

WHAT IS RISK?

“The chance of something happening or not happening that will have an influence upon the achievement of business objectives”

(IIA)

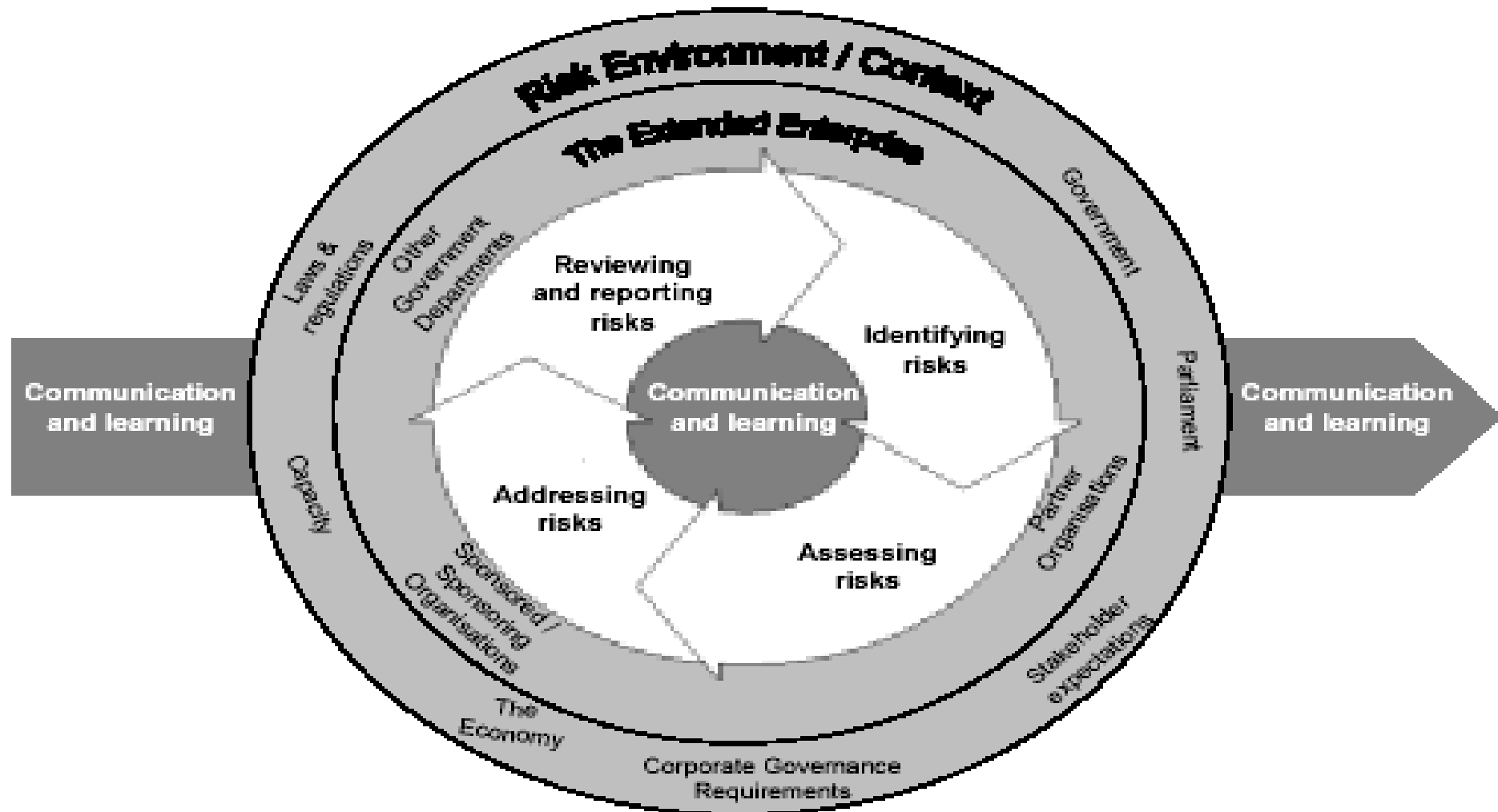
OR

“An elusive, contested and inherently controversial concept

(Power 2004)

Not the converse of an objective

WHAT IS RISK?



