



THE PUBLIC
RISK MANAGEMENT
ASSOCIATION

Alarm National Competencies for Risk Managers: A Discussion Document



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Introduction

This document derives from a workshop held by Alarm in 2008, involving members across a variety of public service organisations, which was facilitated by a consultant from training specialists, Oakwood. This is the first phase of a series of projects that will include the development of National Occupational Standards for Risk Management in the Public Sector and a skills competency framework for risk management within an organisation.

Initial findings from the workshop were presented at the Alarm Annual Conference in July 2008 and a further consultation process was conducted in the Autumn. The resulting document seeks to outline the competencies required of a risk management professional within a public service organisation. Specifically, it looks at the role of the “Corporate Risk Manager” or “the Chief Risk Officer”, while acknowledging that, in many organisations, elements of this role may be fulfilled by a number of persons.

The format is based on that used by national vocational qualifications (NVQ) and adopts some elements from existing NVQ modules in business and management. It is anticipated that this publication will stimulate further discussion and debate about the competencies required for this role, and that elements may be used as the basis for the development of training strategies and job descriptions.

Definition

The Public Service Risk Manager – is the role or individual with the responsibility, knowledge and competency to develop, embed and utilise a framework for the management of risk for the organisation and provide the management board with assurance that those arrangements are functioning effectively.

Skills

Listed below are the main generic ‘skills’ which need to be applied in managing risk.

Evaluating	Communicating	Scenario building
Reviewing	Influencing and persuading	Managing Information
Consulting	Facilitating	Involving others
Presenting information	Providing Leadership	Thinking systematically
Decision-making	Prioritising	Advising
Monitoring	Planning	

Behaviours which underpin effective performance

Listed below are the behaviours which underpin effective performance in a risk management role:

1. Balancing risks against the benefits that may arise from taking risks.
2. Complying with, and ensuring others comply with, legal requirements, industry regulations, organisational policies and professional codes.
3. Being vigilant for potential risks and hazards.
4. Constantly seeking to improve performance.
5. Showing sensitivity to stakeholders' needs and interests and manage them effectively.
6. Identifying people's information needs.
7. Identifying the implications or consequences of a situation.
8. Using communication styles that are appropriate to different people and situations.
9. Taking personal responsibility for making things happen.
10. Balancing agendas and building consensus.
11. Creating a sense of common purpose.

Knowledge and understanding

The public service risk manager needs knowledge and understanding that encompasses core technical skills, and that is specific to both the industry/sector and the specific context in which s/he is employed. These three areas are listed below:

General knowledge and understanding

Core Technical, i.e. how to:

1. Map the risk environment in which the organisation operates
2. Develop an infrastructure for managing & reporting risk in the organisation
3. Develop & implement the risk management policy & strategic approach
4. Promote a positive risk management culture
5. Develop use of appropriate risk management techniques & tools
6. Influence & keep pace with improvements in risk management practice
7. Develop & implement effective communication systems for risk management information & increasing risk awareness
8. Develop & maintain individual & organisational competence in risk management
9. Develop personal networks & champions for risk within the organisation
10. Evaluate the types and advantages of differing Risk Financing & Insurance approaches
11. Develop an infrastructure for managing shared risk with other organisations
12. Develop opportunity management & innovation within the organisation
13. Identify and respond to risks to the communities you serve and communicate risk issues to the public
14. Co-ordinate the work of various risk related functions and link risk management to other business processes
15. Facilitate effective risk based decision making
16. Put in place effective risk registers and monitor effectiveness
17. Manage risk information systems

General knowledge and understanding continued

18. Monitor and raise performance in risk management in your organisation and learn from best practice
19. Develop an infrastructure to manage employment and security risks
20. Develop cultural change
21. Chair and participate in meetings
22. Implement quality assurance systems
23. Manage projects
24. Demonstrate the principles of Occupational Health & Safety
25. Develop Business Continuity and Resilience frameworks
26. Identify and design the risk management learning and development needs of your organisation
27. Demonstrate the principles of Corporate Governance
28. Counter the risk of fraud
29. Demonstrate the principles of risk based auditing

Industry/sector specific knowledge and understanding

Know and understand:

30. The sector(s) in which your organisation operates.
31. Sector-specific legislation, regulations, guidelines and codes of practice.
32. Current and emerging political, economic, social, technological, legal and environmental) developments in the sectors(s) in which your organisation operates.
33. Typical risks encountered in the sector(s) in which your organisation operates.

Context specific knowledge and understanding

Know and understand:

34. The vision, values, objectives and plans of your organisation.
35. Your organisation's products and services.
36. Other relevant parties with an interest in risk management in your organisation.
37. Mechanisms for consulting with and the views of relevant people across the organisation and stakeholders in relation to risk.
38. The written risk management policy of the organisation, including allocated responsibilities for risk management, and how it is communicated to people who work for the organisation and to other relevant parties.
39. Risk criteria of your organisation.
40. Significant current and planned organisational activities and the related potential risks, including probability of occurrence and consequences.
41. The risk profile of your organisation and prioritised risks.
42. Relevant people across the organisation and, where appropriate, stakeholders, to whom information on identified potential risks should be communicated.
43. Decisions and actions taken across the organisation in relation to identified potential risks, including any contingency plans which have been put in place.
44. Your organisation's culture in relation to risk.
45. How senior management's commitment to risk management has been demonstrated.
46. Resources made available across the organisation to support risk management.
47. Systems in place for monitoring and reviewing the effectiveness of the risk management process in your organisation.
48. Identified improvements and changes made to the risk management process in your organisation.

Outcomes of effective performance

Effective performance as a public service risk manager may be assessed against the following outcomes:

1. Ensuring that your organisation has a written risk management policy, including setting out responsibilities for risk management, which is clearly communicated across the organisation and to other relevant parties.
2. Establishing, and periodically reviewing, risk criteria for your organisation; seeking and taking account of the views of relevant people across the organisation and stakeholders.
3. Evaluating significant current and planned organisational activities and identifying potential risks, the nature of the risks, the probability of occurrence and consequences.
4. Producing a risk profile for your organisation and, taking account of the organisation's risk criteria and other relevant information, prioritising the identified risks.
5. Communicating information on identified risks to relevant people across the organisation and, where appropriate, to stakeholders, to enable decisions and actions to be taken in terms of accepting or treating the risks.
6. Collecting and evaluating information from across the organisation on how identified risks have been or are being dealt with, including contingency plans which have been put in place.
7. Developing an organisational culture in which people are risk aware but are prepared to take acceptable risks and to make and learn from mistakes.
8. Ensuring that there is senior management commitment to the risk management process.
9. Ensuring that sufficient resources are allocated across the organisation to support and enable effective risk management.
10. Monitoring and reviewing the effectiveness of the risk management process in your organisation; identifying potential improvements and making changes where necessary.

Comments on this paper may be sent to:

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