

## ESPO Major Risk Record (MRR)

Risk Owner: **Director**

Risk Number: 014

**Risks identified:****Unexpected loss (retirement, ill-health, or leaving) or long-term absence of key employee(s)**Risk categories (such as *Reputation, Governance, Finance, Operational*):**Possible consequences if the risk were to emerge?**

1. Knowledge essential to the organisation is no longer accessible.
2. There is no managed handover of work in progress, or learning period for potential replacements.
3. Workload for remaining members of staff increases.
4. Partially completed projects are not finished to schedule or within budget.
5. There is no training period for potential replacements.
6. Possible implications on business volume, reputation, new business and on trading results.

**Raw Risk Assessment:**

Predicted impact of the risk: (Scale 1–5, see Guide)	Predicted likelihood of the risk: (Scale 1–5, see Guide)	Total risk score: (Impact x likelihood, Scale 0-25)
<b>4</b>	<b>5</b>	<b>20</b>
Explanation for rating:	Explanation for rating:	Low / Medium / high
<b>Short to medium term implications of the loss of key staff</b>	<b>Age profile of staff, and grade 'gaps' particularly between Group Buyers and Assistant Directors. Lack of codified knowledge</b>	<b>High</b>

**Control Measures:****Actions to reduce the likelihood and severity of the risk to an acceptable level?**

1. Key processes are documented, including library of Standard Operating Procedures (SOP) (held....)
2. Business knowledge and intelligence are 'captured' through routines and documented.
3. Organisation structure enables a 'career pathway' from top to bottom to be seen
4. Support a 'recruit within' policy and strengthening training, supported by the PDR process.
5. Develop career progression pathways to aid staff retention and development.
6. One member of SMT takes an overview of trainee buyers and acts as a mentor.
7. Develop and review an annual training and staff plan; recognise where recruitment/retention could be difficult (e.g. energy) and ensure some resilience.
8. Develop cross fertilisation of procurement expertise across buying teams through in-house training events.
9. Ensure HR policies and procedures are flexible, address business needs, and are adhered to

**Risk indicators to be used to monitor the risk? (These provide early warning, minimum of 3)**

1. Tracking of the Training Plan
2. Effective review of the PDRs

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3. Absence management reports
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<b>Residual Risk Assessment following Control Measures:</b>		
Predicted Impact of the risk: (Scale 1–5, see Guide)	Predicted likelihood of the risk: (Scale 1–5, see Guide)	Total risk score: (Impact x likelihood, Scale 0–25)
<b>2</b>	<b>3</b>	<b>6</b>
Explanation for rating:	Explanation for rating:	Low / Medium / high
<b>Controls measures focused on reducing impact.</b>	<b>Controls will influence this.</b>	<b>Medium short term reducing to Low as training and new ways of working are implemented</b>

<b>Further action required to reduce risk:</b>
Ensure control measures outlined above are fully implemented in 2012

<b>Recommendation to Director/Committee:</b>
Risk is within acceptable tolerance level. However this assumes all controls are fully implemented

Signature:	Dave Summersgill	Date: 23/01/12
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**Score Summary:**

Raw Risk Score	Risk Tolerance	Residual Risk Score	Effect of Internal Controls
<b>20/25</b>	<b>10/25</b>	<b>6/25</b>	<b>14/25</b>