INSTANT GUIDE TO RISK MANAGEMENT

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 Process

 The Risk Management process is a continuous cycle.

Monitor and Review



Identify

Assess



Control

Your objectives



Useful definitions:

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.

Risk is the chance of something happening which will have an impact on objectives.

Identify your risks

- Brainstorming session using IE&E plans and departmental objectives, to identify threats and opportunities.
- Useful analytical tools:

Political
Economic
Social
Technological
Legal
Environmental

PESTLE provides a simple and useful framework for identifying and analysing external factors which may have an impact on your service

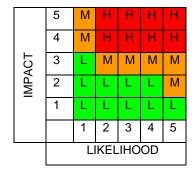
Strengths
 Weaknesses
 Opportunities
 Threats

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.

Remember if it can go wrong it will go wrong.

Assess your risks

 We use a 5 x 5 matrix to assess risks:



High Medium Low

 There are two risk variables that make up the overall risk rating.

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.

Control your risks

- 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!

RETAIN a risk – monitor to ensure the impact and likelihood do not change

REDUCE a risk – put additional controls in place

TRANSFER a risk – by insuring or passing the risk to a third party

AVOID a risk – stop doing the activity

Business Continuity

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.

Monitor and review your risks

- 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:

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.