



REPUBLIC OF SLOVENIA
MINISTRY OF FINANCE

BUDGET SUPERVISION OFFICE
OF THE REPUBLIC OF SLOVENIA

RISK REGISTER

Nataša Prah
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INTRODUCTION

1. What is risk register
2. How to prepare and maintain it
3. How it might look like
4. Who is responsible



RISK

- Risk: Uncertainty, Possibility Opportunity, Danger
- Risk Management: managing the risk with different measures
- Acceptable Risk: a part of risk we still can accept
- Residual Risk: a part of risk we can't manage



WHAT IS RISK REGISTER

- A form of systematic management of risks
- A spreadsheet of most relevant risks and measures for managing (mitigating) them
- Process and not only document
- A proof (trail) of proactive manager



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HOW TO PREPARE IT

- Different approaches:
 - Bottom up
 - Top down
- Internal rules
- Risk register keeper: person responsible for keeping the register up to date



HOW TO PREPARE IT

- Risk identification: description, type
- Risk assessment: probability of appearance - likelihood, consequences – impacts; relations between probability and impact
- Measures to manage or mitigate risks: what and how, who, when,



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Risk identification

Risk description	
Organizational Unit:	Responsible person: Date of last updating:
OBJECTIVE:	
Ref.	type of risk
Risk description:	
	Description
Probability:	Value: (1 - 4)
Impact:	
Total:	<i>Probability x Impact</i>)
Management Decision:	
Measures:	
	Deadline:
Comments:	

Signature:



Risk identification

- Improper planning
- Unprofessional approaches
- IT failure, data lost
- Incompliance with the rules
- Loss of assets because of fraud
- Loss of reputation,...
- Political risk
- Budgetary risk
- Risk of changes in rules
- Economic risk
- Social risk
- Demographic risk
- Environmental risk,...



Risk assessment

Probability	Hugh (4)	4	8	12	16
	Big (3)	3	6	9	12
	Middle (2)	2	4	6	8
	Small (1)	1	2	3	4
		Small (1)	Middle (2)	Big (3)	Hugh (4)
		Impact			



Risk assessment

- PROBABILITY,
LIKLYHOOD
 - **Small**: rare, exceptional cases
 - **Middle**: possible, risk might appear in mid term
 - **Big**: likely, risk might appear several times in mid term
 - **Hugh**: almost sure, risk might appear several times in short term
- IMPACT
 - **Small**: small financial consequences, reputation and going concern is not under the question
 - **Middle**: financial consequences exist, short term loss of reputation,
 - **Big**: relevant financial loss, long term loss of reputation,
 - **Hugh**: substantial financial loss, going concern is under the question



Measures

- Setting the proper **internal control system**
- Objective of the ICS: managing the risk
- Also achieving the objective of the ICS is under the risk exposure (some controls are not established, some of them are not working, some are not functioning efficient and effective,..)



Measures

- To mitigate this risk ICS should be evaluated (managers controls, internal auditing)
- Criteria for Standards of Internal Controls:
 - Written instruction for all main working processes
 - Double signature system
 - Delegating tasks in written form
 - Segregation of duties
 - Internal auditing



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WHO IS RESPONSIBLE

- **Manager:**
- Risk management is a part of a management function and it should be a responsibility of all managers – also in public sector



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THE END

Thank you for your attention!

Ms Nataša Prah, Director BSO

Email: natasa.prah@mf-rs.si