

INSTANT GUIDE TO RISK MANAGEMENT

The Process	Identify your risks	Assess your risks	Control your risks	Monitor and review your risks																																																
<ul style="list-style-type: none"> Risk Management is an important element of the system of internal control. It is based on a process designed to identify and prioritise risks to achieving Bromley's policies, aims and objectives. The Risk Management process is a continuous cycle. <div style="text-align: center;"> <p>Monitor and Review → Identify Your objectives Control ← Assess</p> </div> <ul style="list-style-type: none"> Useful definitions: <p>Risk Management is the identification, analysis and overall control of those risks which can impact on the Council's ability to deliver its priorities and objectives.</p> <p>Risk is the chance of something happening which will have an impact on objectives. </p>	<ul style="list-style-type: none"> Brainstorming session using IE&E plans and departmental objectives, to identify threats and opportunities. Useful analytical tools: <ul style="list-style-type: none"> Political Economic Social Technological Legal Environmental <p>PESTLE provides a simple and useful framework for identifying and analysing external factors which may have an impact on your service</p> <ul style="list-style-type: none"> Strengths Weaknesses Opportunities Threats <p>Using the PESTLE output SWOT is a technique that can help a service to focus on areas for improvement and opportunities that could be pursued.</p> <ul style="list-style-type: none"> Remember if it can go wrong it will go wrong. 	<ul style="list-style-type: none"> We use a 5 x 5 matrix to assess risks: <table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td rowspan="5" style="writing-mode: vertical-rl; transform: rotate(180deg);">IMPACT</td><td>5</td><td>M</td><td>H</td><td>H</td><td>H</td><td>H</td></tr> <tr><td>4</td><td>M</td><td>H</td><td>H</td><td>H</td><td>H</td></tr> <tr><td>3</td><td>L</td><td>M</td><td>M</td><td>M</td><td>M</td></tr> <tr><td>2</td><td>L</td><td>L</td><td>L</td><td>L</td><td>M</td></tr> <tr><td>1</td><td>L</td><td>L</td><td>L</td><td>L</td><td>L</td></tr> <tr><td></td><td></td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr> <tr><td></td><td></td><td colspan="5" style="text-align: center;">LIKELIHOOD</td></tr> </table> <div style="margin-left: auto; margin-right: auto; text-align: center;"> <table border="1"> <tr><td style="background-color: red;">High</td></tr> <tr><td style="background-color: orange;">Medium</td></tr> <tr><td style="background-color: green;">Low</td></tr> </table> </div> <ul style="list-style-type: none"> There are two risk variables that make up the overall risk rating. <ul style="list-style-type: none"> Impact – how minor / severe is it when it happens? Likelihood – how likely is it / how often does it happen? The Risk Management Toolkit provides detailed guidance on how to score these. Some of these assessments can be based on past experience. In other cases you will need to take a view. We measure both gross risk (before any controls are taken into account) and net or residual risk. 	IMPACT	5	M	H	H	H	H	4	M	H	H	H	H	3	L	M	M	M	M	2	L	L	L	L	M	1	L	L	L	L	L			1	2	3	4	5			LIKELIHOOD					High	Medium	Low	<ul style="list-style-type: none"> Consider the controls you have in place to mitigate or reduce the risk. What further controls are required? Record these as actions until they are completed. Consider the cost of any controls against the potential benefit gained. What is our Risk Appetite? An element of risk is unavoidable or we would never do anything! <p>RETAIN a risk – monitor to ensure the impact and likelihood do not change</p> <p>REDUCE a risk – put additional controls in place</p> <p>TRANSFER a risk – by insuring or passing the risk to a third party</p> <p>AVOID a risk – stop doing the activity</p> <ul style="list-style-type: none"> Business Continuity <p>Risk of service failure can be minimised by ensuring effective Business Continuity Plans are in place. For guidance contact the Emergency Planning Manager Steve Lewis x4388.</p>	<ul style="list-style-type: none"> Risks should be reviewed at least annually and whenever your business plans change. Remember risks evolve and change over time. Are the controls still effective? Your aim should be to: <ul style="list-style-type: none"> Manage threats that may hinder delivery of priorities Maximise opportunities that will help to deliver them The Bromley Risk Register is maintained centrally by Audit and Technical and includes details of the risks, risk owners, controls and actions. Further guidance on Risk Management and Insurance can be found in the Managers' Toolkit on onebromley. This also provides links to the Risk Management Strategy, Risk Management Toolkit and Risk Register. The site also provides a link to the Health and Safety Unit who carry out H&S risk assessments. For guidance contact the Occupational H&S Manager.
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