IDENTIFYING RISKS



How did we do it? Who owns them?

How many sets of risks do we have?

Do they relate to objectives?

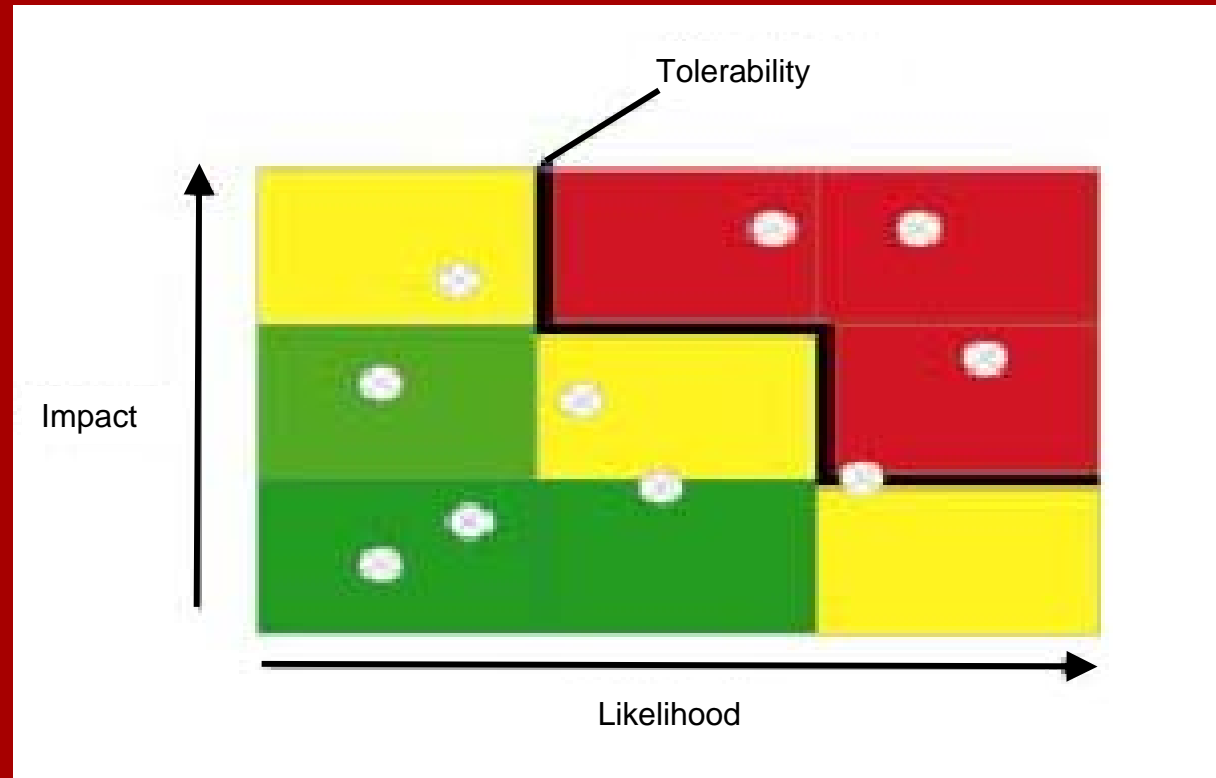
Do we group them?”?

How do we “continuously review them”?

What happens in Directorates?

WAS WHAT WENT WRONG ON OUR RISK REGISTERS?

ASSESSING RISKS



Does this help?

What is the trend?

