



HM TREASURY

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29 JULY 2022

Dame Meg Hillier MP
Chair, Public Accounts Committee
House of Commons
London
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Dear Chair,

Further to the previous letter dated 29 April 2022, we are writing to provide an update on our commitments to improve risk management in government, in response to recommendation 5 in your Thirteenth Report - Initial lessons from the government's response to the COVID-19 pandemic. We are copying this letter to Sir Tom Scholar and the Comptroller and Auditor General.

Appointing a Head of the Government Risk Profession

In May, Clive Martin was appointed to this key role and recruitment is underway to bolster the Risk Centre of Excellence. Clive joined the Civil Service from the private sector where he has had an extensive career leading on risk management best practice as a partner in a professional services firm.

Enhance capabilities and drive professionalism (all actions on track for completion by April 2023)

Progress is on track to meet the key Boardman recommendation and deliver an "Accredited Risk Manager" offer from September 2022. The external qualification element of the accreditation will be through our selected provider with which we are in the final stages of agreeing terms and conditions, and complemented with behavioural skills training from Civil Service Learning, and a self-awareness tool to support risk specialists in their roles. Accreditation and training will be made available to risk specialists in all government departments and Arm's Length Bodies across the Civil Service.



INVESTOR IN PEOPLE

A risk management “powerpack” is being developed to facilitate sharing of approaches, methodologies, standards and templates for risk management framework components. This will enable risk specialists in any government body to quickly access examples of how others in government have delivered on different components, enabling risk specialists to adopt and adapt similar approaches for their own use in delivering risk management capability improvements.

The two remaining actions are to develop a risk management training offer for non-risk professionals and agree a strategy to ensure that a sufficient pipeline of learning and career development for the risk profession is in place to support capacity and continued professional development. Both are on track to be completed by April 2023.

Collaborate across boundaries (all actions on track for completion by April 2023)

The Risk Centre of Excellence now engages directly with over 600 risk specialists and is collaborating with others on several related initiatives such as the Resilience Strategy, the “Golden Thread” Internal Control Project and the Functional Convergence Process/Control mapping initiative. This is helping to ensure better cohesion across these risk-related improvement initiatives.

The Risk Centre of Excellence is also engaging with several government organisations to better clarify the role of risk management, and drive improved departmental understanding of how their activity comes together from a risk management perspective including:

- Civil Contingencies Secretariat on the Resilience Strategy refresh and National Security Risk Assessment.
- Planning and Analysis Secretariat on forecasting and horizon scanning techniques.
- Government Office of Science on forecasting for scientific purposes.
- Government Internal Audit Agency on approaches to assessing risk management effectiveness and assurance mapping.
- Infrastructure and Projects Authority on risk appraisal in investment cases, risk taking in decision making.
- National Audit Office on risk management maturity and sharing of best practice across government.

Strengthen leadership and enhance credibility (all actions on track for completion by April 2023)

The Risk Centre of Excellence continues to develop the principal risk reporting for the Civil Service Board. The July report was developed through engagement with departmental heads of risk, functional and policy leads and provided clear articulation of progress made, and intended next steps, by departments and central initiatives on profiled risks with possible cross-government systemic implications. As part of the discussion at the July meeting, specific risks were identified by Civil Service Board members as worthy of more in-depth consideration at the next two meetings.



The Head of the Government Risk Profession now writes a monthly risk community email to enable risk specialists across government to understand more about how the Profession is developing and the key initiatives that they can contribute to as part of the effort to ensure greater individual and collective impact from risk professionals in support of key decision making across government. We have also revised the role of the Risk Improvement Group to support broader improvements in raising credibility.

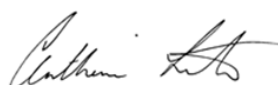
We have set out future steps to complete actions by April 2023. Many of the activities we have set out will continue to mature and continuously improve. We propose that the next quarterly update provides the Committee with a final comprehensive plan for how we will mature and embed all progress, and that this concludes our quarterly reporting to the Committee. We expect risk management to continue to be a core theme in future National Audit Office workplans and we will continue to provide periodic updates when further notable improvements or milestones are reached.

Yours sincerely



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