

# **Risk Management Manual**



*V1.0 - Eurojuris ISO 9001:2008 Certified*

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## Section 1: An Introduction to Risk Management.

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### 1.1 Background

With every activity which your Law Firm undertakes in order to achieve its business and corporate objectives, there is an associated risk.

**Risk is the uncertainty of outcome, within a range of potential exposures, arising from a combination of the impact and likelihood of potential events. Risks can be opportunities overlooked as well as threats to the achievement of objectives.**

The occurrence of these risks can threaten the achievement of both the business and corporate objectives and therefore can ultimately have an impact on the level of service delivery.

For this reason it is vital that the risks which are present in your Law Firm activities are managed in the most effective way possible in order to minimise their effects and therefore to maximise the achievement of objectives.

**Risk management is defined as “the process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them and or responding to them”.**

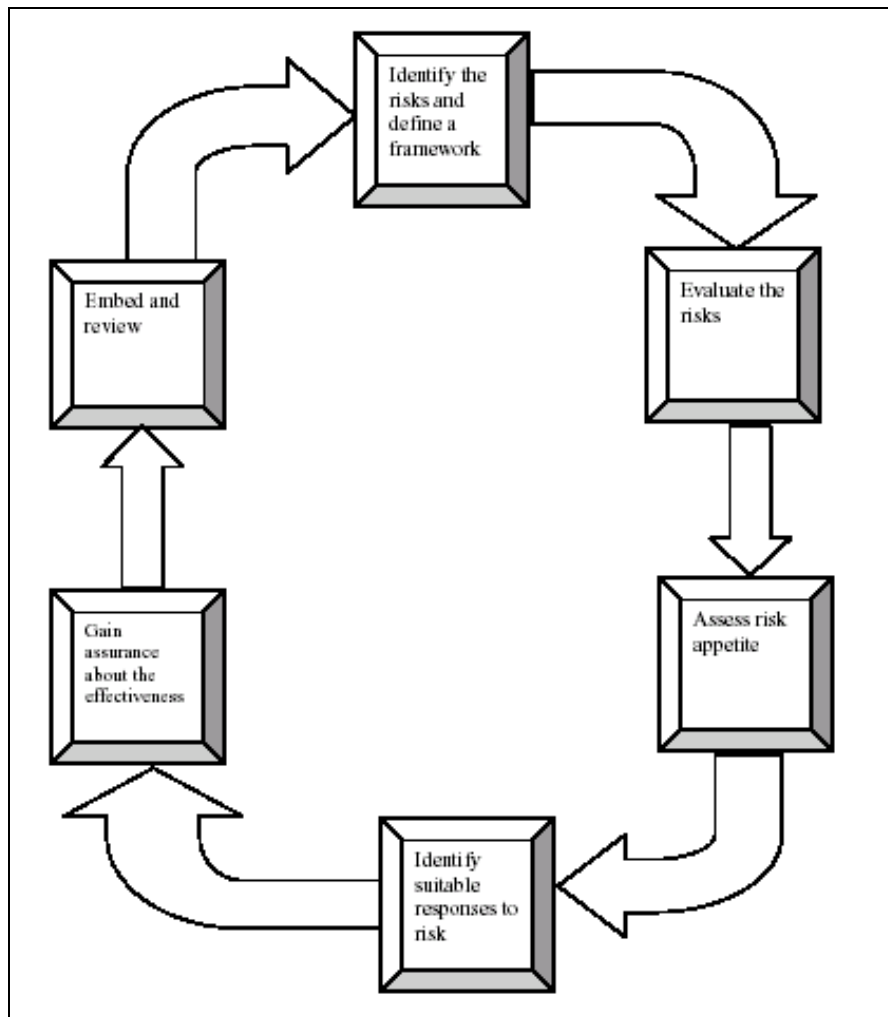
Effective risk management will improve an organisations performance by contributing to:

- Better service delivery.
- More effective management of change.
- A more efficient use of resources.
- Minimising waste, fraud and poor value for money.
- Support of innovation – risk management encourages innovation within the defined framework.

