

Performance Assurance Framework Document for the (Gas) Energy Settlement Performance Assurance Scheme

Document 3

Risk Register

The following is the Risk Register provided under the Performance Assurance Framework Document for the (Gas) Energy Settlement Performance Assurance Scheme.

Version History

Version	Date	Reason for new version
1.0	May 2016	Final version from Workgroup Report 0520A
2.0	Jan 2017	Draft for PAC Review
3.0	Feb 2017	Amended for PAC Review
4.0	March 2017	Amended for further PAC Review
5.0	October 2017	Amended for further PAC Review
6.0	October 2019	Amended for PAC review

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1. Introduction

This document sets out the supporting templates and register.

A risk can be defined as an uncertain event or set of events that, should they occur, will have an effect on the achievement of objectives. For Gas Performance Assurance, a risk is the probability that an event or action may adversely affect Shipper performance and/or the gas settlement arrangements. To highlight a risk for investigation is to ask the question “*what may be going wrong and what can be done about it?*”

Risk management provides a framework within which business-critical risks can be identified, assessed, managed and reported in a visible, structured, consistent and continuous manner. Effective risk management will help to create and focus management action plans to mitigate a risk.

2. Identification of Risk

Potential risks can be identified by a UNC party, the Performance Assurance Framework Administrator (PAFA) or statutory body. To enable a risk to be identified a standard template is required.

The Risk Template is shown in Appendix 1. A guideline document for completion of the Risk Template is available in Appendix 2 and an example of a Completed Risk Template is available in Appendix 3.

The risk template should be populated with all the information necessary to aid the PAFA to register the risk and then provide this to the Performance Assurance Committee (PAC) for the next stage of the process. Should there be insufficient information provided to document the risk, the PAFA will need to liaise with the risk originator to obtain the relevant information.

During this stage, the PAFA will conduct an initial validation of the risk to ensure the risk needs to be added to the Risk Register. For example, ensuring that the risk identified is not a duplication of an existing risk on the Risk Register.

Once the necessary information is captured the PAFA will append the risk onto the Risk Register.

3. Risk Register

The PAFA will append the risk onto the Risk Register. A copy of the Risk Register can be found at: <https://www.gasgovernance.co.uk/index.php/PAC>.

The PAFA will give the risk a RAG (Red/Amber/Green) status and will attempt, using the data that is available, to estimate the value of the risk and be labelled as DRAFT.

The PAC is responsible for assessing and agreeing the RAG Status, the estimated value of the risk, approving the risk title, description and the category that this risk should be considered under.

The PAC may also determine that this risk is actually an ‘issue’ – something that has already occurred and that it should be labelled as such.

When formal PAC agreement is reached, and a determination is made at a PAC meeting, the risk will be amended from DRAFT status to LIVE status.

The PAFA is responsible for administering and maintaining the Risk Register. The PAFA will update the Risk Register based on the outcomes of the PAC risk discussions, actions taken and impact of controls, and where necessary will close the risks.

4. Risk Reporting, industry activity and mitigating actions

For every potential cause of a risk, a monitoring activity and mitigating action needs to be identified. Where these do not exist, a monitoring activity and/or an action will be created to reduce the likelihood of occurrence of the risk. The PAC will decide on the course of action to be taken for the identified risk(s) and delegate these accordingly. The PAFA will support the PAC to monitor and update the actions within the Risk Register. The PAFA will update the actions either quarterly (high risks) or twice per year (low risks) and inform the PAC. Any actions incomplete will be subject to regular scrutiny from the PAC.

5. Risk Progress Report

A risk review date is provided on the Risk Register. For high scoring risks, this will be quarterly, all other risks will be reviewed twice per year.

All risks are submitted to the PAC and will be subject to a Risk Progress Report. The Risk Progress Report is to provide an update of planned actions and risk management activities to help shape the target risk score and action progress. The PAFA will provide the Risk Progress Report to the PAC as required.

6. Closing a Risk

Risks are closed based on the result of the actions and the controls put in place. The Risk Progress Report may highlight that controls are in place and subsequently the PAC may amend a risk RAG status. Where a RAG status for a risk is reduced, or risks are longer deemed to be a risk to gas settlement, the PAC may choose to close the risk. The PAFA will update the Risk Register accordingly and notify the Risk Originator of the actions completed and the outcome of the risk they raised.

