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The history of risk management

Risk management was traditionally associated with the shipping and insurance sectors. The process centred around deciding the amount of capital to be invested into a shipping venture depending on what level of return could be expected. This approach grew from a trading policy developed in Venice in the Middle Ages. Good business practice then was to share the risk of loss between multiple merchants in return for sharing the profits gained from successful trading. Risk management focused on the likely consequences of the loss rather than the statistical likelihood of the loss occurring.

Over the last 20 years, risk management has become a tightly defined discipline. It now focuses on the assessment and control of risks associated with major identifiable hazards. Hazards are identified and the likelihood of the hazard affecting operations (that is, the risk occurring) is analysed. Risk management focuses on reducing the loss that could occur. More recently, the benefits of taking a risk have been emphasised so that potential gains as well as potential losses are identified and assessed.

Perhaps the most important aspect of risk management practices is the increased awareness and emphasis on ensuring that the processes are holistic and incorporated into an organisation's overall operational planning and culture. This involves a degree of consultation, communication and responsibility within organisations that has traditionally been the domain of managers and project managers – the approach has been fragmented rather than strategic.

Enterprise-wide risk management

Enterprise-wide or organisation-based risk management addresses the problem of risk across a whole organisation in a structured and integrated way and should involve all employees. Enterprise-wide risk management looks at all facets of an organisation, from strategic planning to everyday operations. A balanced risk approach in all areas is needed to achieve the highest positive outcomes possible. Organisations now strive to find a balance between taking a risk and minimising the risk.

By adopting an organisation-wide, systematic approach to risk management, an organisation ensures that employees take the management of risks seriously, that risk processes are embedded into all work practices and that the process and structure of management is continuously reviewed.

Risk management is not done in isolation. Rather, it should apply across all areas of an organisation's operations.

Areas of an organisation's operations where risk management should apply
• The strategic level involving the whole organisation (management) • The operational level (teams) and specific activities (projects) • Specific risk areas (emergencies) and individual activities

4

Analyse the risks

Analyse existing controls. Assess the likelihood of risks occurring and their consequences within these controls. Combine the consequence and likelihood to produce an estimated level of risk.

5

Evaluate the risks

Compare estimated levels of risk with the context established in Step 2. Rank and prioritise risks with the contextual framework.

6

Treat the risk

Develop and implement strategies and management plans to prioritise and treat/control risks, particularly addressing high-priority risks. Lower priority risks may be accepted and monitored.

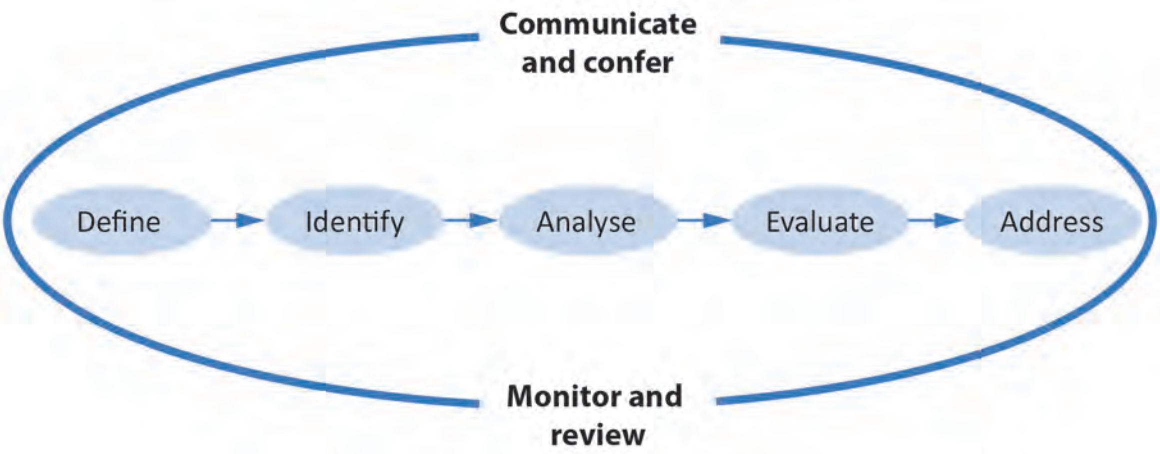
7

Monitor and review the system

Monitor the risk management system at all stages to ascertain its effectiveness and track any changes that affect it. Revise the system to accommodate necessary changes identified during the monitoring.

