Risk Management Overview

LEO S. DOTE, FIIRSM-RSP
CHAIRMAN, IIRSM QATAR BRANCH
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

- Establishing the context
  - Risk assessment
    - Risk identification
    - Risk analysis
    - Risk evaluation
  - Risk treatment

- Communication and consultation
- Monitoring and review
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.