

# Questionnaire - Survey results<sup>1</sup>

This document shows a summary of the responses to the questionnaire used to inform the findings of the National Audit Office report 'Supporting Innovation: Managing risk in government departments'. The report and the questionnaire can be viewed on the National Audit Office website at '[http://www.nao.gov.uk/publications/nao\\_reports/index.htm](http://www.nao.gov.uk/publications/nao_reports/index.htm)'. Appendix 2 of the report lists the organisations who responded to the questionnaire. The summary results presented in this document do not include the responses to questions with a 'literal' answer, although this information was also used in the report.

## Section 1 - Objectives of the organisation

In this section the questions relate to the overall objectives of the organisation, whether established through a Public Service Agreement or Corporate/Business plan and the extent to which these objectives are clear and communicated. In addition there are questions associated with the risk management objectives; that is how the organisation sets out why it takes risk and why risk management activities are undertaken.

	Yes	No	Not sure					
1.1 The organisation's overall aims are clearly set out and published in a manner that can be understood easily by executive management (eg in Public Service Agreement/Corporate Plan)	99%	0%	1%					
				<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither agree nor disagree</b>	<b>Agree</b>	<b>Strongly agree</b>
1.2 The relative priority of the organisation's business and policy objectives are set out	0%	6%	9%	56%	30%			
1.3 The aims and objectives of the organisation are clearly communicated to all staff throughout the organisation	0%	1%	4%	52%	43%			
1.4 Staff, throughout the organisation, understand how the aims and objectives of the organisation link to those of their individual unit/area	0%	4%	9%	66%	22%			

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<sup>1</sup> Note: The figures presented are rounded to the nearest per cent and responses may not sum to 100 per cent.

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither agree nor disagree</b>	<b>Agree</b>	<b>Strongly agree</b>
1.5 Staff understand how the organisation's aims and objectives link to their personal objectives	0%	5%	13%	64%	18%
1.6 There is at least an annual process of reviewing the link between the organisation's aims and objectives, and staffs' personal objectives	0%	2%	5%	51%	41%
1.7 Effective risk mangement is important in the achievement of the organisation's objectives	0%	4%	13%	45%	37%
1.8 Risk is looked upon as an opportunity as well as a threat by the organisation in the achievement of its objectives	1%	13%	25%	47%	14%
1.9 The organisation's risk management objectives have been clearly set out	7%	49%	19%	18%	7%

## Section 2 - Understanding risk and risk management

In this section the questions are aimed at establishing what is meant by risk, how the organisation determines and communicates its approach to risk management, in order that risk management is clearly understood, and how risk management is incorporated into existing management processes.

	Yes	No	Not sure		
2.1 A common definition of business risk is used throughout the organisation	20%	63%	16%		
	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
2.5 There is a common understanding of risk management across the organisation	4%	37%	32%	24%	3%
2.6 There are clear management statements on risk management in the organisation	9%	40%	24%	22%	5%
2.7 The responsibility for risk management is clearly set out and understood throughout the organisation	4%	39%	27%	24%	6%
2.8 The accountability for risk management is clearly set out and understood throughout the organisation	4%	32%	27%	30%	7%
2.9 Managing risk is important to the performance and success of the organisation	1%	2%	5%	53%	39%

### Section 3 - Risk Identification, assessment and analysis

This section seeks to establish how risks are identified, measured and prioritised and the responsibilities for these activities.

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
3.1 Changes in risks are recognised and identified when the organisation's roles and responsibilities change	1%	12%	25%	54%	8%
3.2 The organisation identifies the main potential risks relating to each of its declared aims and objectives (e.g. as set out in the PSA/Corporate Plan)	1%	25%	18%	47%	9%

3.3 What types of risk does the organisation identify...	Please tick all that apply
a) Strategic risk, e.g. risks arising from policy decisions	82%
b) Opportunity risk, e.g. the risk of missing opportunities to improve on delivery of the organisation's objectives	61%
c) Risks arising from pilot projects, e.g. risk of not learning from pilots	62%
d) Reputation risk, e.g. risk of damage to the organisation's credibility and reputation	89%
e) Financial risk, e.g. risks arising from spending on capital projects	91%
f) Operational risk, e.g. risks associated with delivery of public services	82%
g) Project risk e.g. risks of introducing new systems	89%
h) Compliance risk, e.g. the risk of failing to meet government standards/laws and regulations	85%
i) Risks arising from new ways of working, e.g. joined-up working	52%
j) Risks facing the public which fall within your organisation's area of responsibility	60%
K) Other	22%

