

409 Manage risk

Summary

Take a lead in establishing and operating a risk management process across your organisation.

This standard has been taken from the MSC suite of national occupational standards

You will apply the following skills:

- Evaluating
- Reviewing
- Consulting
- Presenting information
- Decision-making
- Monitoring
- Communicating
- Influencing and persuading
- Leadership
- Contingency planning
- Prioritising
- Planning
- Scenario building
- Information management
- Involving others
- Thinking systematically

Performance Indicators

You will:

Manage risk across your organisation

1. Ensure that your organisation has a written risk management policy, including setting out responsibilities for risk management, which is clearly communicated across the organisation and to other relevant parties
2. Establish, and periodically review, risk criteria for your organisation, seeking and taking account of the views of relevant people across the organisation and stakeholders
3. Evaluate significant current and planned organisational activities and identify potential risks, the nature of the risks, the probability of occurrence and consequences
4. Produce a risk profile for your organisation and, taking account of the organisation's risk criteria and other relevant information, prioritise the identified tasks
5. Communicate information on identified risks to relevant people across the organisation and, where appropriate, to stakeholders, to enable decisions and actions to be taken in terms of accepting or treating the risks
6. Collect and evaluate information from across the organisation on how identified risks have been or are being dealt with, including contingency plans which have been put in place
7. Develop an organisational culture in which people are risk aware but are prepared to take acceptable risks and to make and learn from mistakes
8. Ensure that there is senior management commitment to the risk management process
9. Ensure that sufficient resources are allocated across the organisation to support and enable effective risk management
10. Monitor and review the effectiveness of the risk management process in your organisation, identifying potential improvements and making changes where necessary

Behaviours

1. You constantly seek to improve performance
2. You show sensitivity to stakeholders' needs and interests and manage them effectively
3. You identify people's information needs
4. You identify the implications or consequences of a situation
5. You use communication styles that are appropriate to different people and situations
6. You balance risks against the benefits that may arise from taking risks
7. You comply with, and ensure others comply with, legal requirements, industry regulations, organisational policies and professional codes
8. You are vigilant for potential risks and hazards
9. You take personal responsibility for making things happen
10. You balance agendas and build consensus
11. You create a sense of common purpose

Knowledge

You will know:

General knowledge and understanding

1. The types of risk and the factors which drive different types of risk
2. The key stages in the risk management process
3. The importance of protecting the interests of stakeholders and how to identify their views in relation to risk
4. The importance of showing senior management commitment to risk management
5. How to develop a written risk management policy and what it should cover
6. How to communicate the written risk management policy to people who work for the organisation and other relevant parties
7. How and when to revise the written risk management policy including taking views from across the organisation and other relevant parties
8. What risk criteria might cover and the importance of seeking and taking account of the views of relevant people across the organisation and stakeholders
9. How and where to identify current and planned organisational activities
10. Ways of identifying and clearly describing potential risks in relation to current and planned activities, the nature of the risks, the probability of occurrence and consequences
11. Why and how it is important to communicate information on identified risks to relevant people across the organisation and, where appropriate, to stakeholders
12. The type of decisions and actions that might be taken in relation to identified risks
13. Why it is important and how to collect and evaluate information on how identified risks have been or are being dealt with, including contingency plans
14. Ways of developing an organisational culture in which people are risk aware but are prepared to take acceptable risks in undertaking activities
15. The type of resources required to raise risk awareness across the organisation, and with stakeholders, and how to implement the risk management policy effectively
16. How to establish effective systems for monitoring the risk management process of an organisation

Industry/sector-specific knowledge and understanding

17. The sector(s) in which your organisation operates
18. The sector-specific legislation, regulations, guidelines and codes of practice
19. Current and emerging political, economic, social, technological, legal and environmental developments in the sectors(s) in which your organisation operates
20. The typical risks encountered in the sector(s) in which your organisation operates

Context specific knowledge and understanding

- 21.**The vision, values, objectives and plans of your organisation
- 22.**Your organisation's products and services
- 23.**Other relevant parties with an interest in risk management in your organisation
- 24.**The mechanisms for consulting with and the views of relevant people across the organisation and stakeholders in relation to risk
- 25.**The written risk management policy of the organisation, including allocated responsibilities for risk management, and how it is communicated to people who work for the organisation and to other relevant parties
- 26.**The risk criteria of your organisation
- 27.**The significant current and planned organisational activities and the related potential risks, including probability of occurrence and consequences
- 28.**The risk profile of your organisation and prioritised risks
- 29.**The relevant people across the organisation and, where appropriate, stakeholders, to whom information on identified potential risks should be communicated
- 30.**The decisions and actions taken across the organisation in relation to identified potential risks, including any contingency plans which have been put in place
- 31.**Your organisation's culture in relation to risk
- 32.**How senior management's commitment to risk management has been demonstrated
- 33.**The resources made available across the organisation to support risk management
- 34.**The systems in place for monitoring and reviewing the effectiveness of the risk management process in your organisation
- 35.**The identified improvements and changes made to the risk management process in your organisation