Risk management process diagram

This diagram shows the various stages in the risk management processes and those areas – 'communicate and confer' and 'monitor and review' – that should be managed concurrently.



Understand the context of risks

Before identifying the risks in an activity you are undertaking, you should be confident that you understand the specific context in which the risk management is being conducted. For example, is the risk related to a specific project, particular resources, key operational elements or the design of the organisation? Risk management strategies will depend on the context and type of risk identified. You will also need to consider your own role in relation to the overall project and understand what your responsibilities are.

Establishing the context means that you understand the following aspects, which must be considered before you start the process of identifying risks. Prepare an outline using headings such as the aspects listed here, and document the relevant information. In this way you will be prepared when it is time to identify the risks that you will need to treat and manage.

Operational elements

The key operational elements and services of your organisation

How is your organisation structured? How does it operate? What is the likelihood of risks occurring on a day-to-day basis?

Area of risk

The area your risk management applies to

Is your risk identification plan for a project, your office area, your department, your team, yourself or the whole organisation? What area does it relate to; for example, property, personnel, market, operations, legislation or governance? Are there currently any related projects?

Activity purpose

The purpose and objectives of the activity

If you are clear about the goal or objectives you are hoping to achieve, you can more easily see all the things that could jeopardise your success.

Impact

The place of the activity within the organisation's operations and goals

You need to understand how the activity will affect your organisation's operations and reduce the risks it has identified in its risk management plan.

The causes
The causes are the reasons the risks occur; for example: • weather is unpredictable • competitors release superior products • environmental procedures are not followed • employee skills are unknown • equipment is not maintained adequately • laws are revised • world events trigger economic change.

The frequency
The frequency is how often the risk could occur and what factors might lead to this occurrence.

The location
The location describes where the risk could occur and what areas of the organisation might be affected.

The controls
The controls are the procedures that are implemented to reduce the likelihood of the event occurring. They may include: • preparing indoor alternatives • monitoring competitor initiatives • implementing environmental checks • conducting regular employee skills audits • implementing equipment maintenance procedures • monitoring legal projects • researching economic drivers.

Risk source	**What is the source of the risk?** Take the elements you have identified in your context plan. The elements will vary depending on the nature, complexity and scope of your activity. For example, a simple low-level activity you are responsible for will include elements such as: • time • budget • personnel • resources. A complicated or high-level activity involving a risk management team can include elements such as: • government policies • fiscal management • consultants • external agencies • suppliers • security and confidentiality • time lines. Your organisation's business plan, strategic objectives or risk management plan will have identified areas of potential risk. So too will reports of previous activities. Reports should highlight what went wrong and why, or how unforeseen risks were successfully managed. Experienced personnel can also make valuable contributions. Use as many avenues as you can to ensure you have identified all possible sources of risk.
Risk nature	**What is the nature of the risk that might occur?** Identify everything that could happen that might have a positive or negative impact on the outcome of your activity. For example, using personnel as the element of potential risk, you might list that: • key staff might become absent through illness • a member of the group may have relevant expertise you are unaware of (a potentially positive risk) • staff may not have sufficient knowledge or skills to complete their assigned tasks • key staff may resign during the activity. Using fiscal management as the element, you might list that: • the budget may blow out • the person who prepared the budget might miscalculate the amount of funds available • funds that are promised by partners might not eventuate • finances may be inadequate for the task • finances might be managed very successfully and bring in a profit (another potentially positive risk).

Checklists

Checklists are useful tools for systematically noting whether all aspects of the process have been covered. They are a valuable guide to the scope of an activity and all the tasks and responsibilities involved. Using a checklist will show you what has been covered in the risk identification process and whether there are any gaps.

Example: checklist

A typical checklist might look like the following.

Risk identification checklist	
Aspect identified	**Check**
1. The source of the risk	
2. The nature of the risk that might occur	
3. The effect of the risk on the activity's objectives	
4. Why the risk is likely to occur	
5. When the risk is likely to occur	
6. Where the risk could occur	
7. How the risk could occur	
8. Who is involved	
9. Existing control measures	
10. Reasons that the measures might be ineffective	

Benchmarking

Another way to identify risks and how they are managed is to see what other organisations do. Compare your organisation with a similar one and determine the types of risks it encounters and the methods it uses to avoid or control them. Identify the best practice for recognising risks in your industry and apply it to your organisation.

