

## **Risk Management – Cottam October 2023**

Can Island Green Power (IGP) confirm if they have carried out Quantitative and Qualitative Risk Analysis for the Cottam Solar Project (CSP)? If they have can they please share the procedure that they have applied and the resultant Risk Register that they have created, including proposed mitigations and expected results.

According to the Association for Project Management (APM) and as documented in the Body of Knowledge, Risk Management is a fundamental part of effective Project Management so I would expect that IGP have carried out a risk assessment.

The strategic objectives of Risk Management are to improve the competitive advantage in the business by: identifying and understanding the risks inherent to the project decreasing the likelihood and consequence of adverse events and increasing the likelihood and impact of positive events. The specific steps that should be taken to achieve the above objectives are described as: Risks and opportunities related to IGP are identified and captured by a structured approach to risk and opportunity identification. Risk assessments will be planned and conducted in advance to allow resolution of threats and capture of opportunities. Results of risk assessments and associated risk treatment plans are evaluated and documented, executed and followed through to completion. Risks are assigned to a specific Risk Owner who is responsible for managing the actions planned to mitigate the risk within a prescribed timeline. Risks and opportunities and associated resolutions are documented. An escalation process is defined to ensure that management is informed of the significant risks and decisions are taken on the actions required to address risk.

Risk is defined as 'The effect of uncertainty on objectives'. An effect is defined as a deviation from the expected. The effect may be positive (opportunity or upside) or negative (threat or downside). Risk is often described by an event, a change in circumstances, a consequence or a combination of these and how they may affect the achievement of objectives, including the possibility of injury to people, and damage to reputation or the environment. Risk is expressed and assessed in terms of a combination of the consequences of an event and the likelihood of that event. Risk management is how the situation is managed to ensure threats do not lead to negative consequences, and how to ensure opportunities are realised.

In the case of a threat, action can be taken to reduce the consequence and/or likelihood. By introducing preventative controls, the likelihood that the event will happen is reduced, and/or by implementing mitigating controls, the consequences that arise as a result are limited. In the case of an opportunity, the likelihood of a beneficial outcome can be enhanced by taking action to ensure the Risk Issue occurs and that the Project is poised to take advantage, therefore maximising the consequence to IGP's benefit. The risk management process is not solely about limiting risk by mitigating against adverse impacts. Rather, it is about fully appreciating and recognising all the risks the project carries, and balancing them so as to take advantage of potential opportunities in an informed manner.

Therefore, it is necessary to: determine and quantify the impact of each risk, control adverse events and exploit opportunities.

It is necessary to be aware of the objectives of both internal and external stakeholders and to understand their concerns and perceptions of risk. Stakeholder analysis is a key input into the identification of risk. In terms of external stakeholder risk, was a demographic survey carried out, as you need to understand the population to assess their risks?