In order to ensure that all risks within the organisation are managed effectively, and all possible advantages of risk management are maximised, your Law Firm can put in place a Risk Management Policy which is linked to the corporate and business planning processes.

## Section 1: An Introduction to Risk Management.

Figure 1: The Strategic Risk Management Cycle



Risk management will be a key element in informing the annual assurance by the Executive committee on the effectiveness of internal control and therefore informs the Statement on Internal Control. Risk management and risk assessment are to be embedded as part of the management and internal control activities of the organisation.

### 1.4 The Purpose of this Document

The purpose of this document is to provide comprehensive details of the risk management processes, framework and strategy in place within your Law Firm in order to ensure that a consistent approach is applied across the organisation and that it facilitates compliance with current risk requirements.

## Section 2: The Framework of Risk Management

### 2.1 Roles and Responsibilities.

In order to ensure that the Risk Management activities which are carried out throughout your Law Firm are consistent and effective and are reported efficiently, a structured framework has been developed and put in place. Within this framework, there are several levels of responsibility as detailed below.

Role	Responsibilities
<b>The Executive Committee</b>	<ul style="list-style-type: none"> <li>• Determine the risk management strategy for the firm.</li> <li>• Agree the risk management framework.</li> <li>• Approve the risk management policy and embedded processes.</li> <li>• Determine the risk appetite of the organisation.</li> <li>• Review the consolidated quarterly corporate update report, updated risk registers.</li> <li>• Review and approve the consolidated quarterly corporate update report and updated risk registers from the Performance Review Committee before submission to the Executive Committee.</li> </ul>
<b>The Chairperson</b>	<ul style="list-style-type: none"> <li>• Review the effectiveness of the system of internal control and sign an annual Statement on internal control.</li> </ul>
<b>The Internal Auditors</b>	<ul style="list-style-type: none"> <li>• To examine the efficiency and effectiveness of the risk management process and to advise the Executive Committee and Managing Partner.</li> </ul>
<b>Performance Review Committee – which will comprise of the Performance Manager and Development Officer</b>	<ul style="list-style-type: none"> <li>• Assess the key priorities and responsibilities facing your law firm in the coming year period as criteria for evaluation of completeness. Risks to be presented to them for monitoring and reporting to the Executive Committee.</li> <li>• Review and implement the risk policies approved by the Executive Committee.</li> <li>• Review and challenge the content of the risk registers on a quarterly basis.</li> <li>• Review, challenge and validate the Quarterly Update Reports.</li> <li>• Report quarterly on the risk management process to the Executive Committee.</li> <li>• Undertake and report on an annual review of the effectiveness of the Risk Management process.</li> </ul>

In addition to the levels of responsibility detailed above, internal audit also play a role in the risk management process.

<b>Internal Audit</b>	<ul style="list-style-type: none"> <li>• Review and report at least twice yearly on the risk</li> </ul>
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## Section 2: The Framework of Risk Management

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- management process.
- Review the risks identified by the risk management process for inclusion in the annual audit plan.
  - Provide an annual assurance to the Chairperson on the effectiveness of risk management.

See also **Figure 1** on following page for illustration of the reporting framework which is in place.