Practice task 2

Imagine that your team has been asked to purchase a new photocopier for the office. Describe the techniques you would use to identify potential risks.

Topic 2
Analyse and evaluate risks

Once you have identified the risks associated with an activity, the next step is to analyse them. This involves determining how likely they are to occur and how severe the impact will be if they do occur. Analysis should be undertaken in a systematic way using data and information from past records, previous experience, market research and other relevant sources.

Regardless of the nature and complexity of the activity, risk analysis should be undertaken using measurement and rating scales to quantify the data so the information is accurate, is clearly documented and can be effectively used in the next stage – treating risks.

After quantifying the data, you need to evaluate the risk and categorise it in terms of its severity, determining which risks should be treated as priorities and which can be accepted as low-level or unlikely to happen.

In this topic you will learn how to:

2A Analyse and document risks

2B Categorise and determine the level of risk

2C Document analysis processes and outcomes

Take advantage of experience

Speak with experienced colleagues and discuss how the causes you have identified could be foreseen and controlled. They may be able to mentor you or show you how to predict the cause and minimise its impact, especially if they have been at the organisation longer than you.

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For example, an experienced colleague may tell you that certain equipment is unreliable for sustained periods of use. You might have identified equipment breakdown as a possible cause of bringing in a project behind the deadline. This information will help you ensure the equipment is well-serviced prior to beginning your project.

Consult stakeholders

It is crucial that everyone involved in the project, program or organisation is consulted at all stages. This will help you determine how you could address a cause that is part of a circumstance outside your control.

By using everyone's knowledge and skills, you can generate a range of innovative ideas and receive suggestions you had not considered before. For example, an unforeseen cause of risk might be staff absence due to stress; therefore, a team member might suggest that time is allocated for employees to address health concerns during work hours, or relaxation or exercise programs be put in place, thus minimising the risk of stress.

Stakeholders might include:

- managers
- contractors
- service providers
- suppliers
- employees
- financial managers
- insurance agents
- members of the public
- unions
- volunteers.

Survey

Use a questionnaire to survey experts to see what they have done in the past or what they would recommend for specific causes. For example, you can ask others why they think sales are falling. A customer survey might identify a number of causes such as more competitors, poor customer service, faulty or obsolete products, or delivery difficulties.

You can then analyse these causes to see whether you can treat them. Increased competition is a cause that is largely beyond your control, and results in the need to address the risk it causes. The other causes listed, however, are ones you could do something about.

Example: risk exposure

A typical grading system of possible risk exposure might look like the following chart. An alphabetical grade is often given as an easily identifiable marker that helps when documenting the potential frequency of exposure to a risk.

Grade	Ranking	Example	Potential frequency of exposure
A	Expected (will occur regularly)	Costs increase	Every project or activity
B	Probable (will occur at some stage)	Deadlines are exceeded	A number of activities
C	Possible (could occur)	Staff are injured	A couple of times in a year
D	Unexpected (could occur but unlikely)	Property is stolen	Once in five years
E	Rare (may occur but in limited situations)	A human-made disaster	Once in 10 years

Determine the likelihood of the risk occurring

The likelihood of a risk occurring can be expressed as possible, probable (likely) or improbable (unlikely). An alphabetical grade is often applied to the level of likelihood.

This type of ranking is suitable for projects or activities that have a fixed time component.

The following example shows risk rankings.

Grade	Level of likelihood	Example
A	Expected (will occur regularly)	Staff take sick or holiday leave during the activity
B	Probable (will occur at some stage)	Technology breakdown
C	Possible (could occur)	Suppliers do not deliver on time
D	Improbable (could occur but unlikely)	Security system fails
E	Rare (may occur but in limited situations)	A staff member dies on the job

