

Section Three (3): Risk Management

PART 1: RISK AWARENESS

UNIT 1: IMPLICATIONS ON BUSINESS ACTIVITIES BY FAILING TO MANAGE RISK EFFECTIVELY

Ref No.	Validation Material	Evaluation
1/1/01	<p>Board</p> <p>Are the board aware of their responsibilities for risk management?</p> <p>Notes:</p>	<p>Consider:</p> <ul style="list-style-type: none"> • Responsibilities established in writing • Board briefing conducted • Understand the scope of risks affecting business that must be managed • Understand the risk management process • Understands the combined board responsibility to manage risk • Understands the role of the appointed director • Understand the consequences to the organisation if risks are not managed successfully • Understand the consequences to themselves if risks are not managed successfully
1/1/02	<p>Stakeholders</p> <p>Are stakeholders aware of their responsibilities for risk management?</p> <p>Notes:</p>	<p>Consider:</p> <ul style="list-style-type: none"> • Risk management role established in writing • Stakeholders briefing conducted • Understand the scope of risks affecting business that must be managed • Understand the risk management process • Understand the combined board responsibility to manage risk • Understand the role of the appointed director • Understand the consequences to the organisation if risks are not managed successfully • Understand the consequences to themselves if risks are not managed successfully

Ref No.	Validation Material	Evaluation
1/1/03	<p>Person appointed</p> <p>Is a person appointed to have responsibility for risk management?</p> <p>Notes:</p>	<p>Consider:</p> <ul style="list-style-type: none"> • Appointment of main Boardroom Director(s) to have responsibility for risk management decisions • Appointment in writing • Responsibilities established in writing • Appointed director able to comprehend the breadth of issues involved in the range of risks to be considered • If one appointment is sufficient • Formally appointed substitute for appointed director when absent
1/1/04	<p>Accepted by Managers</p> <p>Is risk management accepted as part of a manager's everyday activity?</p> <p>Notes:</p>	<p>Consider:</p> <ul style="list-style-type: none"> • Have managers been adequately trained in the overall purpose of risk management • Accept it as part of their and the organisation's culture and objectives
1/1/05	<p>Accepted by Employee's</p> <p>Is risk management accepted as part of an employee's everyday activity?</p> <p>Notes:</p>	<p>Consider:</p> <ul style="list-style-type: none"> • Have employees been adequately trained in the overall purpose of risk management • Accept it as part of their and the organisation's culture and objectives