Section 2: The Framework of Risk Management

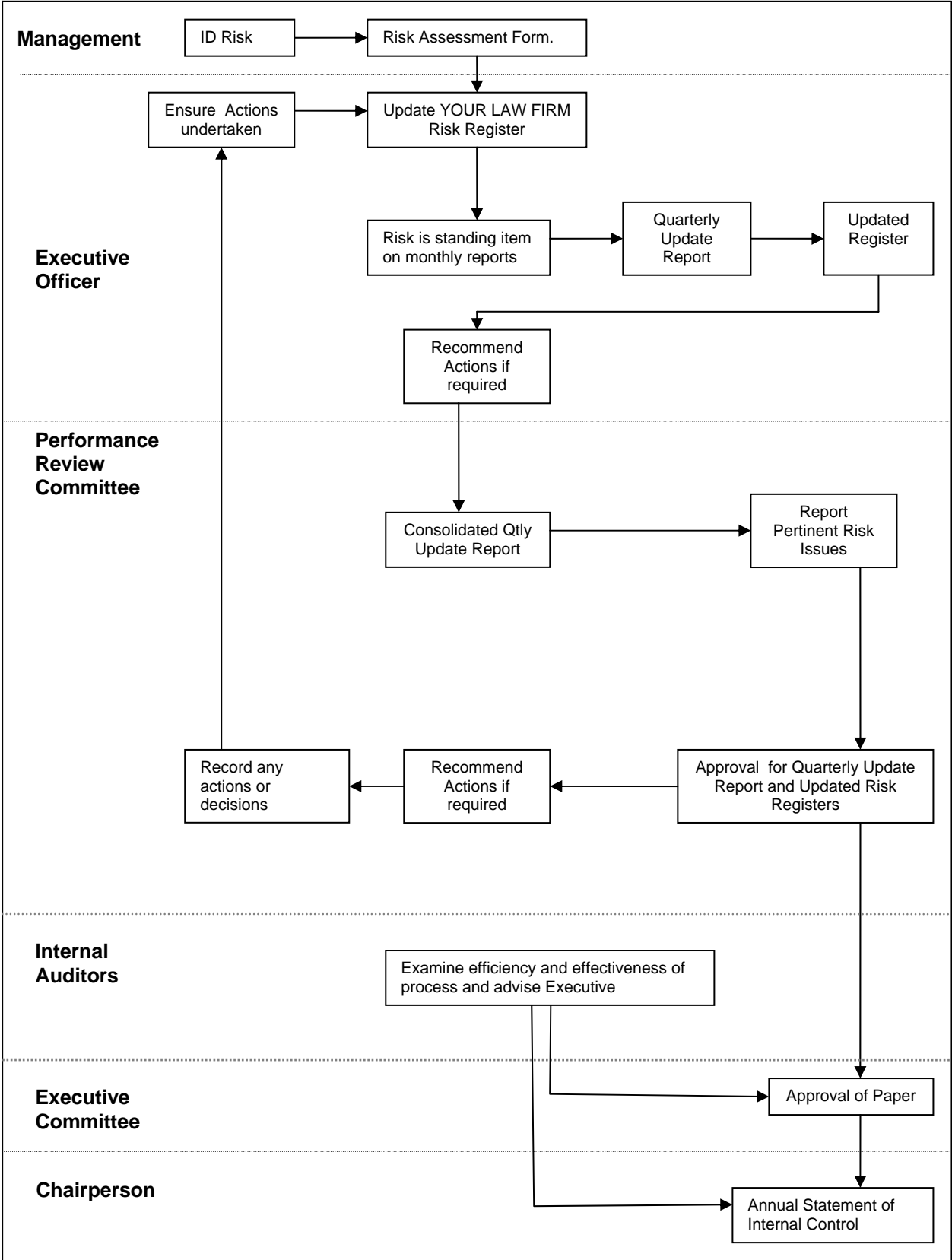


Figure 1: The Framework of Risk Management.

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## Section 2: The Framework of Risk Management

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### 2.1 Relevant Documents.

#### **Risk Assessment Form** (Appendix 1).

This form must be completed by **Executive or Technical officer** for any new or changed risk which is within their area of work. Details included on the form include information about likelihood and impact of the risk and the current controls in place to address the risk. Further details regarding the completion of the Risk Assessment Forms are covered in Section 3 of this manual.

#### **Divisional Risk Register**

This is maintained and updated by your Law Firm from the Risk Assessment Forms. It contains details of all risks identified within your Law Firm and a quarterly updated copy is forwarded to the Performance Review Committee.

#### **Corporate Risk Register**

This contains details of all risks identified which may be a threat to the achievement of the your Law Firm corporate objectives. It is updated by the Chairperson of the Performance Review Committee on a quarterly basis.

#### **Quarterly Update Report**

A quarterly update report is produced by each Executive and Technical Officer and includes details of any new risks which have been identified in the quarter and any changes to existing risks. This report is approved by the Executive Committee and forwarded to your Law Firm Administrator.

#### **Consolidated Quarterly Update Report**

The Performance Review Committee compiles a consolidated Quarterly Update Report from the Executive and Technical Officer reports and this is then presented to the Executive Committee.

