
Overview

This standard is about developing risk management policies and procedures that meet organisational needs. It includes establishing an appropriate risk architecture and producing policies and procedures that are proportionate to the needs of the organisation. It is for risk management professionals and others who are responsible for developing risk management policies and procedures.

**Performance
criteria**

- You must be able to:
- P1 adhere to the risk appetite and tolerance for the organisation
 - P2 establish an appropriate risk architecture, setting out roles and responsibilities of individuals and committees, communication and risk monitoring, and reporting structures
 - P3 ensure that policies and procedures are developed in line with the risk management strategy
 - P4 produce policies and procedures consistent with legal and regulatory requirements, current standards for risk management and other constraints
 - P5 ensure that policies and procedures are proportionate to the organisation's needs and can be operated consistently across the organisation where necessary
 - P6 negotiate and agree the policies and procedures with decision-makers and/or seek their approval
 - P7 communicate risk management architecture, policies and procedures to colleagues and stakeholders, ensuring that they are understood
 - P8 develop appropriate guidance documents for colleagues and stakeholders to support the implementation of risk management architecture, policies and procedures

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 business environment and market within which the organisation operates
- K7 the concepts of risk management and risk awareness
- K8 the risk appetite and tolerance of the organisation
- K9 the types of risk architecture that can be put in place and appropriate roles and responsibilities for individuals and committees
- K10 the principles and methods of writing risk management policies and procedures
- K11 the organisation's policies and procedures and the supporting documentation that is required for recording, monitoring and reporting
- K12 the external policies, procedures and supporting documents appropriate to the risk being managed and its potential impact
- K13 the constraints that may need to be taken into account
- K14 how to ensure that policies and procedures are proportionate to the needs of the organisation
- K15 communication mechanisms that will ensure that risk management architecture, policies and procedures are understood
- K16 how to develop guidance documents that are appropriate to the organisation

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