

MoR Mandate for Change 2009

Introduction

This mandate for changes to OGC's practitioner guidance *Management of Risk (M_o_R)* is derived from issues discussed at the MoR Reference Group meeting on 17th July 2009 and the change request log.

In summary, the main areas identified as needing to change were as follows:

- To improve consistency between MoR and the other products in the OGC portfolio, e.g. PRINCE2, MSP, P3O, etc.
- To address (selected) issues raised in the change request log.
- To address the issues discussed by the reference group.
- To be consistent with the newly released British Standard BSI 31100
- To remedy any inconsistencies within the content (see also change request log).
- To redesign the content according to OGC's updated style guidelines.

The reference group discussed their concerns together with the issues on the change request log and agreed on the need to make some changes now while other issues were considered more fundamental and would have to wait for a full refresh before they could be addressed. For now it was felt that the scope for change would be limited. These corrections that can be dealt with now are shown below.

Please note the change request log also includes additional specific requests for changes that the MoR CAB has recommended for action at this revision.

Scope for change

- This is an interim revision NOT a major refresh
 - Therefore, it must not fundamentally change the structure, process or approach of MoR
 - It is about re-wording not re-formulating the method
- It is not expected that entire sections will be rewritten rather the remit is to
 - change things that are deemed to be wrong
 - delete pieces that are no longer required
 - add new material where identified.
- No new internal inconsistencies are introduced when the revisions are made

The following table expands to show these issues together with the actions recommended.

Annex A sets out the background to the proposed refresh of the guidance.

Issue	Recommendations
Roles and organisation	The roles need tidying up for each perspective and level. This should use the approach adopted by other OGC guides. However, this activity should be time boxed and undertaken to the level that time allows and the changes must not introduce significant knock on effects. Some of this could be achieved by simply tidying up the roles in each perspective.
Principles of MoR	Need to be re-cast so that they really are stated as principles and perhaps giving examples to aid clarity.
Conflicts with external sources	Must make sure it is consistent and has no major conflicts with <ul style="list-style-type: none"> ➤ ISO/BSI, e.g. BSI 31100 and ISO 31000 ➤ HMT Orange Book (due for review in 2010) ➤ Where possible with other OGC guidance such as Portfolio Management, MSP and PRINCE2 <ul style="list-style-type: none"> ○ And where not possible to explain the key differences, potentially this could be a separate document/white paper.
Policy, strategy and plans	Tidy up to be consistent and clear in what they are and what they

Issue	Recommendations
	cover/include.
Risk Approach	Tighten up definitions and explanations, using common industry standard definitions. <ul style="list-style-type: none"> ➤ There was concern about share and exploit. Share was seen as problematic and a special case of transfer (partial transfer). ➤ Capacity, appetite and tolerance ➤ Magnitude and impact
Issue log	Needs tightening up as it is neither one thing nor the other when dealing with issues and what to do with them. From a glossary viewpoint move to the naming convention used in PRINCE2.
Better risk descriptions	e.g. - The nail in the tyre example needs replacing with a better example.
Process	<ul style="list-style-type: none"> ➤ Make clear that MoR has one process applied to both perspectives and individual risks. ➤ Ensure implement covers execute, monitor and evaluate. ➤ Re-work barriers: there are some common barriers but also some specific barriers with in each process. ➤ Communications: the guide says it is important and then pushes it to the last item discussed, possibly change barrier to communications in diagrams?
Perspectives	Needs to cover linkages between levels, especially escalation. Clarify differences between organisation wide and strategic in the context of enterprise risk management and portfolio management. This may also be a place to address the roles and responsibilities issues above.
Embed and review	Roles need tidying up perhaps as part of roles and responsibilities above.
Inconsistencies in referencing UK legislation	The further information needs to be checked for currency, e.g. National Risk Register and ideally the inclusion of non-UK legislation examples
Annex A	Use the PRINCE2 product description style.
Annex B Common techniques	Two-stage process for now. <ol style="list-style-type: none"> 1. Tidy up for now 2. Thorough revision at next major refresh. For now: Apply two tests <ul style="list-style-type: none"> ➤ “does it give enough information to understand and begin to apply the techniques”. Two in particular were mentioned, the Latin Hypercube and Markov chain which poorly covered and seem to be a last minute cut and paste from elsewhere. ➤ A usage test is it a common industry standard or a specialist technique Need to be more consistent in the detail given for each one cited. Needs good external sources/references
Annex E variable levels of details	Have a more consistent approach to the same level of detail. Possibly by taking all entries to the same level of detail by expanding some or take all to less detail and reference out to other sources.
Annex F	Is this needed? What value does it add and can it simply be deleted.