Appendix 1 – Performance Assurance: Risk Template Please complete the template with as much information as possible to aid the registration and initial investigation of the proposed risk. All fields are mandatory unless otherwise specified. Please refer to the guidance notes.

Date		Raised by (include contact details)			
Proposed Risk title					
There is a risk that... (Risk Description)					
Because of... (Cause)					
Is related reporting available to support investigation into this risk?		Is this risk being considered in other industry fora?		Any additional information / Supporting information (optional)	

Appendix 2 - Guidance for populating the Risk Template

The Risk Template is designed to provide sufficient information for the PAFA to update the Risk Register and to facilitate discussions within the PAC therefore please update to the best of your knowledge.

The following fields are mandatory and should be populated. Any fields that have not been populated will result in a delay to the updating of the Risk Register.

Date: Date the risk is raised.

Raised by: Your details, including a method for communication should the PAFA need additional information and for on-going communication regarding the progress of your risk.

Proposed Risk Title: please ensure that the title gives a high-level indication of where the proposed risk lies. For example: 'Site specific winter annual ratio'

There is a risk that... A description of the source of the risk, i.e. the event or situation that gives rise to the risk. A succinct sentence of what the risk is. For example, "*there is a risk that formulae year AQ is not being calculated for all Supply points*".

Because of... Identify the potential cause of the risk, or where proposal for an additional inclusion on the risk register was initiated. For example, "*because reads are not being submitted by 10 Shipper organisations*".

Consideration should also be given to the following questions, and an additional information provided:

- Is related reporting available to support investigation into this risk?
 - Has this risk been highlighted via presentation of reports at other industry forums?
- Is this risk being considered in other industry forums?
 - Has this been passed to PAC as an outcome from other workgroups ie. UIG taskforce
- Any additional information / supporting information (optional)

Appendix 3 – Example Completed Risk Template

Date	20/04/2015	Raised by (include contact details)	Stephanie Stephenson, Theoretical Gas Ltd. Tel: 0700 100 000		
Proposed Risk title	Meter read performance and rolling AQ				
There is a risk that... (Risk Description)	Poor meter reading performance for class 4 sites is leading to the erosion of the quality of the rolling AQ process				
Because of... (Cause)	Shippers are not meeting the UNC meter reading requirements therefore there are inadequate meter reads available for the rolling AQ process to be accurately completed.				
Is related reporting available to support investigation into this risk?	no - new reports should be assed to the PARR suite	Is this risk being considered in other industry fora?	no	Any additional information / Supporting information (optional)	

Appendix 4 – Risk Register

Risk Number		Risk Title:						
		Risk Description:						
		There is a risk that...						
Effective From		Category		RAG STATUS				
Last Review		Risk Status (Active/ Monitoring/Closed)			Estimated AQ at risk (kwh)		Estimated value of risk (GBP)	
Related reporting								
Industry activity								
Workgroup/meeting/code change		comments						
PAC activity / mitigating actions								
DATE	ACTIVITY	comment						

Appendix 5 – Example completed Risk Register entry

Risk Number	PACR0012	Risk Title:	Required meter read frequency for product class 4 meters					
		Risk Description:	The differing required frequency in meter read provision between product class 3 and 4 sites					
		There is a risk that...	The frequency of submission of meter readings for Product class 4 meter points could adversely impact the accuracy of the derived AQ consumption along with the frequency of reconciliation					
Effective From	25/09/2017	Category	METER READ PERFORMANCE	RAG STATUS	Estimated AQ at risk (kwh)	1,057,761	Estimated value of risk (GBP)000's	11,280
Last Review	01/08/2019	Risk Status (Active/Monitoring/Closed)	ACTIVE					
Related reporting								
2A.5 Meter reads.								
Industry activity								
Workgroup/meeting/code change		comments						
Code change		0700: Enabling large scale utilisation of class 3						
PAC activity / mitigating actions								
DATE	ACTIVITY	comment						
ongoing	monitoring	2.A5 meter reads						
01/10/2019	monitoring	Implementation of 0700 could lead to a reduction of value of this risk as large number of sites moving into PC3.						