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## Section 3: The Identification of Risks

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### 3.1 The process of identifying risks.

The first stage of risk management is the identification of risk and a consistent and systematic approach must be applied across your Law Firm. By identifying key risks, steps can then be taken to either prevent the event occurring or to minimise the impact.

A strategic approach to risk management depends on **identifying risks against key organisational objectives**. Within your Law Firm this is done against your current aims and objectives

Each Executive officer must consider and regularly review each of these aims objectives and identify any significant risks to their achievement. When this is being undertaken, the activities which occur must also be taken into account in order to ensure that all relevant risks have been identified.

To make sure that the identification of risks is as comprehensive as possible, cross each Executive and Technical Officer's area of responsibility, and partnership risks must also be considered.

Risk Management is a continual process and therefore, any new or emerging risks which may become apparent throughout the year must be assessed and reported to the Performance Review Committee.

All Executive and Technical Officers must also be aware of any changes to existing risks which may occur. In these circumstances, the risk must be reassessed and the Risk Register updated accordingly.

It is vital that ownership for any risks which are identified is assigned at an appropriate level of authority and responsibility to enable the risk to be properly managed.

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## Section 3: The Identification of Risks

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### 3.2 Factors to consider when identifying risks.

There are several factors which it may be of assistance to consider when identifying risks:

- (a) Any **Previous Risk Assessments** which may have been undertaken in relation to the organisational Aims and Business objectives.
- (b) Any areas which have been subject to **significant recent change**.
- (c) Any **new or innovative practice/business areas**
- (d) **Risk History Information** – this will indicate which incidents have occurred in the past, how often they have occurred and what the consequences were.
- (e) Organisational aims and business objectives.
- (f) Consideration of all the key activities of the business.
- (g) **Key Questions List** (see appendix 2)
- (h) The financial **categories of risk** (see appendix 3).
- (i) Risk Publications
- (j) Common Risk Documents

### 3.3 Completion of the Risk Assessment Form

For each significant new risk or change to existing risk identified, a **Risk Assessment Form** (Appendix 1) must be completed.

Details of how to complete the Risk Assessment Form are to be found in Appendix 4

Once completed, the risk assessment form is passed to the Chairperson of the Performance Review Committee for inclusion or update on your Law Firm risk register.

## Section 4: The Evaluation of Risks.

Once the key risks within the organisation have been identified, they must be evaluated in order to allow decisions to be made about the areas of risk in which action is required to be taken and their relative priority.

Criteria which can be used for the evaluation of risk include:

- Financial/ Value for Money issues
- Service Delivery/ Quality of Service issues
- Reversibility or otherwise of realisation of the risk
- The quality or reliability of evidence surrounding the risk
- The impact of the risk on the organisation / clients / partners / others
- Defensibility of the realisation of the risk.

When evaluating the risks which have been identified, the **impact** of the event if it occurred and the **likelihood** of the event occurring must be considered.

The impact of some risks, such as financial risks may be quantifiable whilst others, such as reputation risks, may be more subjective and difficult to quantify. To overcome this problem and to ensure that a consistent approach to evaluating risks is applied across your Law Firm, an **Impact Matrix** is to be used.

### 4.1 The Impact Matrix.

The impact matrix uses the criteria of organisational level, cost and service disruption to guide the evaluation of the significance of the risk concerned.

	High Impact	Medium Impact	Low Impact
<b>Organisation Level:</b>	Strategic/ Corporate/ Programme	Business/ Project	Operational
<b>Cost: (Single Impact)</b>	➤ XYZ Euros	XY Euros	< X Euros
<b>Service Disruption:</b>	Significant/ Protracted	Moderate/ Medium	Limited/ Short term

This matrix is used to determine the level of impact the risk would have if it occurred. If there has been any deviation from the criteria used in this matrix, the deviation must be justified.

Once the impact has been determined to be high, medium or low, the **Risk Scoring matrix** can be used to determine an overall risk score.

The likelihood of the risk occurring is to be medium unless a reason is given for the use of low or high.

