Risk Management - is a modern management discipline and is about getting the right balance between innovation and change on the one hand, and the avoidance of shocks and crises on the other.

1. Identify your risks

Risk: an event or action that will have affect our ability to achieve our **objectives**

Opportunities <u>**and**</u> Threats

Event leads to Impact

Identify in groups - by those responsible for delivery of the objectives

When:

Setting strategic aims

Setting business objectives

Early stages of project planning & key stages

Entering partnerships

Categories can help:

Political, Economic/Financial, Social, Technological, Legislative/Legal, Environmental, Community, Professional/Managerial, Physical, Partnership/Contractual.

2. Assess your risks

Combination of the probability of an event and its consequences; Impact x Likelihood::

LIKELIHOOD	6	12	18	24	30
	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	IMPACT				

24 - 30 VERY HIGH (VIOLET)

- Immediate action

15 - 20 HIGH (RED)

- Regular review to seek better control

10 - 12 MEDIUM (AMBER)

- Review current controls / incorporate into action plan

1 - 9 LOW (YELLOW)

- Limited action - long term plans

3. Respond to risks

Concentrate on Top Risks:

Set risk appetite

Proportionate and cost-effective response

Can we reduce likelihood?

Can we reduce impact?

Can we change the consequences?

Treat

Transfer

Tolerate

Terminate

Devise Contingencies

Business Continuity Planning

4. Monitor & Review

Risk Registers:

Baseline data to be prepared and monitored regularly; these should clearly indicate impacts, responses and contingencies as well as the risk owner.

Use early warning indicators.

Review Top Risks regularly as agenda item.

Report progress to senior management.