

The organisation implements risk management poorly.

[return](#)

$$L \times Co = R$$

$$65 \times 40 = 50$$

Dynamic Equation Table

[Calculate](#)

[Snapshot](#)

Applies To	Question	Category	Weight	Present
↓	Likelihood	Risk management responsibilities are allocated to management personnel in the organisation.	Risk management likelihood control	5 <input type="text"/> <input checked="" type="checkbox"/>
↓	Likelihood	The organisation does have a risk management policy.	Risk management likelihood control	5 <input type="text"/> <input type="checkbox"/>
↓	Likelihood	The organisation's senior management can explain the organisation's risk management policy.	Risk management likelihood control	5 <input type="text"/> <input checked="" type="checkbox"/>
↓	Likelihood	The organisation's employees do know the organisation's risk management policy.	Risk management likelihood control	5 <input type="text"/> <input type="checkbox"/>
↓	Likelihood	The organisation's risk management policy is consistent with AS/NZS 4360:2004 Risk Management or ISO 31000 Risk Management. Principles and Guidelines.	Risk management likelihood control	5 <input type="text"/> <input checked="" type="checkbox"/>
↓	Likelihood	The organisation's business processes are linked to its risk management process.	Risk management likelihood control	5 <input type="text"/> <input type="checkbox"/>
↓	Likelihood	The CEO and senior management do use risk management to identify possible scenarios that will impact on the business viability.	Risk management likelihood control	5 <input type="text"/> <input type="checkbox"/>
↓	Likelihood	Risk management responsibilities are allocated to management personnel in the organisation.	Risk management likelihood control	5 <input type="text"/> <input checked="" type="checkbox"/>
↓	Likelihood	The CEO reports to the Board on the organisation's risk management on a regular basis, and the Board is committed to implementing high quality risk management.	Risk management likelihood control	5 <input type="text"/> <input checked="" type="checkbox"/>
↓	Likelihood	The risk management team is identifying the threats presented by the growing complexity in the value chain of the organisation.	Risk management likelihood control	5 <input type="text"/> <input type="checkbox"/>
↓	Likelihood	The organisation employs a strengthened procurement function that can risk audit and evaluate its suppliers.	Risk management likelihood control	5 <input type="text"/> <input checked="" type="checkbox"/>
↓	Likelihood	The organisation employs a risk management approach that tailors with the organisation's culture.	Risk management likelihood control	5 <input type="text"/> <input type="checkbox"/>
↓	Likelihood	The organisation has appointed a Chief Risk Officer.	Risk management likelihood control	5 <input type="text"/> <input type="checkbox"/>
↓	Likelihood	The organisation values input from employees on possible risks scenarios that might arise.	Risk management likelihood control	5 <input type="text"/> <input checked="" type="checkbox"/>
↓	Likelihood	The organisation's risk management is internally audited on a regular basis.	Risk management likelihood control	5 <input type="text"/> <input type="checkbox"/>
↓	Likelihood	The organisation's risk management team is never surprised by the findings of any external risk audit.	Risk management likelihood control	5 <input type="text"/> <input type="checkbox"/>
↓	Likelihood	The organisation's risk profile is understood.	Risk management likelihood control	5 <input type="text"/> <input type="checkbox"/>
↓	Likelihood	The organisation's risk appetite/risk aversion is known.	Risk management likelihood control	5 <input type="text"/> <input type="checkbox"/>
↓	Consequence	Leading risk management strategies are adopted.	Risk management consequence control	15 <input type="text"/> <input type="checkbox"/>
↓	Consequence	The organisation is subjected to immediate external risk management audit.	Risk management consequence control	15 <input type="text"/> <input type="checkbox"/>
↓	Consequence	The Chief Risk Officer's employment is terminated.	Risk management consequence control	15 <input type="text"/> <input type="checkbox"/>
↑	Consequence	The business is placed at financial jeopardy.	Governance consequence indicator	20 <input type="text"/> <input checked="" type="checkbox"/>
↑	Consequence	The organisation does not meet all governance requirements.	Governance consequence indicator	20 <input type="text"/> <input type="checkbox"/>
↑	Consequence	Serious adverse risks are not identified.	Risk management consequence indicator	20 <input type="text"/> <input checked="" type="checkbox"/>
↑	Consequence	Insurance premiums are increased in part because of poor risk processes.	Risk management consequence indicator	20 <input type="text"/> <input type="checkbox"/>
↑	Consequence	The CEO is fired.	Risk management consequence indicator	20 <input type="text"/> <input type="checkbox"/>

Risk Parameters

Name	Range	Description	Colour
Extreme	86-100	Immediate action required by senior management and briefing of the Board.	100
High	46-85	Attention required by management and senior staff, and briefing of the Chair of the Board.	85
Moderate	16-45	Intervention required by the project lead.	45
Low	6-15	Manage by routine procedures.	15
Very Low	0-5	Monitor by routine observations.	5