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**Overview**

This standard is about developing a risk management strategy in line with the organisation's overall strategy and business plan and its appetite for and attitude to risk. It includes analysing and evaluating trends and events, identifying risk factors that could impact on the organisation and/or your area of responsibility, consulting with key stakeholders and establishing the criteria against which the strategy will be evaluated. It is for risk management professionals and others who are responsible for developing a risk management strategy.

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**Performance**

**criteria**

- You must be able to:
- P1 analyse and evaluate trends and events and identify their implications for the organisation and/or your area of responsibility
  - P2 adhere to the risk culture and risk appetite of the organisation
  - P3 identify risk factors that may have an impact on the organisation and/or your area of responsibility
  - P4 define the objectives for a risk management strategy in line with the organisation's overall strategy and business plan
  - P5 analyse the vulnerability of the organisation's activities in your area of responsibility
  - P6 develop a risk management strategy in line with the organisation's overall strategy, business plan and its appetite for and attitude to risk
  - P7 ensure that the strategy is proportionate to the needs of the organisation
  - P8 establish the criteria by which the risk management strategy will be reviewed
  - P9 seek advice and guidance from recognised sources of risk management expertise
  - P10 consult with key stakeholders and adjust the strategy in line with feedback
  - P11 negotiate and agree the strategy with decision-makers and/or seek their approval

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**Knowledge and understanding**

**You need to know and understand:**

- K1 the organisation's purpose, vision and values, strategy and business plan
- K2 the structure of the organisation and its products and/or services
- K3 the culture of the organisation and its attitude to risk
- K4 current legal and regulatory requirements and standards that apply to risk management
- K5 principles of good governance, environmental and social responsibility and ethical practice that apply to risk management
- K6 the concepts of risk management and risk awareness
- K7 the business environment and market within which the organisation operates
- K8 principles and methods of writing a risk management strategy
- K9 methods of analysing and evaluating the nature and types of risks which impact on the organisation
- K10 the importance of adhering to the risk culture of the organisation and its appetite for and attitude to risk
- K11 how to ensure that the risk strategy is proportionate to the needs of the organisation
- K12 which colleagues should be consulted about risk management
- K13 how a range of relevant sources of risk management information can be identified and obtained
- K14 the roles and responsibilities of key stakeholders involved in the management of risk, and the organisational governance procedures which underpin these activities

CFARMA001  
Develop a risk management strategy



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