
Overview

This standard is about identifying, analysing and assessing risk, in line with agreed risk management policies and procedures. It includes monitoring the environment and identifying risks to the organisation, using appropriate techniques to categorise, describe, evaluate and prioritise risks, analysing risks and establishing appropriate controls. It is appropriate for risk management professionals and others who are responsible for identifying, analysing and assessing risk.

**Performance
criteria**

- You must be able to:
- P1 monitor and evaluate the operational environment using appropriate data and identify the risks to organisation
 - P2 categorise, describe, evaluate and prioritise risks, using appropriate risk identification techniques and in line with agreed risk management policies and procedures and the organisation's appetite for and attitude to risk
 - P3 analyse risks and identify their potential impact and interdependencies, following agreed risk management policies and procedures, and help other people to do so
 - P4 take account of risk perceptions, behaviours and biases when identifying, analysing and assessing risk
 - P5 assign risk ownership and responsibility
 - P6 establish appropriate controls for emerging and identified risks
 - P7 ensure that risk assessment takes account of legal, regulatory, and other compliance considerations
 - P8 ensure that risk assessment takes account of ethical and social responsibility considerations
 - P9 construct and use a risk register, in line with risk management 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 appetite for and attitude to risk
- K4 current legal and regulatory requirements and standards that apply to risk management
- K5 risk tools and techniques relevant to the organisation and industry sector
- K6 principles of good governance, environmental and social responsibility and ethical practice that apply to risk management
- K7 the concepts of risk management and risk awareness
- K8 the business environment and market within which the organisation operates
- K9 the organisation's policies and procedures for risk management and associated supporting documentation
- K10 types and sources of risk information
- K11 how to identify, categorise, describe, evaluate and prioritise risk
- K12 methods of risk analysis and evaluation and how to identify interdependencies
- K13 risk perceptions, behaviours and biases and how they affect risk management
- K14 methods of statistical modelling and root cause analysis
- K15 appropriate controls for different types of risk
- K16 types of risk management software and other tools that are available and how to use them
- K17 how to construct and use a risk register

CFARMA004
Identify, analyse and assess risk



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