ADDRESSING RISKS (1)

INTERNAL CONTROL



Tolerate

Treat - preventative

- corrective

- directive

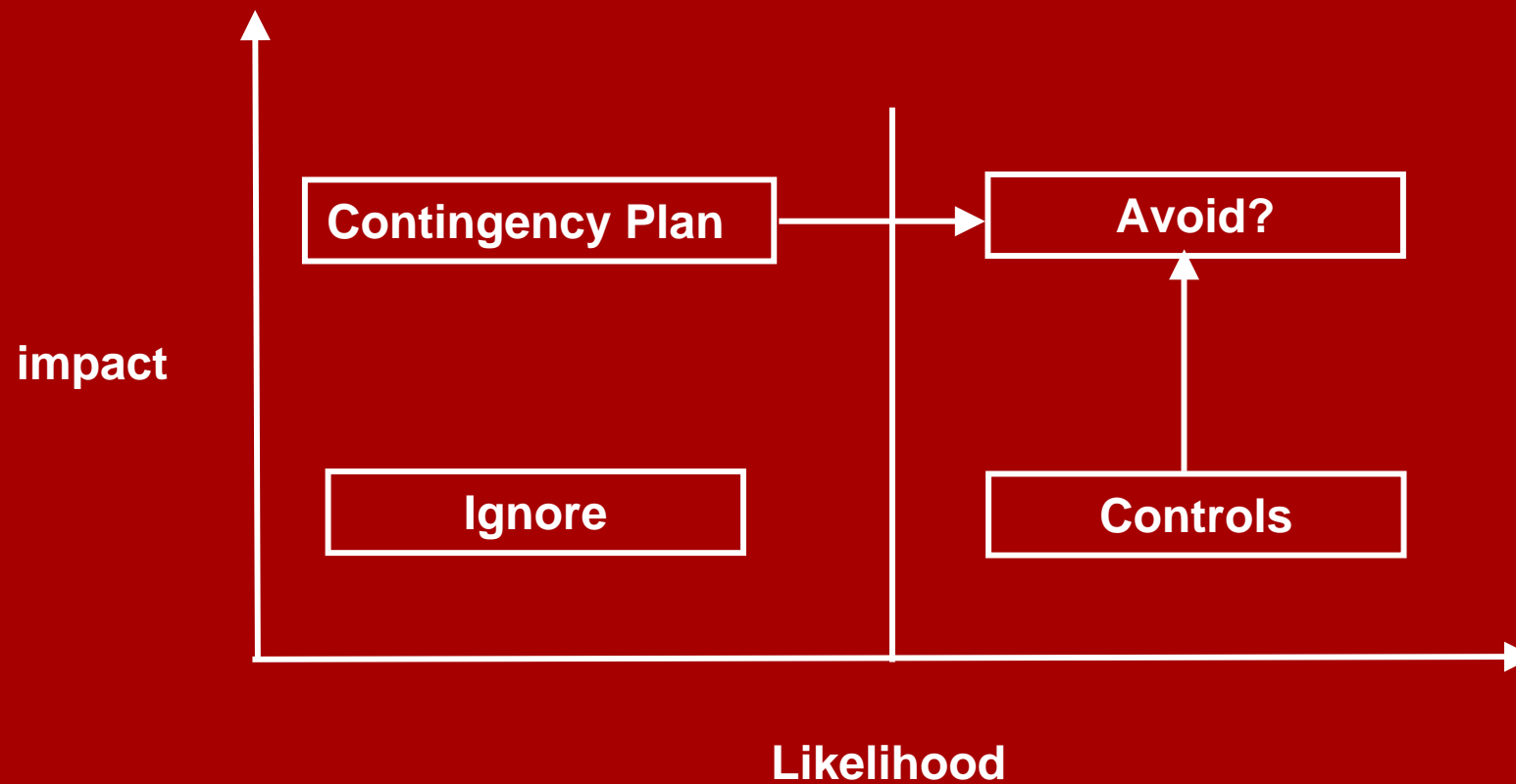
- detective

Transfer

Terminate

Take the opportunity

ADDRESSING RISKS (2)



RISK APPETITE (1)