## Section 4: The Evaluation of Risks.

### 4.2 Risk Scoring Matrix

<b>I M P A C T</b>	H I G H	HL (6)	HM (8)	HH (9)
	M E D I U M	ML (3)	MM (5)	MH (7)
	L O W	LL (1)	LM (2)	LH (4)
		LOW	MEDIUM	HIGH
		<b>LIKELIHOOD</b>		

The level of impact as determined above combined with the likelihood of the event occurring are combined to give an overall risk score.

For each risk, a risk score should initially be determined before any controls are applied. This is the inherent or **gross risk score**.

The **net risk score** can then be determined by assessing the likelihood and impact after the controls which are currently in place to address the risk have been applied.

The gross and net risk scores can then be used to prioritise all risks across the organisation.

The Executive Committee will be informed of any risks which are determined to present significant threats to the achievement of the corporate and business objectives.

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## Section 5: The Assessment of Risk Appetite

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### 5.1 Risk Appetite

**Risk Appetite is the amount of risk to which your Law Firm is prepared to be exposed before it accepts that intervention is necessary.**

Risk appetite must be understood in order to ensure that risks present are managed to an acceptable level. Before any decisions can be made about how to respond to risks which have been identified, the amount of risk which the organisation can tolerate must be determined.

Risk appetite may be very specific in relation to a particular risk or it may be more generic in the sense that the total risks which an organisation is prepared to accept at any one time will have a limit.

### 5.2 Assessment of Risk Appetite.

A measure of risk appetite must be determined both at an overall organisational level and an individual risk level. This measure is dependant upon both the perceived importance of the risks and their timing as the organisation may be more or less susceptible to different risks at different times.

Within your Law Firm, the Executive Committee will determine the maximum overall exposure to risk that should be accepted, based on the benefits and the costs involved. Once this organisational tolerance level or risk appetite has been set, management can then determine tolerance levels for individual programmes, projects and activities.

This level will then dictate when risk issues must be referred upwards as any risk which can not be reduced to the level agreed must be referred upwards and in extreme cases the activity may need to be terminated.

### 5.3 Application of Risk Appetite

When the concept of risk appetite is being applied to the risk management processes within your Law Firm the net risk score must be compared with the risk appetite:

- If the net risk score (i.e., the risk score after the existing controls have been applied) is lower than the determined level of risk appetite, the risk can be tolerated and therefore no further response is required.
- If the net risk score is at a higher level than the determined level of risk appetite for that risk then a response is required in order to bring the level of the risk to an acceptable level.

## Section 6: Identification of Suitable Responses to Risk

The identification and evaluation of risk along with the assessment of the corresponding level of risk appetite will result in a **risk profile** being developed for Your Law Firm. Once these steps have been carried out, consideration can be given to the appropriate response for the risks.

### 6.1 Types of Responses to Risk.

There are a number of valid responses to risk and it must be remembered that effective risk management does not equate with risk avoidance. There are four main responses to risk:

Response	Details
Transfer	<ul style="list-style-type: none"> <li>The risk is transferred to a third party eg, insurance, IT supplier,...</li> </ul>
Tolerate	<ul style="list-style-type: none"> <li>The level of the risk is within the risk appetite of your Law Firm or,</li> <li>The cost of taking any action may be disproportionate to the potential benefit gained.</li> </ul>
Treat	<ul style="list-style-type: none"> <li>Actions are taken to contain the risk to an acceptable level. (Internal Controls)</li> <li>Either the likelihood or the impact of the risk may be reduced.</li> </ul>
Terminate	<ul style="list-style-type: none"> <li>The risk can not be reduced to a tolerable level and is a threat to the achievement of objectives and must be terminated.</li> </ul>

Risks with a high probability and impact must be addressed whilst lesser risks may be less critical and may therefore be within the risk appetite of the organisation.

Within your Law Firm, the majority of risks will be within the risk appetite of the organisation and therefore can be tolerated. Some risks identified may require treatment in order to bring the level of the risk down to a tolerable level. Few risks will have the option to be transferred and very few, if any will have the option of the activity causing the risk being terminated.

When deciding the response to a risk, the response must offer **value for money** in relation to the risk which it is controlling.

