# DIPLOMA IN LAW ENFORCEMENT

# DLE 2163: SECURITY RISK MANAGEMENT

## Chapter 8

## Conducting Site-Specific Threat Assessments

# 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 8

# Conducting Site-Specific Threat Assessments

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# Risk Management Strategies

- **Reactive**

  A process that responds to security events as they occur.

- **Proactive**

  A process that reduces the risk of new vulnerabilities in the organization.

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# RISK MITIGATION

**Risk mitigation** is defined as taking steps to reduce adverse effects.

**Mitigation** means reducing risk of loss from the occurrence of any undesirable event. In general, mitigation means to minimize degree of any loss or harm.

# RISK MITIGATING STRATEGIES

**1. Risk Acceptance**

Risk acceptance does not reduce any effects however it is still considered a strategy.

Example, a company that doesn't want to spend a lot of money on avoiding risks that do not have a high possibility of occurring will use the risk acceptance strategy.

## 2. Risk Avoidance

Risk avoidance is the opposite of risk acceptance. It is the action that avoids any exposure to the risk whatsoever.

Risk avoidance is usually the most expensive of all risk mitigation options.

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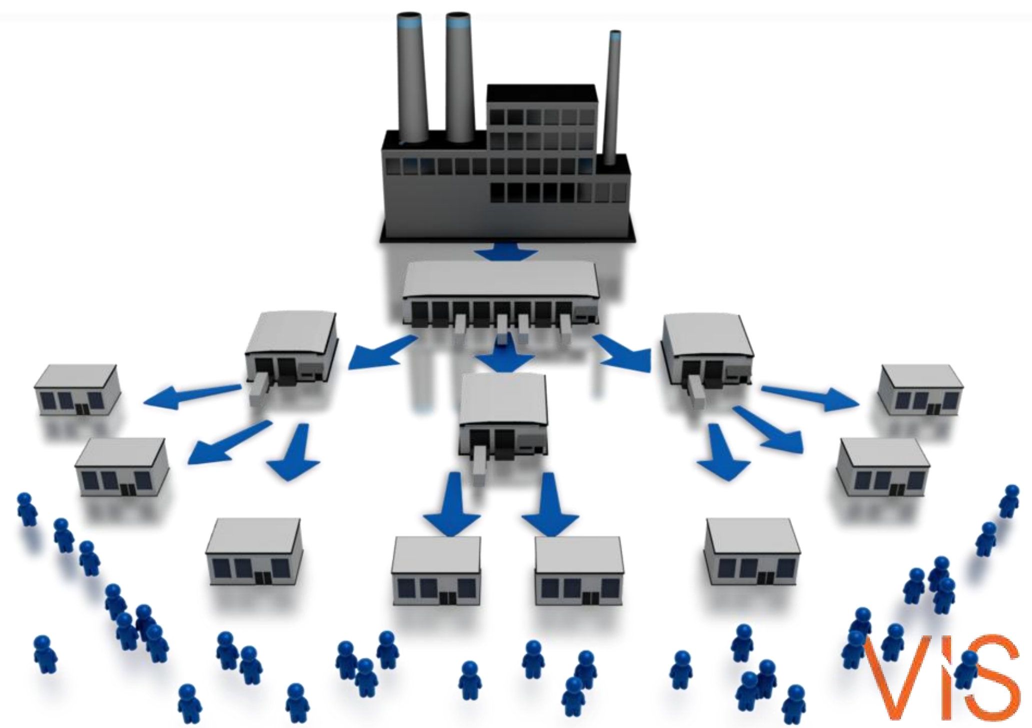
## 3. Risk Reduction

Reduce the amount of products or cash and you will reduce the risk.


## 4. Risk Redistribution

Risk can be redistribute through several channel. For example, a bank can establish several branches to redistribute its risk.



**5. Risk Transfer**

Risk transfer is the involvement of handing risk off to a willing third party. For example, one can take insurance to transfer portion of the risk to the insurance company.

Or a company can also outsource certain operations such as security service, maintenance service, payroll services, etc.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# SUMMARY

1. **Reduction** – Reduce the amount of products or cash and you will reduce the risk.
2. **Redistribution** – A bank can establish several branches to redistribute its risk.
3. **Transfer** – One can take insurance to transfer portion of the risk to the insurance company.
4. **Acceptance** – The organization is fully aware of its risk but it does not take any action and accepts the occurrence of risks. (not a good strategy)
5. **Avoidance** – The organization is fully aware of its risks and puts in the controls. So if risks occur after this event, it will accept it.

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Risk-based Approach
*Consequences
*Crime
Critical Assets
Threats
*Liabilities
'Vulnerabilities'
How well are you protected?
*Terrorism
*Is risk acceptable
Decisions
*Operational trade-off
*Budget options

**Example**:

- In a bank there are **critical assets** such as cash, cheques, valuable documents and jewellery kept in the vault.
- The **threats** are robbery, theft and fraud.
- **Vulnerabilities** are whether the bank has a comprehensive CCTV system, alarm system, card access controls and armed guards.

**EXAMPLES**:

- A bank can use a risk based approach to tighten security at its premises. Example of some risks are robbery, theft, fraud and fire.
- **Robbery & theft** – For robbery and theft the management can install a comprehensive CCTV and alarm system, card access controls for entry into critical rooms. By doing so, they are using a risk based approach to protect their assets.
- **Fraud** – The bank has internal audits carried out over Movement of assets and valuables, and IT data to deter and detect fraud activities.
- **Fire** – Install fire detection and suppression system to deter fire.

# Risk in Banking Industry

- **Money laundering**
- **Fraud Cheating**
- **Hacking**
- **Robbery**


# Risk in Private Industry

- **Mismanagement**


- **Corruption**

- **Crisis - Bankruptcy**

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