Example: categorise and prioritise the level of risk

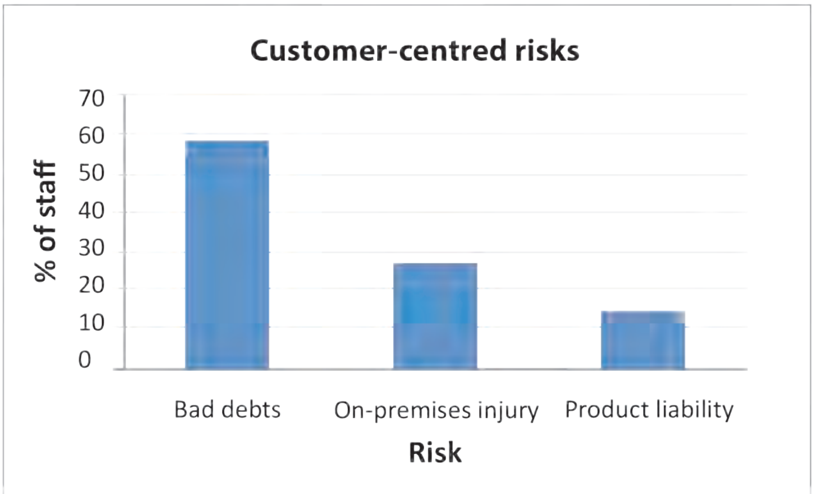
The marketing team at Vita Sports Drinks, an organisation specialising in energy drinks, is beginning a major campaign that will involve all five team members. The team leader prepares a risk analysis for all aspects of the project, including personnel, finance, resources, operations and legal-centred risks.

Here is the level of impact table that the team leader prepares for risks associated with personnel, using the descriptors insignificant, minor, moderate, major and catastrophic.

Risk	Level of impact	Grade
Team member: • is away for a short time • disagrees with a decision.	Insignificant	1
Team member: • performs poorly • is regularly late to meetings • is difficult to motivate.	Minor	2
Team member: • goes on extended leave • refuses training • disregards instructions • delivers excellent customer service (a positive risk) • performs well (a positive risk).	Moderate	3
Team leader: • resigns with minimal warning • completes the campaign well under budget (a positive risk) • completes the campaign well within the time line (a positive risk) • does not follow directives of senior management.	Major	4
Team member: • causes major injury to other members • becomes critically ill • causes campaign to be cancelled.	Catastrophic	5

Example: risk survey analysis

Another way of identifying a ranking is to conduct a survey of relevant people and display the risk priority as a percentage, as in the following chart. In this example, staff within an organisation are asked to rank three risks in order of priority, according to their personal opinion. The results show that nearly 60 per cent of staff believe bad debts are the highest priority risk.



Evaluate the risk

Once you have prioritised the risks, you need to study your analysis and decide how you are going to treat the risks according to the ranking you have assigned them. Risk evaluation is about deciding whether particular risks are acceptable or not.

The outcome from this is a list of risks with an agreed priorities rating. From this list, decisions can be made about acceptable levels of tolerance for particular risks and where greater effort to control the risks needs to be focused.

If you determine that the level of risk is extremely high, you will need to put strict measures in place to treat the risk. On the other hand, you may find that the level of risk is negligible and as long as you are alert to it, there is no need for action. Sometimes, you might find that the expected benefits of a high-level risk outweigh possible negatives. Alternatively, you might find that the risks are too great and that you should abandon the project altogether.

For instance, how do you distinguish between a risk that has a low probability of occurring but a high impact if it does occur, and one that has a high probability of occurring but a low impact?

When evaluating risk, you need to take into account:

- the controls already in place
- the cost consequences of managing risks or leaving them untreated (in terms of resources as well as health and safety)
- the benefits and opportunities presented by the risks
- the risks to be borne by stakeholders.

Example: perform a risk analysis

A small financial and taxation advisory firm has been growing steadily over the year because it introduced a retirement planning service that is proving extremely popular. It currently carries out its business in an up-market shopping centre in an affluent suburb; however, senior management believes moving the business to a three-storey office would enhance the firm's image.

The task of overseeing the feasibility study to determine whether the move would be beneficial has been given to Majeeda, a frontline manager with the firm. She conducts research to identify possible new premises and then prepares a risk analysis chart to identify potential risks in moving offices. She needs to establish how likely it is that these risks will occur and what can be done to neutralise them. Two other staff members are helping her gather data.

Some of the results are interesting. For example, the analysis shows that the cost of relocating – identified as high probability/high impact – plus the new rent – also identified as high probability/ high impact – does not compare favourably with the risk of a possible rent increase at their current location, identified as medium probability/medium impact. Moreover, market research indicates that relocating away from their customer base would have a high likelihood/high impact risk level.