The responses to risk must also be **in proportion** with the risk which they address. Over control of any minor risks must be avoided as well as the under control of serious risks.

## Section 6: Identification of Suitable Responses to Risk

### 6.2 Internal Controls as a Response to Risk

**“Control” is any action, procedure or operation which is undertaken by management to increase the likelihood that activities and procedures achieve their objectives. Internal control is therefore a response to risk.**

The purpose of internal control is not to eliminate risk altogether but **to provide reasonable assurance** of confining the likely loss from the realisation of key risks to within the risk appetite of your Law Firm

Internal controls can be classified into four main types:

- **Detective Controls:** These controls are designed to identify occasions of undesirable outcomes having been realised. They are “after the event” and so are only appropriate when it is possible to accept the loss or damage incurred as a result of the event.
- **Directive Controls:** These are designed to ensure that a particular outcome is achieved and are particularly important when it is critical that an undesirable event is avoided.
- **Preventative Controls:** Controls which are designed to limit the likelihood of an undesirable outcome being realised are preventative controls. Most controls implemented by your Law Firm belong to this category. One example of this type of internal control is the segregation of duties.
- **Corrective Controls:** This type of control is designed to correct undesirable outcomes which have been realised. These controls limit the impact of the event occurring and provide some recovery against loss and damage.

Any controls which are put in place must be properly documented and also be **regularly reviewed** to ensure that they remain effective and that they continue to offer the best value for money response to the risk.

### 6.3 Consideration of Current Controls.

Before determining whether any additional controls are required to be applied to the risk, the current controls which are in place must be considered.

The effectiveness of the current controls must be assessed. If the current controls do not reduce the net risk score and therefore the exposure to the risk to within the risk appetite of the organisation, a further response will be required.

### 6.4 Implementation of Response

## Section 6: Identification of Suitable Responses to Risk

All options for the response to each key risk should be evaluated and the option decided upon detailed on the risk assessment form. A plan for the implementation of the controls should then be devised with specific actions, details of who has been

delegated authority to complete them and by when. All details must be clearly communicated to the relevant level of management.

Any responses to risk must then be monitored and reported upon in order to ensure that they have been implemented effectively and that there has been no deviations from the agreed implementation plans.

## Section 7: Gain Assurance on the Effectiveness.

Assurance must be gained regarding the effectiveness of the risk management policy. Assurance must also be gained about the effectiveness of any risk responses to determine that they have been implemented and are having the desired effect of reducing the exposure to risk to within the risk appetite. There are two main ways of this being done:

### 7.1 Reporting.

An effective reporting system will allow the management structure to report upwards about how effective the risk management and the controls applied in response to risk are. Within your Law Firm, the reporting framework is as illustrated in Section 2 of this document.

Each level of management must regularly review the risks and controls for which it is responsible and report upwards on the outcome of this review. If there is any need to change priorities or controls, this must be clearly recorded and the necessary action taken.

Executive and Technical officers are designated responsible for all activity risks in their area of responsibility and as such must provide assurance on all to the Performance Review Committee.

When controls are being reviewed, it must be insured that any additional actions required have not been subject to slippage. If there are any significant digressions from the agreed action plans for the implementation of risk responses they must be noted.

The Executive and Technical Officers must then complete an annual **assurance statement** which will provide assurance that the risk is being managed in accordance with the risk management policy. These statements will in turn provide assurance to the Chairperson when making the annual Statement on internal control.

### 7.2 Internal Audit

The other main source of gaining assurance on the effectiveness the risk management process is through the Internal Audit function of your Law Firm.

Internal Auditors will undertake periodic reviews of the risk management activities as part of their audit plan. Internal Auditor will provide independent assurance on the process of risk identification, evaluation and control. They will review the risk management processes and procedures which are in place and report on their effectiveness to the Executive Committee and Chairperson.

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## **Section 8 :References.**

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### **8.1 Embedding Risk Management within your Law Firm.**

In order to ensure that the risk management process works as efficiently as possible, it is vital that it becomes embedded within your Law Firm activities.

