Camms.

Software to Change Tomorrow.

Tip Capturing data consistently and aggregating it into a central location is essential

Aggregate Your Data

Once you have considered the metrics & data you want to track, you need to consolidate the data into a central location. This will enable you to view the data holistically and link it to your risk matrix. Mature businesses use GRC software to facilitate this data aggregation. If there is further data required outside of the GRC tool, look for solutions that offer the capability to pull in data from other systems and sources via API's. If you need to collect new data, choose a tool that enables you to launch surveys, questionnaires & tasks, enabling you to capture new data in a consistent format. Think about how you will want to view the data to ensure you capture all of the information required.

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Risk Appetite Statement

Your risk appetite statement should act as a guide to keep you on the right track. The statement should be aligned to your strategic goals & initiatives. It must be flexible enough to allow 'calculated risk taking' to help you achieve goals. But should include clear guidance to prevent taking risks that are detrimental to the business. The statement should be relatable and shared across all departments, not just with those in the risk function.

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Tip A risk appetite statement is a mission statement to guide you in the right direction

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Tip Be sure to monitor risk cumulatively over time

Set Your Tolerances

Once you have the data you need, in the format that you need it, you can start to think about your minimum and maximum risk tolerances. Remember to look at risk over time, one day in the red might be OK, but longer periods of time might not be acceptable. You should also consider rating the severity and likelihood of each risk to help you prioritise. Businesses must remember that not all risks are equal, going over budget or missing a deadline, can't be compared to serious risks like 'loss of life' or a major compliance breach that will leave the company in the headlines. Set your risk tolerances wisely and allow for flexibility.

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Tip Not all risks are equal, risks must be rated accordingly to their severity and likelihood

Identify Your Key Risk Indicators

To define your Key Risk Indicators (KRI's) you will need to consider what information you will need to understand when you are reaching your limit for a particular risk area. This data could include budget & finance numbers, compliance data, safety data, or operational and transactional data from across the business. You should also utilise the risk data in your existing risk register.

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Set Controls

Once you have collectively decided as a business what your risk tolerances are, you should implement a structured control framework to help you understand if the organisation is performing within those tolerances. Many businesses use GRC software to facilitate this.

The control framework within the software enables you to set up automated workflows that send notifications to stakeholders when data reaches the defined risk tolerance. This enables stakeholders to easily investigate and report back, providing business leaders with visibility into what is happening. Stakeholders can then make an informed decision as to whether they accept the risk, or implement mitigating actions.

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Tip Setting up an automated control framework adds another layer of risk detection

A Quick Guide to Operationalise Your Risk Appetite

Risk appetite often begins with a statement. But how do you bring that statement to life? Check out our quick guide as we take you through 8 essential steps to operationalise your risk appetite.

Ongoing Monitoring

Risks can't be looked at as a one-off event. Risk must be monitored constantly over long periods of time to build a realistic picture of your risk profile. You should constantly be collecting new data to track live progress. You must allow for flexibility within your framework. You may wish to launch a new initiative where you need to take a calculated risk in order to grow. You should allow for this flexibility to ensure your risk appetite is not stifling your business and preventing you from trying new things.

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Tip Remember 'risk appetite' is only a guide, allow for flexibility when needed

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Assign Ownership

For effective implementation of your risk appetite, each risk and control must have a responsible owner. The allocated owner is then the individual that is notified when the risk tolerance is reaching or breaching the maximum level. They can then make an informed decision as to what action they want to take. Assigning ownership is the best way to ensure the company is not exposed to intolerable risk. Your risk management team will oversee this process, but ultimately, they are not responsible for every risk in the business. Stakeholders across the organisation will need to take ownership for the risks in their teams, which is why sharing risk data across multiple departments is vital.

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Tip Remember your risk management team is not responsible for every risk in the business

Structured Reporting

Setting up adequate reporting capabilities is a necessity. Crunching numbers in excel and preparing manual reports is not a practical way to visualise and report on the data. Businesses managing risk using GRC software will benefit from the inbuilt reporting functionality and real time dashboards available within the tool. Once these reports are set up, they provide complete transparency across the business. Many systems offer live dashboards, providing a real time view of risk, anytime, anywhere. This gives risk teams and business leaders the information they need, to identify problems early and track progress.

Tip Crunching numbers in excel and preparing manual reports is not a practical way to visualise risk data

You can trust Camms with your risk management requirements from the demo to the moment you go live!

Request a Demo

Our comprehensive out-of-the-box GRC platform is highly configurable, and offers the agility required to keep pace with the evolving demands of risk management. Aggregate your risk data, set up a risk register, define KPI's, and set up a comprehensive control framework with automatic workflows & alerts, all within one solution. Our collaborative approach to implementation will ensure a rapid return on investment.

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