A business associate of Majeeda's moved offices in similar circumstances last year and tells her that although the move was initially seen as positive, the hidden costs involved have shown the move to be a poor financial decision. He advises Majeeda to think carefully before making recommendations to senior management.

Accept and monitor the risk

If you decide to accept a risk, you need to do so based on informed and reasoned data. If the risk has a higher impact or more severe consequences than you first thought, you may be asked why the risk was deemed acceptable. Be aware of the potential consequences and monitor and reassess the risk regularly. As an activity evolves, you may decide that circumstances surrounding a risk you initially considered acceptable have changed and the risk has become unacceptable.

3A Determine and assess appropriate risk control measures

Risk treatment aims to convert the analysis and evaluation you have conducted into actions that will minimise negative risks and capitalise on opportunities that are likely to have positive outcomes.

A range of available measures help you do this. Some are more suited to major projects while others are appropriate for smaller-scale activities. Many organisations have a number of control options they use regularly. These may have been identified as appropriate for the organisation's business activities and be documented within their policies, procedures or risk management strategies. For example, an organisation may have decided that any project involving a time frame of less than three months for a specific outcome is too risky for the available resources and will never be considered. Other control measures are set down in legislation; for example, environmental and work health and safety measures.

You need to look separately at options for treating risks that have been identified as having a high risk impact and probability.

Options if positive outcomes have been identified

Here is a description of the options if positive outcomes have been identified.

Actively seek the opportunity
This option involves accepting any risks you have identified and making a decision to begin or continue with the activity. You would choose this option if the risks you had identified were low impact/low probability or if the moderate or even high-level risks were deemed acceptable. For example, if you identified that there was minimal risk and positive outcomes attached to hiring a new staff member, you would accept the risks (for example, the risk that they would not fit into the organisation) and continue with the appointment. If the organisation considers that the benefits of investing money outweigh the risks of possible losses involved, then it will go ahead with the investment opportunity.

The strengths and weaknesses of options

The options you choose for treating risks or opportunities will largely depend on the nature and context of the activity.

Keep in mind the strengths and weaknesses of each option. For example, entering into partnerships or alliances brings its own risks, such as a partner failing to meet deadlines or producing inferior work. Avoiding a risk because the negatives seem to outweigh the benefits can result in lost opportunities. Conversely, accepting a risk without seriously investigating potential negative outcomes is in itself a risky thing to do. Reducing or changing the likelihood of a risk before an activity begins is usually a more effective option than attempting to reduce its impact after the risk has occurred. However, having a number of options in place to help reduce the negative impact of a risk is essential if you need to control a risk during an activity.

When looking at the strengths and weaknesses of a particular option, consider how cost-effective it is. When choosing options, you need to balance how much it will cost to use an option against what can be gained from it. While reducing a risk might incur considerable cost, the benefits gained may make this a worthwhile option. On the other hand, pursuing an option may not be worth the cost involved. Consider any legal implications of one option over another.

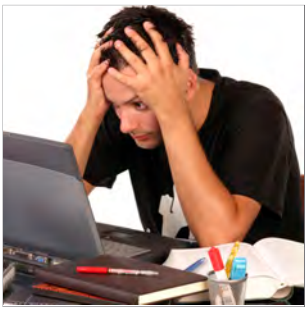
Continually monitor risks

Identifying and treating risks is a continual process. Even after you have identified a set of risks and selected appropriate options to manage them, other risks can appear. In addition, risks you have already identified may become worse, or risks that you have not thought of before may emerge. Therefore, it is essential that the types of risks encountered are continuously monitored.

For example, suppose you decided to change the company that supplies your organisation with office paper as a treatment to control cost. The suppliers you used previously were always increasing their prices, so you did some research and discovered an organisation that supplied cheaper paper that was also environmentally sound. You changed suppliers, but after a few months realised that you had swapped one risk (cost) for another (delivery delays).

Example: the importance of being aware of all risks

Serendipity Graphics was awarded the contract to design and produce all stationery and publicity material for a large multinational company. The time lines were very tight and because staff already had a number of projects underway that were taking up most of their resources, they decided to subcontract part of the project to an organisation recommended to them. Their risk analysis and prevention strategies covered cost blow-outs, personnel-centred risks and risks associated with the time line, but failed to predict other risks that could occur.