3.4 Please tick who has responsibility for: 1. Identifying and 2. Assessing risks facing the organisation	1. Identifying		2. Assessing		
	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
a) Chief Executive/Director	68%			59%	
b) Board / Management Team	77%			73%	
c) Director of Finance	68%			65%	
d) Internal Audit	63%			55%	
e) Risk manager	13%			15%	
f) Line managers	63%			59%	
(g) All staff	42%			24%	
(h) Other	18%			19%	

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
3.8 The organisation finds it difficult to prioritise its main risks	10%	47%	25%	16%	2%
3.9 The organisation finds it difficult to assess the likelihood of risks occurring	7%	51%	23%	18%	1%
3.10 The organisation finds it difficult to assess the potential impacts of risks materialising	9%	53%	21%	16%	1%

3.11 The organisation measures its risks in terms of...	Please tick all that apply				
	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
a) Financial impact			93%		
b) Reputation impact			85%		
c) Likelihood of occurrence			78%		
d) Achievement of objectives			86%		
e) Other			14%		

  

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
3.13 The organisation knows about the strengths and weaknesses of the risk management systems of other organisations it works with	14%	51%	22%	12%	1%

3.15 The following stakeholders are important when assessing risks facing the organisation ...	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
a) Minister	2%	4%	12%	45%	37%
b) Customer	1%	1%	6%	41%	51%
c) Industry	3%	10%	19%	41%	28%
d) Taxpayer	1%	13%	22%	41%	23%
e) Parliament	0%	5%	19%	50%	26%
f) Employee	1%	1%	10%	58%	31%
g) Other	0%	2%	8%	52%	38%

**Increased**      **Decreased**      **Not changed**      **Not sure**

3.16 In the last five years the level of risk faced by the organisation has.....	77%	7%	9%	8%
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## Section 4 - Management, monitoring, review and reporting of risk

In this section the questions seek to establish how organisations address or manage their risks and how the management activities and the risks are monitored and reported upon.

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
4.1 The organisation collates risks for decision making on what actions to take	1%	30%	27%	39%	3%
4.2 Please tick those who (1) <b>make decisions on how to address</b> the risks which the organisation faces, and (2) who <b>monitors and reports</b> on risk	<b>Make decisions (1)</b>		<b>Monitor and Report (2)</b>		
a) Chief Executive/Director	83%			38%	
b) Board/Management Team	88%			54%	
c) Director of Finance	64%			70%	
d) Internal Audit	16%			74%	
e) Risk Manager	8%			17%	
f) Line Manager	49%			65%	
g) All staff	18%			34%	
h) Other	12%			14%	
	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither agree nor disagree</b>	<b>Agree</b>	<b>Strongly agree</b>
4.3 The organisation's response to risk includes ...					
a) An evaluation of the effectiveness of the existing controls and risk management responses	1%	12%	17%	57%	13%
b) Action plans for implementing decisions about identified risks	0%	12%	13%	64%	12%
c) An assessment of the costs and benefits of addressing risks	2%	19%	24%	49%	6%
d) Prioritising of risks that need active management	0%	12%	18%	55%	14%

4.4 The organisation monitors and reviews the risks in the achievement of its objectives	0%	16%	19%	55%	9%
4.5 The organisation has procedures for reporting risks	1%	22%	19%	48%	9%
4.6 Changes to the organisation's risks are identified, assessed and reported on an ongoing basis as to their impact on objectives	2%	23%	24%	47%	5%
4.7 The organisation finds it difficult to monitor changes in the profile of risks it faces	3%	30%	38%	27%	2%
4.8 The organisation has a clearly defined policy and process for the reporting of changing risks, incidents and control failings as they occur	4%	40%	27%	26%	4%
4.9 This organisation routinely reviews the effectiveness of the controls in place to manage risks	2%	26%	21%	47%	3%
4.10 The organisation's risk management procedures and processes are documented and provide guidance to staff about managing risks	10%	45%	21%	20%	4%
4.11 Monitoring the effectiveness of risk management is an explicit integral part of routine management reporting processes	7%	40%	22%	28%	2%
4.12 Managers in the organisation understand the risks faced by the organisation which they are responsible for managing	0%	9%	25%	56%	9%
4.13 The importance of risk management and control has been communicated throughout the organisation	3%	38%	28%	27%	5%
4.14 The organisation's executive management regularly reviews the organisation's performance in managing its business risks	3%	26%	24%	36%	10%
4.15 The organisation has assessed the need for the use of internal capability for monitoring and review of risks	3%	29%	21%	39%	8%
4.16 Internal audits report to senior management on all types of risks	3%	15%	13%	46%	24%