Some of the advantages of embedding risk management throughout your Law Firm activities are as follows:

- More likelihood of achieving aims and objectives.
- More confidence in moving into new areas or introducing new or innovative activities.
- Learning from past issues and incorporating what was learnt into future activities.

The risk management process should not be considered as an annual event or a “one off exercise” but should be an intrinsic part of the way your Law Firm works. As risk management is aligned with the aims and objectives of the organisation, Officers must consider all changes to their objectives and developments of working practices in terms of risk and act accordingly at all times.

To ensure that risk management does become successfully embedded within your Law Firm, information about risks and controls will be incorporated within each level of management reporting.

The risk management process builds on the control systems which are already in place within your Law Firm.

### **8.2 Review of Risk Management Policy and Procedures.**

The risk environment of your Law Firm is constantly changing and the priorities of objectives and the consequent importance of risks will change. Due to this changing environment, it is vital that the risk strategy, policies and processes are regularly reviewed in order to ensure that they are still valid. If the any part of the risk management strategy is found not to be up to date, any necessary changes to the strategy or processes must be made through the framework of responsibility.

# APPENDIX

<b>Inserted By</b>		<b>Date:</b>	<b>Approval Ref:</b>					
<b>LAW FIRM Aim:</b>		<b>LAW FIRM Objective:</b>		<b>System/Activity:</b>				
<b>Risk Type:</b>	<b>Risk No:</b>		<b>Risk Owner:</b>					
<b>Risk:</b>			<b>Potential Root Causes</b> (What can cause the risk to occur):					
<b>Existing Controls</b> (Controls in place to address risk):				<b>Assurance Officer:</b>				
<b>Action(s) Planned:</b>			<b>Officer</b>	<b>Target Date</b>				
				<b>Progress (S,O,C)</b>				
<b>Contingency Plan Necessary:</b>		Y / N	(If yes please state plan)					
<b>ASSESSMENT OF RISK EXPOSURE:</b>								
<b>Gross Impact / Likelihood</b>								
HH	HM	MH	HL	MM	LH	ML	LM	LL
9	8	7	6	5	4	3	2	1
<b>Net Impact / Likelihood</b>								
HH	HM	MH	HL	MM	LH	ML	LM	LL
9	8	7	6	5	4	3	2	1
<b>Frequency of Reporting Required:</b>								
<b>Removed By</b>		<b>Date:</b>	<b>Approval Ref:</b>					

**KEY QUESTIONS LIST – RISK ASSESSMENT**

- 1 What are the major opportunities facing your law firm?
- 2 How is change affecting the risks faced and the risks that your law firm has chosen to take (NB: Areas of change are often the biggest areas of risk)?
- 3 What are the 'killer risks' from which your law firm would be unable to recover?
- 4 What damaging press headlines need to be avoided?
- 5 What problems have happened in the past in your law firm or elsewhere?
- 6 What are the types of fraud and business probity issues to which your law firm could be particularly susceptible?
- 7 What are the major regulatory and legal risks to which your law firm is exposed?
- 8 What risks arise from the business processes?

**External**

1. Infrastructure	Relating to infrastructures such as transport systems for archers, power supply systems, suppliers, business relationships with partners, dependency on internet and e-mail
2. Economic	Relating to economic factors such as interest rates, exchange rates, inflation
3. Legal and Regulatory	Relating to the laws and regulations which if complied with should reduce hazards (Eg – Health and Safety at Work Act)
4. Environmental	Relating to issues such as fuel consumption, pollution
5. Political	Relating to possible political constraints such as change of government
6. Market	Relating to issues such as competition and supply of goods
7. "Act of God"	Relating to issues such as fire, flood, earthquake.