After a few weeks they found that the work was not meeting the design criteria, drafts were coming in late and the product was not meeting quality assurance standards.

The project manager at Serendipity Graphics realised that he should have done a more comprehensive risk analysis before taking on the subcontractors.

3C Refer risks to relevant personnel

In cases where the risk relates to the whole organisation or is outside your area of expertise or responsibility, you will need to refer it to other personnel. This will depend on the policies and procedures of your organisation. Make sure you understand who you should be dealing with, their level of responsibility and how it supplements your responsibilities. Prepare a time line for the completion of the risk control in consultation with others.

Example: refer a risk to another party

This example illustrates a range of situations that require referral of the risk to another party.

Risk	Treatment option	Refer to	Reason
Member of the public may sue	Take out public liability insurance to protect the organisation against damages	An insurance company	To arrange insurance
Activity is too costly for the organisation to undertake alone	Share the risk by forming a partnership or alliance	Consortium partners	To assist in carrying out the activity
Falling sales	Develop improved product	Management/ business development	To develop a new product
Office break-in	Increase security	Business administration department	To arrange more effective security measures
Lack of expertise and experience to complete activity	Recruit appropriate staff	Human resource department/ recruitment firm	To recruit people with appropriate skills
Lack of skills to complete activity	Ensure staff have appropriate skills	External trainers	To provide training to staff

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Example: risk treatment plan

Steve Crance, communications manager for a city parks department, was responsible for coordinating the 100th anniversary of the city parks system. The activity chosen was an outdoor commemoration celebration, the highlight of which was 100 schoolchildren planting 100 trees and shrubs. The aim was to draw attention to the anniversary, present the Parks Department as progressive and forward-thinking and cement relations with the city administration.

In this table, Steve describes how he identified and analysed the potential risks.

Item	Potential risk	Treatment
Weather	We checked with the weather bureau and although they predicted a fine day, we knew it could rain or, worse, be very windy.	We had a marquee set up in case of rain and wind. As it turned out it was very hot, so it was a good move in terms of shade, though we were really only thinking about rain.
Children	It's always a risk to use children. They might not turn up because of illness. The school principal might cancel at the last minute. There were insurance concerns, the logistics of transport, we had to get permission from the parents for their children to participate, and of course their behaviour on the day. However, they were a key element and I deemed them essential.	I asked 10 staff members and arranged for their children to be available at short notice to back up part of the 100 children in case anything happened and we were stuck with no children, who were essential to the event.
Speeches	Both the mayor and the manager of the city parks were to speak. I had to make sure that their speeches were different and that they were in accordance with the Parks Department philosophy.	I coordinated with their speechwriters to ensure the speeches were not similar and that the messages were consistent with those of the Parks Department.
Music	We planned to have three musicians strolling around playing guitars. There was a risk that they mightn't show up. This was a minor risk because it wasn't integral to the ceremony or the outcome. We were confident the musicians would show up, as they were being paid and it was a morning event.	I didn't have a backup plan in place because the risk was insignificant and the impact if they didn't show up would have been very low.
Catering	I delegated this task. The risks were if the caterers didn't turn up because they had the wrong date, or if the food was poor quality or there was not enough for the number of people attending.	I made sure they had a contingency plan and checked regularly with them.
Media	This was a crucial aspect because it fitted in with the objective to draw attention to the anniversary and the Parks Department. We hoped for and expected the media to attend.	I had a backup in case not all the media showed up. I organised for a video company to film the event so we had a record of it and could make it available to the television stations if they wanted it.

continued ...

4A Review the risk treatment against measures of success

During the course of an activity, your risk treatment options should be regularly monitored and reviewed. You need to ensure controls are effectively reducing or managing the identified risks, or increasing the identified opportunities. Circumstances can change quickly and render the treatment you have chosen ineffective, you might need to revise an inappropriate option, other risks can arise that need to be treated, or risk treatment priorities might change.

Reviewing the changing environment and the progress that has been made in treating risks is an essential part of a risk management strategy. In the monitor and review process, you need to include everyone involved in the activity. Team members and stakeholders will be able to report their findings from a perspective that may be very different to yours.

