

SFJXA3

Review and support the management of risks for the organisation



Overview

This unit describes the role of Board members in reviewing the overall risk portfolio for the organisation, agreeing the role of the Board in managing risk and taking responsibility for the risk management process

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Performance criteria

Review the overall portfolio of risk for the organisation

You must be able to:

- P1 identify the range of risks and challenges that may impact on the overall survival of the organisation and its reputation
- P2 analyse the range of risks and challenges that may impact on the organisation and its ability to achieve its goals including the potential impact of multiple risks
- P3 review the organisation's risk management policy and internal control systems and agree responsibilities for risk management including those where the Board should take responsibility
- P4 analyse and agree the potential impact that risks may have on each other
- P5 agree and implement processes and procedures for the regular review of risk, the risk management process and internal control systems and the protocols that the Board need to put in place to ensure the appropriate action planning to address the risks
- P6 agree and implement processes and procedures for ensuring that key stakeholders are assured of the effectiveness of the risk management processes and internal control systems

Take responsibility for the ongoing monitoring of the risk management process

You must be able to:

- P7 analyse and review the ways in which organisational risks are being addressed and propose any amendments
- P8 ensure the appropriate allocation of resources to the Executive to enable the implementation of an effective risk management process
- P9 review any legislative, environmental or political initiatives and developments that may impact on the organisation and build into the risk assessment process
- P10 promote an organisational culture which encourages an awareness of risk but balances that against the need to take acceptable risks

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Knowledge and understanding

You need to know and understand:

Review the overall portfolio of risk for the organisation

- K1 the kinds of risks that may impact on organisation performance
- K2 ways in which risks may interact and how that can impact on their effect
- K3 those risks for which, in the light of Board responsibility and the agreed scheme of delegation to the Executive, the Board should take responsibility
- K4 why it is important to consider the potential impact on the organisation of multiple risks happening at the same time
- K5 the importance of Board commitment to risk management
- K6 the organisation's attitude to risk and opportunities that may arise from taking risks
- K7 processes and procedures for developing a risk assessment and management policy including contingency planning

Take responsibility for the ongoing monitoring of the risk management process

You need to know and understand:

- K8 current and emerging legislation, and political or environmental initiatives that may impact on the organisation
- K9 ways of developing a risk aware culture across the organisation and why it is important to balance this with an ability to take acceptable risk
- K10 what constitutes acceptable risk

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Additional Information

Behaviours

The Board member will apply the following personal skills and attributes:

1. Understand the different factors that influence decision making
2. Think creatively and strategically
3. Think systematically and contextually
4. Identify and balance priorities
5. Exercise good judgement
6. Use foresight and apply it to strategic forward planning and risk assessment
7. Challenge constructively
8. Understand the business of the organisation and how it impact on/is impacted on by environmental factors

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