Threats

Level of exposure which is tolerable and justifiable if it should be realised

Opportunities

How much prepared to put at risk to obtain benefits of the opportunity

Risks which can't be managed to tolerable levels need contingency plans

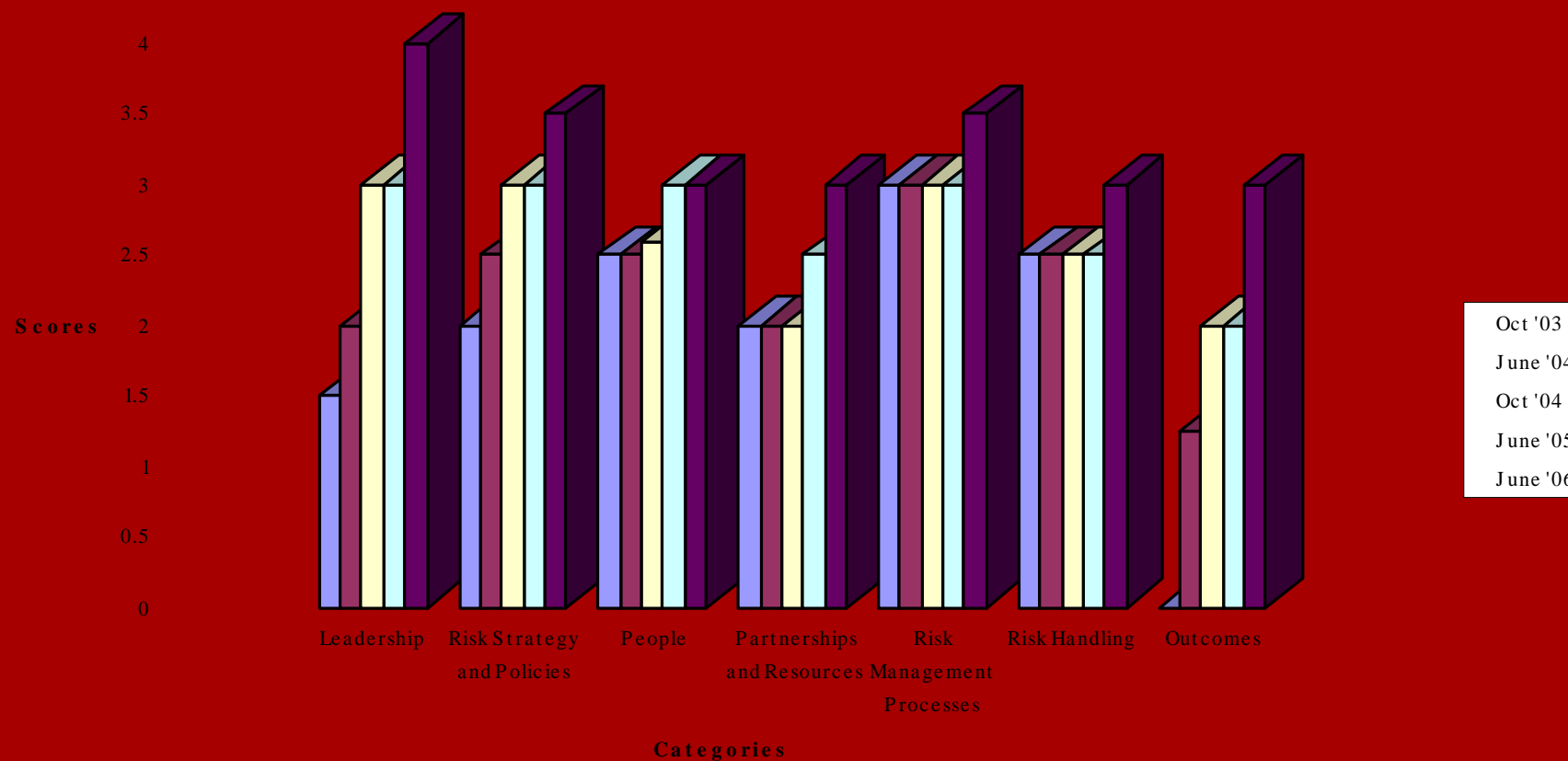
RISK APPETITE (2)



