practice from across the organisation is identified and shared					
10.3	Lessons from beyond the organisation are learned and shared					
10.4	The organisation validates, benchmarks, and seeks assurance over risk management arrangements					
10.5	Arrangements are in place to ensure that risk management approaches are effective and reflect good practice					
10.6	Successes are celebrated and learnings are integrated into the risk management process					

Further comments

Key points or actions to take away