

# A guide to writing your risk management strategy



## A strategy defines how to get from where you are now to where you want to be at a definite point in the future. It carries out the [risk management policy](https://vmia.vic.gov.au/-/media/Internet/Content-Documents/Tools/VGRMF-tools/A-guide-to-writing-a-risk-management-policy.ashx) and shows how resources will be used to deliver the desired outcomes by the dates detailed in the policy.

A risk management strategy should set out

* the outcomes you want to achieve when it comes to management risk
* the frameworks and processes you will put in place to achieve those outcomes
* the culture you want to create
* resources allocated to the work of change
* how you’ll monitor the progress of the strategy
* how you’ll measure success.

On this page we have unpacked steps for developing a risk management strategy with your executive team. We also have a list of questions to help drive the discussions about vision, objectives and measuring performance. Our [template](https://vmia.vic.gov.au/-/media/Internet/Content-Documents/Tools/VGRMF-tools/template-for-a-risk-management-strategy.ashx) will help you quickly write up your strategy.

## Steps for writing and implementing a strategy

1. Meet with your executive team to examine

* the policy
* the organisation’s resources, capabilities and other aspects of its internal context
* wider government policies, legislation, demographic change, the state of the environment and other aspects of the organisation’s external context.

Use the questions to elicit the information you need about vision, objectives and measuring performance. Make sure the tasks in your improvement plan are time-bound actions, assigned to a person, which clearly deliver the objectives.

1. Draft a strategy for review by the executive team using the [risk management strategy template](https://vmia.vic.gov.au/-/media/Internet/Content-Documents/Tools/VGRMF-tools/template-for-a-risk-management-strategy.ashx).
2. Test the strategy with decision makers across the organisation who will be responsible for implementing it.
3. Update the strategy based on the results of testing.
4. Formally release the strategy to the organisation with thought leadership on how decision makers should use it.
5. Monitor its use.
6. Act when delivery is falling behind or outcomes are not being achieved.

Review and update the policy annually.

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| Questions | Links to useful information |
| Where do you want the organisation to be in three years from now? |  |
| What outcomes have we defined in our policy? | [What is risk?](https://www.vmia.vic.gov.au/tools-and-insights/practical-guidance-for-managing-risk/what-is-risk?search-url=/tools-and-insights/practical-guidance-for-managing-risk)  [Identifying, analysing and evaluating risk](https://www.vmia.vic.gov.au/tools-and-insights/practical-guidance-for-managing-risk/identifying-analysing-evaluating-risks?search-url=/tools-and-insights/practical-guidance-for-managing-risk) |
| What improvements opportunities have been suggested by RMA Online? | [The link between organisational performance and risk maturity](https://www.vmia.vic.gov.au/tools-and-insights/practical-guidance-for-managing-risk/performance-and-risk-maturity?search-url=/tools-and-insights/practical-guidance-for-managing-risk) |
| What distinctive features of your organisation’s functions and activities will shape your risk management strategy? |  |
| What distinctive features of your organisation’s remit as a public sector organisation will shape your risk management strategy? |  |
| Based on these questions, where do you want the organisation to be in a given period—five years, three years, 12 months, whatever is appropriate to the type of risk and your objectives? |  |
| What risks are you responding to, and anticipating, in your internal and external context? |  |
| What do we need to do to make sure we meet the mandatory requirements? | [Attesting to VGRMF requirements](https://www.vmia.vic.gov.au/tools-and-insights/practical-guidance-for-managing-risk/attesting-to-vgrmf-requirements?search-url=/tools-and-insights/practical-guidance-for-managing-risk)  [Victorian Government Risk Management Framework](https://www.vmia.vic.gov.au/tools-and-insights/victorian-government-risk-management-framework) |
| What changes do you need to make to your risk management framework and processes so that decision makers can carry out the organisation’s functions and activities more effectively? |  |
| What do you need to do to make sure our board’s risk appetite informs the design of our products and services and our operational decisions? | [Defining your organisation’s risk appetite](https://www.vmia.vic.gov.au/tools-and-insights/practical-guidance-for-managing-risk/defining-your-organisations-risk-appetite?search-url=/tools-and-insights/practical-guidance-for-managing-risk) |
| What risk indicators do we need to watch to make sure we stay within our risk appetite? | [Defining your organisation’s risk appetite](https://www.vmia.vic.gov.au/tools-and-insights/practical-guidance-for-managing-risk/defining-your-organisations-risk-appetite?search-url=/tools-and-insights/practical-guidance-for-managing-risk) |
| What performance indicators do we need to watch to make sure we are achieving outcomes defined in the policy. |  |
| What processes and frameworks do we need to monitor these indicators? | [Designing processes to manage risk](https://www.vmia.vic.gov.au/tools-and-insights/practical-guidance-for-managing-risk/designing-processes?search-url=/tools-and-insights/practical-guidance-for-managing-risk)  [Building your risk management framework](https://www.vmia.vic.gov.au/tools-and-insights/practical-guidance-for-managing-risk/building-risk-management-framework?search-url=/tools-and-insights/practical-guidance-for-managing-risk) |
| What skills and capabilities do our people need to carry out the policy and strategy? |  |
| What time, information and other resources do they need to carry out the policy and strategy? |  |
| What new practices and techniques will help us manage risk better? |  |
| What actions do you need to take to so that the organisation meets its obligations relating to other government policies or legislation? For example, the Climate Change Act will require effective management of shared risk: do you have the relationships, processes and frameworks for this? | [Building your risk management framework](https://www.vmia.vic.gov.au/tools-and-insights/practical-guidance-for-managing-risk/building-risk-management-framework?search-url=/tools-and-insights/practical-guidance-for-managing-risk) |
| What new risks in our internal and external context do we need to take action on? |  |
| To *create* value for people you need to understand what is valuable to them. Do you understand the needs, aspirations and desires, both for themselves and for their wider community, of the people whose interests you look after? What do you need to do to make sure that you know what will be valuable to people? | [Creating and protecting value](https://www.vmia.vic.gov.au/tools-and-insights/practical-guidance-for-managing-risk/create-and-protect-value?search-url=/tools-and-insights/practical-guidance-for-managing-risk) |
| To *protect* value in the places and environment we all live in, the systems we use and are part of, you need to understand what sustains them. Do you understand the factors and causes that keep them healthy and effective? Do you understand what you need to manage in order to continue to have the benefits they give us? What do you need to do to make sure you understand? | [Creating and protecting value](https://www.vmia.vic.gov.au/tools-and-insights/practical-guidance-for-managing-risk/create-and-protect-value?search-url=/tools-and-insights/practical-guidance-for-managing-risk) |

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