

Risk, Managed - One Page Summary

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

Identify your Risks	Assess/Evaluate your Risks	Manage/Control your Risks	Monitor/Review & Report																																													
<p>Risk: it's the chance of something happening that will have an impact on objectives</p> <p>It includes risk as an opportunity as well as a threat</p> <p>Objective driven: relate risks to the impact they will have on Local/Directorate/Service objectives</p> <p>Categories of Risk: Strategic, Operational, Project/Partnership</p> <p>When:</p> <ul style="list-style-type: none">• Setting strategic aims• Setting business objectives• Early stages of project planning & key stages• Options appraisals• Service improvement plans <p>How:</p> <p>Best done in groups – by those responsible for delivering the objectives</p>	<p>Combination of the probability/likelihood of an event and its consequences/impact</p> <p>Likelihood x Impact = Risk Rating</p> <table><tr><td></td><td colspan="5">Impact</td></tr><tr><td></td><td>5</td><td>10</td><td>15</td><td>20</td><td>25</td></tr><tr><td rowspan="4">Likelihood</td><td>4</td><td>8</td><td>12</td><td>16</td><td>20</td></tr><tr><td>3</td><td>6</td><td>9</td><td>12</td><td>15</td></tr><tr><td>2</td><td>4</td><td>6</td><td>8</td><td>10</td></tr><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr></table> <p>Risk Rating/Scoring = Level of Risk</p> <table><tr><th>Level of Risk</th><th>Score</th><th>Colour</th></tr><tr><td>Low</td><td>1 – 6</td><td></td></tr><tr><td>Moderate</td><td>7 – 12</td><td></td></tr><tr><td>High</td><td>13 – 25</td><td></td></tr></table>		Impact						5	10	15	20	25	Likelihood	4	8	12	16	20	3	6	9	12	15	2	4	6	8	10	1	2	3	4	5	Level of Risk	Score	Colour	Low	1 – 6		Moderate	7 – 12		High	13 – 25		<p>Concentrate on Top 10-20 Risks</p> <p>• Can we reduce the likelihood and impact?</p> <p>Transfer: passing the risk to someone else</p> <p>Tolerate: watch the risk to ensure that its likelihood or impact does not change</p> <p>Treat: plan a series of mitigation actions to bring the risk down to an acceptable level</p> <p>Terminate: take quick, decisive action to remove the risk</p> <p>Controls: the measures you need to have in place to contain a risk at an acceptable level or to reduce the threat</p> <p>Contingency/Business Continuity: an action or arrangement that can be put in place to minimize the impact of a risk when it has gone wrong</p>	<p>Risk Registers:</p> <p>Baseline data to be prepared and monitored regularly. These should clearly indicate likelihood, impact and controls as well as the risk owner</p> <p>Review Top Risks regularly as agenda item.</p> <p>Operational Risk Management Group:</p> <p>Meeting of risk practitioners to discuss risk registers, key emerging risk issues, share new ideas and best practice</p> <p>Report progress to Senior Management and Members</p>
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