



The Institute of Risk Management – *delivering high quality risk management education*



A performance auditor's view of risk: in search of bad luck

Jeremy Colman
Assistant Auditor General
National Audit Office

Performance audit of UK central Government

- External, independent, reports to Parliament into:
- the economy, efficiency and effectiveness in the use of resources by a Government body
- Facts, findings, conclusions, recommendations
- Subsequent Public Accounts Committee hearings

What we try to achieve with performance audit

- Evidence-based
- After the event
- Forward looking
- “promoting beneficial change in the provision of public services”

Unintended consequences?

- Focus on what went wrong
- Error more likely if someone tries something new/different

So, therefore (?):

Performance audit tends to stifle risk-taking and innovation

Our counter-attack

- Relentlessly forward-looking
- Use of “good practice” examples
- Repeated statement of support for “well thought through risk-taking and innovation”...
...even if something goes wrong

So what's the problem?

- No shortage of cases where things have gone wrong
- No shortage of cases of poor risk management
- Lots of cases of good risk management where nothing (much) has gone wrong
- BUT where are the cases of good risk management where something has gone wrong?

Show us some genuine bad luck cases!

Some cases

- The Dome
- NIRS2
- Apache
- The Heart Hospital

Concluding Question

How do we know bad luck when we see it?



irm

Any Questions?