HOW ARE WE DOING (1)



Risk Management Assessment Framework Progress



HOW ARE WE DOING (2)



Internal Audit

-

Substantial Assurance

but

No clear link to objectives

Risk appetite not articulated

Different format of risk registers

Not embedded within all parts of HSE

Emphasis on negative, not opportunities

HOW ARE WE DOING (3)



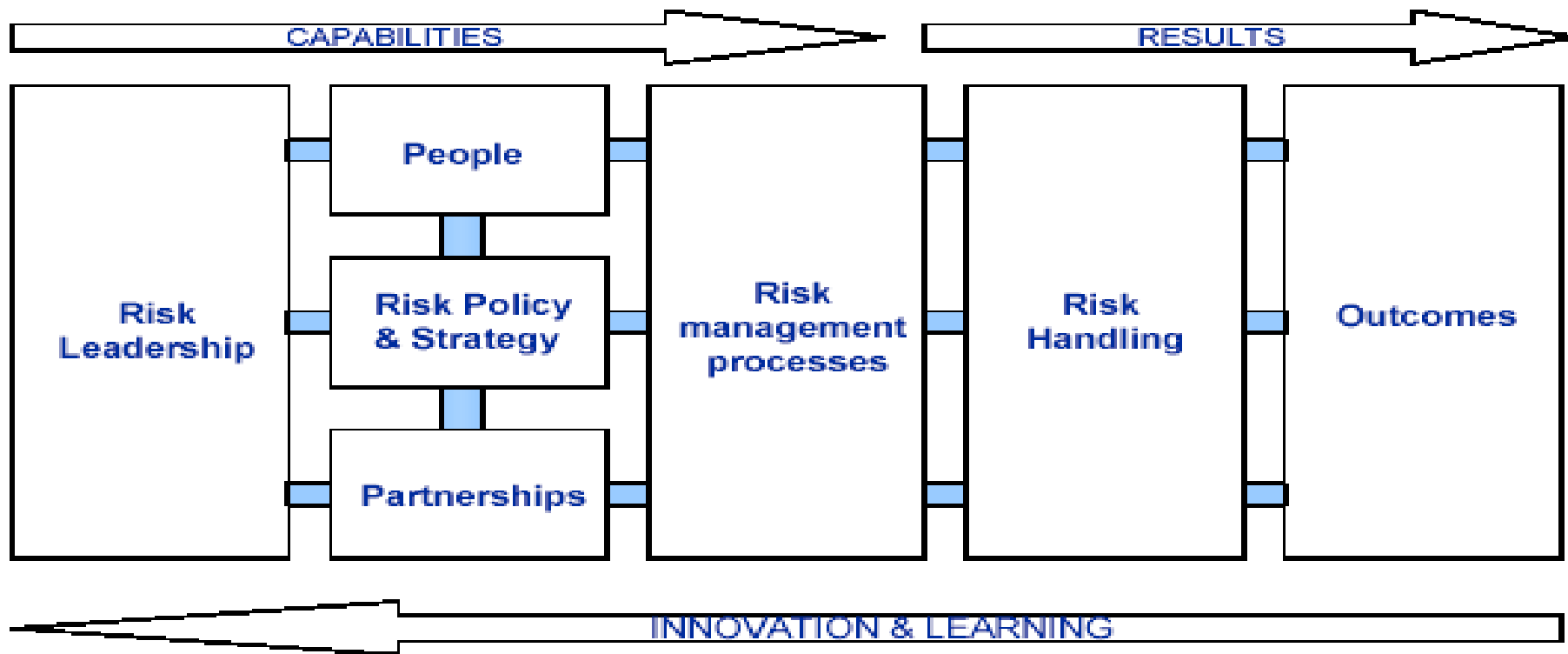
Ticking boxes?

Creating process?

Complying with central guidance?

Managing Risk Intelligently?

RISK MANAGEMENT ASSESSMENT FRAMEWORK



Adapted from the EFQM Excellence model