Quality criteria

Quality criteria for this update dictate that the content must:

- Be written in plain English and idiom-free
- Be consistent with other OGC guidance (in particular, MSP, PRINCE2 and P3O)
- Be compatible with British or international standards, e.g. BSI 31100 or ISO 31000
- Not contradict the spirit of the guidance in HMT Orange Book
- Be free from inconsistencies
- Meet the aims of the project as set out earlier in this mandate.

- Change requests, identified by the Change Advisory Board and OGC as requiring action, have been addressed

Quality method

Quality assurance will be carried out by the Review Group. The Review Group will consist of members of the Reference group, practitioners and members of the training community. These work-packages will be managed as a programme by OGC with work packages by TSO for the guidance and APMG for the qualification elements.

OGC, in consultation with the reference group, will set the detailed scope for the product based on this mandate, agree the full product description/s, and may also provide input to the design of the relevant work package/s if required. The Review Group will monitor progress against these product descriptions.

Annex A

1 Background

1.1 OGC first published its guide Management of Risk: Guidance for Practitioners in 2002 in response to the Turnbull Report in order to provide a generic framework for the management of risk across all parts of an organisation. There were several re-prints comprising some minor amends, and in 2007 there was a major revision to the framework. Since the publication of the second edition, several issues have been registered on the change control log at <http://www.best-management-practice.com/ChangeLog> that need to be addressed.

2 Drivers for change

- 2.1 Since publication, M_o_R has received a great deal of positive feedback and the associated qualification is starting to see a gradual rise in demand. This might indicate the beginnings of a wider recognition of the need for a framework like M_o_R for assisting organisations, but in the meantime, the world of risk management has not stood still.
- 2.1.1 BSI have released 31100:2009 and ISO have released 31000:2009 to provide a generic frameworks for the management of risk and we need to ensure that MoR is compatible or at least not saying anything contradictory to these national and international standards.
- 2.1.2 The Orange Book is up for review in 2010.
- 2.1.3 Issues on the change log that have been reviewed by the MoR CAB and where they recommend changes, these have not been made and the time is ripe now to make those changes.
- 2.1.4 The ATO community have been pushing for changes to known issues for some time.
- 2.2 Reference Group feedback – was that “the guide was about right and we were only seeking to make minor changes”
- 2.2.1 For the interim refresh – issues as identified above
- 2.2.2 For the next major refresh
- 2.2.2.1 Links to other OGC PPM guidance - need to develop a single voice, same view of topics across the portfolio
- 2.2.2.2 Annex A and chapter 3
- 2.2.2.3 Risk with partners
- 2.2.2.4 Tailoring guidance – there is the possibility of white paper covering this as short term fix
- 2.2.2.5 Clarity around training and competency - definition
- 2.2.2.6 Embedding risk management in business processes
- 2.2.2.7 Role of external audit
- 2.2.2.8 Issue management
- 2.2.2.9 Impact assessment magnitude
- 2.2.2.10 Risk process
- 2.2.2.11 Optimism bias and future proofing
- 2.2.2.12 Opportunity measures – rethink impact scores
- 2.2.2.13 Risk appetite and tolerance
- 2.2.2.14 Generic evaluation rules
- 2.2.2.15 Threat severity
- 2.2.3 The need to ensure when making changes that they do not introduce new inconsistencies in the guide or new conflicts with other products.

3. The purpose of M o R

- The perception that M_o_R is in any way solely a project based approach will be eliminated
- The key messages of M_o_R will be tailored for the different audiences within an organisation (e.g. senior management, policy people, business managers, etc), and across sectors.
- The boundaries, dependencies and other linkages between the management of risk across the whole organisation and the wider business environments will be clearer and easier to understand
- The guide will have improved navigation and accessibility
- There will be an increased uptake of the guidance throughout the UK public sector with a commensurate improvement in risk management as a result.
- Longer term to revisit two questions
 - Who is the audience for MoR? As a means of understanding what needs to be covered and to what level of detail to aid the next major refresh.
 - What is the purpose of MoR?