PROPOSED RISK CULTURE ASSESSMENT FRAMEWORK

Ten questions a board should ask itself
(Source: "Risk Culture Under the Microscope - Guidance for Boards", Institute of Risk Management, 2012)

1. What tone do we set from the top? Are we providing consistent, coherent, sustained and visible leadership in terms of how we expect our people to behave and respond when dealing with risk?

2. How do we establish sufficiently clear accountabilities for those managing risks and hold them to their accountabilities?

3. What risks does our current corporate culture create for the organisation, and what risk culture is needed to ensure achievement of our corporate goals? Can people talk openly without fear of consequences or being ignored?

4. How do we acknowledge and live our stated corporate values when addressing and resolving risk dilemmas? Do we regularly discuss issues in these terms and has it influenced our decisions?

5. How do the organisation's structure, processes and reward systems support or detract from the development of our desired risk culture?

6. How do we actively seek out information on risk events and near misses – both ours and those of others - and ensure key lessons are learnt? Do we have sufficient organisational humility to look at ourselves from the perspective of stakeholders and not just assume we are getting it right?

7. How do we respond to whistle-blowers and others raising genuine concerns? When was the last time this happened?

8. How do we reward and encourage appropriate risk taking behaviours and challenge unbalanced risk behaviours (either overly risk averse or risk seeking)?

9. How do we satisfy ourselves that new joiners will quickly absorb our desired cultural values and that established staff continue to demonstrate attitudes and behaviours consistent with our expectations?

10. How do we support learning and development associated with raising awareness and competence in managing risk at all levels? What training have we as a board had in risk?

Proposed Risk Culture Assessment Framework for Commercial Air Transport Organisations

			Surveys / Questionnaires	Observations (Ethnography)	Interviews (1-2-1 & Focus Group)	Documentation / Records Review
IRM Risk Culture Aspects Model	Tone at the top	risk leadership - clarity of direction	X		X	X
		how the organisation responds to bad news	X		X	X
	Governance	the clarity of accountability for managing risk (Risk Ownership)	X		X	X
		the transparency and timeliness of risk information (Risk Communication - top down)	X	X	X	X
	Competency	the status, resources and empowerment of the risk function	X	X	X	X
		risk skills - the embedding of risk management skills across the organisation	X	X	X	X
	Decision making	well informed risk decisions	X	X	X	X
		appropriate risk taking rewarded and performance management linked to risk taking.	X	X	X	X
RISK MANAGEMENT PROCESSES (Based on ICAO SMM & ISO 31000)		Risk Identification (ISO 31000 - Recording & Reporting and Risk Communication bottom up)	X		X	X
		Risk Analysis (ISO 31000 - Scope, Context, Criteria)	X		X	X
		Risk Assessment (ISO 31000 - Consultation)	X	X	X	X
		Risk Control (Elimination or Mitigation) (ISO 31000 - Treatment & Communication)	X	X	X	X
		Risk Monitoring & Review	X	X	X	X