Some key questions to ask yourself and others
• Are the risk treatments effective in minimising the risks? • Are the risk treatments cost-effective and time-efficient in minimising the risks? • Do the performance outcomes address the key elements for risk treatment? • Are the assumptions made about the organisation's environment, technology and resources still valid? • Are the management and financial controls adequate? • Do the risk treatments comply with legal requirements and government policies such as accountability, ethics, access and equity? • How can improvements be made?

Review methods

You can review risk treatments that have been implemented by observing and carrying out physical inspections; conducting an audit or arranging for one to be carried out by a third party; and reviewing policies, strategies and documentation on a regular basis.

You can also use a set of established criteria to provide a concrete measure of success against which you can judge the effectiveness of the treatments. Criteria help you compare the actual performance with the desired outcome.

Criteria include:

- costs
- reduction in impact
- reduction in likelihood
- reduction in occurrence.

For a thorough, consistent review, you need to go back to your risk identification chart, your risk analysis, the risk register and the risk treatment plan. You should also document your review.

Document the review

It is useful to construct a risk treatment review table to document the effectiveness of the risks the organisation has identified and treated against defined measures of success. You can list all the risks on one table or use a separate table for each risk, as in the following example.

<table>
<tr><th colspan="2">Risk treatment review</th></tr>
<tr><td colspan="2">Risk: Technology breakdown</td></tr>
<tr><td colspan="2">Risk treatment:
• Purchase high-quality equipment and consumables
• Ensure equipment is regularly serviced
• Train staff to ensure equipment is used in accordance with the manufacturer’s instructions</td></tr>
<tr><td>Measures of success</td><td>Review</td></tr>
<tr><td>Cost-effectiveness</td><td>• Servicing regularly has reduced the frequency of breakdowns
• Investing in high-quality equipment has proven to be beneficial, as breakdowns are now rare
• Spending money on training was worthwhile because the machines are used more efficiently
• Purchasing high-quality paper has reduced the incidence of breakdowns</td></tr>
<tr><td>Reduction in impact</td><td>• Downtime caused by inefficient equipment has been greatly reduced
• Staff are confident that the equipment is efficient and will not break down</td></tr>
<tr><td>Reduction in likelihood</td><td>• Policies and procedures have been amended in regard to purchasing and servicing
• Staff have been trained in the correct use of the equipment</td></tr>
<tr><td>Reduction in occurrence</td><td>• By purchasing new equipment, the frequency of breakdowns is now almost zero
• Skilled staff have contributed to fewer incidents of malfunction</td></tr>
</table>

4D Monitor and review risk management in your area of operation

You need to have an understanding of risk management as an organisation-wide process; you also need to review and monitor the processes you have established and over which you have control. If you have delegated some of the risk management to another team member, you need assurance that it is being handled effectively. Managing the process requires time, diligence and cooperation with all those involved.

Some treatments in your organisation can be monitored continuously, such as checking the quality of products, measuring the amount of energy used and noting the frequency of paper being purchased. Other treatments can be reviewed on an as-needs basis, such as reviewing the performance of a staff member after training.

What knowledge do you need?

To provide a comprehensive report discussing how your risk management strategy is working, you need to know whether:

- the original risk identification and analysis were accurate
- the suggested risk treatments were appropriate and, if not, where improvements could be made
- the strategies in place were realistic in terms of time, money and resources
- the risk treatments were successful and operated as intended
- any new risks have emerged that were not included on the risk inventory
- those responsible for treating risks in their area of responsibility are regularly monitoring and reviewing their progress
- anyone is experiencing any problems with either the activity or the risk treatment
- there is a process in place for making sure risk treatments are not repeated if they have failed
- there is a process in place for ensuring successful treatments are publicised and incorporated into the organisation's risk management strategy.

What strategies could you use?

Choose the strategies you will adopt. For example, will you:

- concentrate on one area at a time
- conduct small reviews periodically
- require reports from colleagues
- arrange for a third-party audit?

As a guide, consider the following suggestions:

- Give priority to high-level risks.
- Find out why risk treatments that should have worked failed to work.
- Prepare a checklist to help you monitor risks efficiently.
- Seek out people or equipment that will help you process information quickly and accurately.
- Ensure you consult with everyone involved.
- Plan how you will incorporate improvements into your risk management strategy.
- Plan how you will inform others of your findings so your information is integrated with the organisation's risk management strategy.