

Risk Management Overview

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What is Risk Management?

It is a process to:

- Identify all relevant risks
- Assess / rank those risks
- Address the risks in order of priority
- Monitor risks & report on their management

Risk Management – why do we need it?

- Promotes good management
- May be a legal requirement depending upon industry or sector
- Resources available are limited

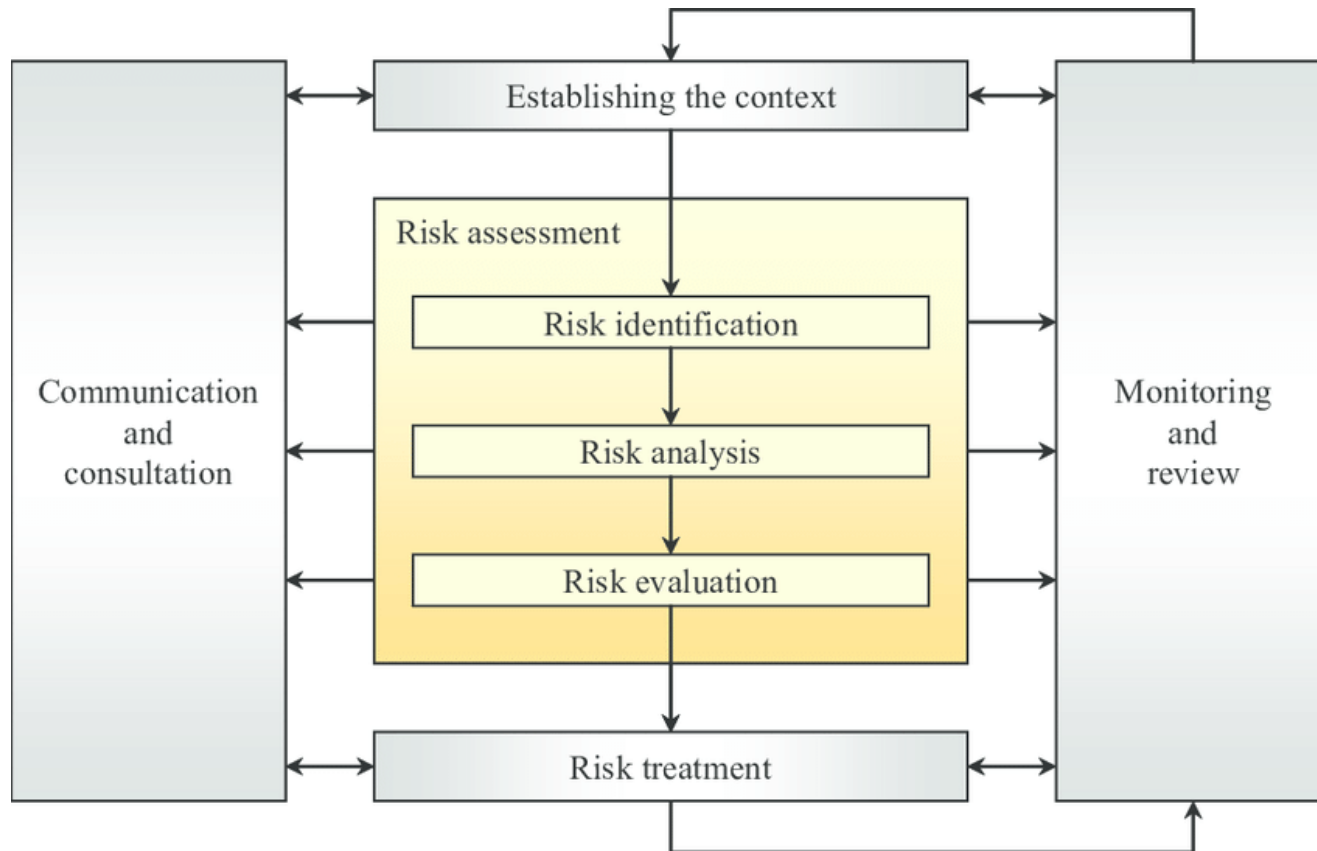
What is a Risk?

- A risk is an uncertain event which may occur in the future
- A risk may prevent or delay the achievement of an organization's or unit's objectives or goals
- A risk is not certain – Its likelihood can only be estimated

Note:

Not all risk is bad, some level of risk must be taken in order to progress / prevent stagnation.

Risk Management Cycle



Risk Categories

- 1. Financial**
- 2. Operational**
- 3. Strategic**
- 4. Reputational**
- 5. Governance & Compliance**

Risk Categories

1. Financial Reduction in funding

- Failure to safeguard assets
- Poor cash flow management
- Lack of value for money
- Fraud / theft
- Poor budgeting

Risk Categories

2. Operational

- These risks result from failed or inappropriate policies, procedures, systems or activities e.g. ▪ Failure of an IT system
- Poor quality of services delivered
- Lack of succession planning
- Health & Safety risks
- Staff skill levels
- No process to track contractual commitments

3. Strategic

- Engages in activity at variance with its stated objectives
- Fails to engage in an activity that would support its stated objectives

Risk Categories

4. Reputational

- Organization engages in activities that could threaten its good name
- Through association with other bodies
- Staff / members acting in a criminal or unethical way
- Poor stakeholder relations

Risk Categories

5. Governance & Compliance

- Lack of oversight by Board
- Segregation of duties not defined formally
- Ensuring compliance with funders terms and conditions
- Compliance with applicable legislation
- Safeguarding of vulnerable individuals
- Taxation Law
- Data Protection
- Health & Safety Law

To be continued....

More Risk Management topics to be discussed here at IIRSM Qatar Branch.