**Financial**

8. Budgetary	Relating to the availability of resources or the allocation of resources
9. Fraud or theft	Relating to the unproductive loss of resources
10. Insurable	Relating to potential areas of loss which can be insured against
11. Capital investment	Relating to the making of appropriate investment decisions
12. Liability	Relating to the right to sue or to be sued in certain circumstances

**Activity**

13. Policy	Relating to the appropriateness and quality of policy decisions
14. Operational	Relating to the procedures employed to achieve particular objectives
15. Information	Relating to the adequacy of information which is used for decision making
16. Reputational	Relating to the public reputation of the organization and consequent effects
17. Transferable	Relating to risks which may be transferred or to transfer of risks at inappropriate cost
18. Technological	Relating to the use of technology to achieve objectives
19. Project	Relating to project planning and management procedures
20. Innovation	Relating to the exploitation of opportunities to make gains

**Human Resources**

21. Personnel	Relating to the availability and retention of suitable Officers
22. Health and Safety	Relating to the well-being of people.

Section on Risk Assessment Form	Details Required
Aim/Objective, System/Activity	Record reference to your law firm aims and/or objective and/or system/activity as appropriate.
Risk	A brief specific description of what the risk is should be given.
Risk Owner	The name of the Officer designated with responsibility for managing the risk.
	The risk owner should be an Officer of sufficient grade and authority to take action to manage the risk.
Potential Root Causes	What can allow the risk to occur? The events which would prevent or hinder the achievement of the specified objective.
	Examples of potential root causes: <ul style="list-style-type: none"> <li>• New sport/business area where practical experience is limited.</li> <li>• May be an area which is particularly susceptible to fraud or failure.</li> <li>• A fundamental change in activity or transaction.</li> <li>• An established control not being applied.</li> <li>• Absence of clear and understood policy/procedure.</li> </ul>
Existing Controls	The actions which are taken by the Officer to address the risk present, to ensure that objectives are met.
Assurance Officer	The name of the Officer who is responsible for implementing the controls which are in place.
Actions Planned	Details of any actions which are planned to implement the responses required to reduce the risk to a level which would be tolerable.
	Details of who is going to be responsible for ensuring that the appropriate action is taken and the target dates for the action are to be recorded also.
Contingency Plan Necessary	Description of the actions required to ensure the continuation of service in the event of the risk occurring.
Assessment of Risk Exposure	The gross and net risk scores as determined by the Risk Scoring Matrix are to be recorded. The use of this matrix is covered in more detail in section 4.1.
Tolerance	A tolerance level will be established for early warning of the potential materialisation of the risk.
	This may be a target, an operational incident or a combination of these

<b>Assurance:</b>	gaining (independent) confirmation that risk assessment and control response is appropriate, adequate and achieving the effects for which it has been designed.
<b>Control:</b>	any action, procedure or operation undertaken to either contain a risk to an acceptable level of potential exposure or to increase the probability of a desirable outcome.
<b>Corrective control:</b>	a control designed to correct undesirable outcomes.
<b>Detective control:</b>	a control designed to detect undesirable outcomes which have arisen.
<b>Directive control:</b>	a control designed to ensure a particular outcome.
<b>Embedding risk management:</b>	ensuring that the risk management strategy is reflected in the objectives and function of every level of the organisation.
<b>Exposure:</b>	the range of outcome arising from the combination of the impact of an event and the probability of the event actually happening.
<b>Corporate Governance:</b>	the overall management of an organisation where it is possible to explain/see how activities are undertaken with appropriate, associated, accountability.
<b>Impact:</b>	the evaluated effect or result of a particular outcome actually happening.
<b>Opportunity:</b>	an uncertainty of outcome that may result in a positive or beneficial impact that the organisation wishes to take advantage of or exploit.
<b>Preventive control:</b>	a control designed to prevent an undesirable happening.
<b>Probability:</b>	the evaluated probability of a particular outcome actually happening (including a consideration of the frequency with which the outcome may arise).
<b>Risk:</b>	the uncertainty of outcome, within a range of exposure, arising from a combination of the impact and probability of potential events.
<b>Risk appetite:</b>	the range of exposure that is judged tolerable for the organisation.
<b>Risk management:</b>	the limitation of the exposure to an acceptable level, by taking action on probability, impact (or both); it therefore requires identification of the elements to be considered and which may be controllable.
<b>Risk review:</b>	a strategic review sponsored by the Executive Committee to identify the risks associated with all the activities and operations of the organisation.
<b>Threat:</b>	an uncertainty of outcome likely to result in a negative or damaging impact that the organisation may wish to control to an acceptable level.