# What is a Risk Register?

Very simply, it is a documented response to “What could occur that would stand in the way of successfully achieving the goals and objectives of my activity?”

The risk appetite for each activity needs to be determined. Risk appetite defines the organization’s preparedness to accept and manage risk on any given activity. Risks may fall into one of three categories:

1. Risk elements which are deemed to have a low risk and do not need to be managed
2. Risk elements that have a medium or high risk and will need to be managed
3. Risk elements which have an extreme risk and therefore the activity should probably not proceed.

The *Risk Register* records details of all the risks identified for the activity and the organization. Risks associated with activities and strategies are identified and graded in terms of likelihood of occurring and seriousness of impact.

Risk registers should include:

* Risk ID – Unique reference number for tracking purposes
* Risk Name – Brief description of the risk
* Risk Category – Assigns the risk to a category which helps with grouping
* Risk Likelihood – Estimation of how likely risk will occur measured in qualitative terms; e.g., possible and/or quantitative terms (60%)
* Risk Consequence – Estimation of the risk impact measured in qualitative terms; e.g., Severe and/or quantitative terms - money, lost time hours, production downtime etc.
* Risk Rating – Combination of likelihood and consequence results in an overall measure of the risk expressed in qualitative terms - High, Medium or Low
* Risk Level or Score – Combination of likelihood and consequence results in an overall measure of the risk expressed in quantitative terms - a numeric score
* Risk Control – Description of any controls in place to prevent/detect/mitigate risk
* Risk Treatment Plan – Outlines the actions carried out/to be undertaken to deal with or treat the risk - insurance extensions, additional controls, etc.
* Risk Tolerance – Provides an indication of whether the risk is acceptable or needs further work

# Risk Registers

The risk register consists of some headings and a table that reflects the nature of the information that is to be addressed. Where risk management action plans are required to be comprehensive it may be appropriate to supplement the applicable risk register entry with a separate, supporting risk mitigation or action plan. The completed risk register should be brief and to the point, so it quickly conveys the essential information.

# Steps to complete the register:

1. Identify potential risks
2. Identify the consequences to the activity if the risk were to materialize
3. Identify the likelihood and probability that the risk would result in adverse consequences
4. For those risks that have been ranked as **medium or high**, address with mitigating actions
5. Identify if there are any controls currently in place to mitigate those risks
6. Develop and document risk mitigation actions. These could include:
   * Planned actions to reduce the likelihood a negative risk will occur and/or reduce the seriousness should it occur (What should you do now?)
   * Contingency actions - planned actions to reduce the immediate seriousness of a negative risk when it does occur. (What should you do when?)
   * Recovery actions - planned actions taken once a negative risk has occurred to allow you to move on. (What should you do after?)
   * Risk Transfer (insurance)