**Improved**   **Worsened**   **Not  
changed**   **Not  
sure**

4.17 In the last five years the organisation's risk management procedures have ...

79%

1%

17%

4%

## Section 5 - Organisation and culture

The following questions relate to the culture of the organisation and the degree to which policies and procedures support risk and risk management.

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
5.1 The organisation's structure supports effective risk management	1%	5%	32%	53%	9%
5.2 The organisation's culture supports effective risk management	2%	13%	31%	45%	10%
5.3 The organisation is over controlled for the risks it faces	9%	63%	20%	7%	1%
5.4 The organisation supports taking risks to achieve objectives	3%	22%	23%	47%	5%
5.5 The organisation supports innovation to achieve objectives	1%	5%	12%	61%	21%
5.7 Management have received training in ...	<b>Please tick all that apply</b>				
a) Risk management strategy			62%		
b) Risk management processes			91%		
c) Risk taking			21%		
	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
5.8 Reporting and communication processes within the organisation support the effective management of risk	0%	15%	29%	51%	5%
5.9 Reporting and communication processes between staff in the organisation and its top management support the effective management of risk	0%	13%	32%	50%	5%
5.10 The organisation's senior management is receptive to all communications about risks, including bad news	0%	7%	9%	62%	23%

	1	2	3	4	5
5.11 The organisation's code of conduct is clear in guiding staff actions in relation to the management of risk	2%	29%	37%	29%	3%
	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither agree nor disagree</b>	<b>Agree</b>	<b>Strongly agree</b>
5.12 The organisation knows how much risk it may take in the achievement of its objectives	3%	27%	31%	35%	4%
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
5.13 Overall, does the organisation regard itself as having a risk taking or risk averse culture? (from 1: risk taking to 5: risk averse)	1%	20%	37%	30%	12%
	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither agree nor disagree</b>	<b>Agree</b>	<b>Strongly agree</b>
5.16 HR (and/or Personnel) systems support risk management through inclusion of risk management in:					
a) Personal performance assessment (objectives and performance reviews)	4%	50%	22%	21%	3%
b) Induction training	5%	51%	21%	21%	3%
c) Ongoing personal skills training	4%	34%	29%	31%	2%
d) Disciplinary procedures	8%	37%	31%	22%	2%

## Section 6 - Components of risk management

Which of the following components of risk management are effective in the organisation?

1 Please tick if not in place

2 If in place, please tick to indicate the effectiveness of the components of risk management in the organisation

	Very Effective	Effective	Neither effective nor ineffective	Ineffective	Not applicable	Not in place
Executive sponsorship and focus	7%	41%	20%	5%	6%	21%
Effective culture and organisation	6%	40%	30%	10%	0%	15%
Clear link of risks to corporate aims and objectives	7%	40%	27%	6%	1%	19%
Line management ownership of risk management	6%	42%	27%	10%	1%	15%
Link of risk management to individual performance appraisal	3%	15%	30%	10%	3%	40%
Appropriate use of risk recording tools	1%	18%	26%	13%	4%	37%
Risk priorities identified	5%	41%	27%	7%	1%	19%
Clearly defined and communicated policies, procedures, systems and internal controls	7%	43%	21%	6%	1%	21%
Regular risk management reports to senior management	3%	31%	13%	8%	2%	43%
Appropriate training on risk and risk management	1%	13%	18%	14%	2%	52%
Internal audit assessment and monitoring of all risks faced by the organisation	10%	52%	16%	4%	1%	17%
Quality reporting using key indicators informing the organisation of risk management issues and emerging trends	1%	29%	16%	7%	2%	46%