

Developing a Risk Plan

How to go about it

Step 1: Identify The Risks

Need to ensure that your Risk Management Plan suits and responds to the particular needs of your organisation or event.

Identify:

General risk areas

- Physical
- Financial
- Social
- Commercial
- Environmental
- Reputational

Specific Risks

Step 2: Evaluate The Risk – The Risk Priority Matrix

For each risk identify:

1. The **likelihood** of the risk occurring
2. The **consequences** if it does occur

High priority risks: High impact and/or high probability

Low priority risks: Low probability and/or little impact

		Consequence				
		Extreme	Major	Moderate/ Medium	Minor	Negligible
Likelihood	Almost certain	Extreme	Extreme	Major	Major	Medium
	Likely	Extreme	Extreme	Major	Medium	Minor
	Possible	Extreme	Major	Major	Medium	Minor
	Unlikely	Major	Major	Medium	Minor	Minor
	Rare	Medium	Medium	Minor	Minor	Minor
	Extreme	Extreme risks likely to arise with potentially serious consequences				
Major	Major risks likely to arise with potentially serious consequences					
Medium	Medium risks likely to arise or to have serious consequences					
Minor	Minor risks with low consequences					

Step 3: Manage the Risk

Consider whether to:

- Avoid the risk
- Reduce the risk
 - Preventative
 - Contingency
- Transfer the risk
- Accept the risk

Step 4: Develop A Risk Management Policy

- How will the risk be managed?
- What resources will be required?
- Who will be responsible for managing the risk?
- When will the task be completed?
- When will the risk and the management plan be reviewed?

Communication is the most important factor in a successful risk management plan

Step 5: Monitor & Review

- Each event is different.
- Organisation and the environment are constantly changing – therefore risks will change
- Need to ensure your Risk Management Plan continues to evolve