

DIPLOMA IN LAW ENFORCEMENT

DLE 2163: SECURITY RISK MANAGEMENT

Chapter 13

Risk Management In An Organization



security

LEARNING OUTCOMES

Upon completion of the syllabus topics, students should be able to:

1. Identify the importance of risk management.
2. Demonstrate comprehension of various aspects of risk management.
3. Apply risk management techniques to risk management issues.
4. Demonstrate risk management skills in work.

Topic 13

Risk Management in An Organization

Introduction

- Risk management is a growing industry with increasing opportunities for graduates who have the skills and abilities to make important business decisions.



Introduction...cont .

- Risk managers advise organisations on any potential risks to the profitability or existence of the company.
- They identify and assess threats, put plans in place for if things go wrong and decide how to avoid, reduce or transfer risks.



Roles of Risk Manager

As a risk manager you'll be responsible for managing the risk to the:

- Organisation
- Employees
- Customers
- Reputation
- Assets (PPI)
- Interests of stakeholders



Roles of Risk Manager...cont.

You may work in a variety of sectors and specialise in a number of areas including:

1. Business continuity
2. Corporate governance
3. Enterprise risk
4. Information and security risk
5. Market and credit risk
6. Regulatory and operational risk
7. Technology risk



Responsibilities of Risk Manager

- **Planning, designing and implementing** an overall risk management process for the organisation.
- **Risk assessment**, which involves analysing risks as well as identifying, describing and estimating the risks affecting the business.

Assessment



Responsibilities of Risk Manager...cont.

- **Risk evaluation**, which involves comparing estimated risks with criteria established by the organisation such as costs, legal requirements and environmental factors, and evaluating the organisation's previous handling of risks.
- **Establishing and quantifying** the organisation's 'risk appetite', e.g. the level of risk they are prepared to accept.

Responsibilities of Risk Manager...cont.

- **Risk reporting** in an appropriate way for different audiences. For example:
 - i. To the board of directors so they understand the most significant risks.
 - ii. To business heads to ensure they are aware of risks relevant to their parts of the business.
 - iii. To individuals to understand their accountability for individual risks.

Responsibilities of Risk Manager...cont.

- **Corporate governance** involving external risk reporting to stakeholders.
- **Carrying out processes** such as purchasing insurance, implementing health and safety measures and making business continuity plans to limit risks and prepare for if things go wrong (ad-hoc tasks).
- **Conducting audits** of policy and compliance to standards, including liaison with internal and external auditors.

Responsibilities of Risk Manager...cont.

- **Providing support, education and training to staff to build risk awareness within the organisation.**

Specific tasks will depend on the industry in which you're working, how your role is and the level at which



Skills Required

To become a Risk Manager, you will need to have:

- Technical acumen.
- Problem-solving and decision-making abilities.
- Analytical skills and a good eye for details.
- The ability to cope under pressure.
- Planning and organisation skills.
- Negotiation skills and the ability to influence people.

Skills Required...cont.

- Good communication and presentation skills.
- Commercial awareness.
- Numerical skills and the ability to evaluate costs.
- The ability to understand broad business issues.



Career Prospect & Employers

- Risk management is a fast-growing profession with large graduate employers increasingly offering opportunities to train and specialise in this function at graduate-entry level.
- Especially in the banking and capital market sectors, which are employing more people to join risk teams.



Career Prospect & Employers...cont.

- Risk managers are employed in the public sector and in private organisations.
- Some small organisations carry out risk management duties in the finance or operations departments.



Career Prospect & Employers...cont.

Employers of risk managers include:

- Banks and financial institutions
- Charities and commercial businesses
- Energy and utilities companies
- Engineering and construction companies
- Insurance companies
- Government and semi-government agencies
- Local authorities