Job profile: Risk Management

What

The aim of risk management is to try and mitigate exposure to risk so that the level of risk falls within the organisation’s “risk appetite”. This appetite is the risk that the organisation is happy to accept, whether it is:

- safeguarding an organisation’s financial exposure to market fluctuations;
- an insurer’s exposure to claims;
- managing threats to specific assets;
- considering security, environmental and safety and supply chain factors that could stop businesses being able to operate;
- ensuring that a company’s reputation with stakeholders and consumers remains intact.

Risk management plays a crucial part in identifying and helping to control and monitor the evolving risks to keep businesses on their strategic track. Although responsibilities vary widely between sectors, a common theme in risk management is to conduct risk surveys and assessments, pre-empting potential scenarios. The outcome of this would be to ensure the necessary controls are in place to ensure every care has been taken to minimise risk to the business, customers or the general public. It’s likely that you’ll work closely with other professionals in your sector, including internal auditors, accountants, actuaries, financial managers and investment specialists, engineers, surveyors and accident liability specialists. So interpersonal skills and a genuine interest in the sector you’re in are crucial.

Salary

Entry level positions, such as administrative or support functions, start at approximately £16,000 per annum. With the right experience, qualifications and skills you could progress to management roles and earn in excess of £70,000 per annum. This does not include potential bonuses and additional benefits. Salaries will vary considerably based on location and employer.

Similar job titles
Risk manager
Risk and insurance manager
Risk analyst

Similar careers
Actuarial
Credit risk
Loss adjusting
Risk analysis
Technology
Treasury
Underwriting
### Tasks

- Helping to identify and quantify your firm’s risk appetite
- Establishing risk strategies, policies and internal protocols for your organisation including effective risk management communication
- Identifying and assessing actual and potential risks against set parameters, through qualitative and quantitative analysis and using benchmarking, gap analysis, workshops, scenario and process mapping techniques
- Implementing and executing risk management strategies, which might include the planning of risk control actions (e.g. purchase of insurance or other risk financing options, health and safety measures, liaison with regulators, business continuity and disaster recovery plans)
- Establishing the financial requirements which your organisation will need to retain its capital adequacy, modelling risks against possible future events
- Escalating actions that address identified financial weaknesses to relevant senior managers
- Monitoring, evaluating and challenging the organisation’s success in managing its risks

### Skills

- Personal organisation and planning skills
- Strong negotiators, persuasive and able to influence others
- Analytical, with an eye for detail
- Excellent communication and presentation skills
- Persistence
- Time management, with ability to complete projects and keep to deadlines
- Numerical skills and ability to quantify the costs of potential incidents
- Strong teamwork and customer service ethic
- Adaptable and good at problem solving

### Useful knowledge and experience

A new entrant will not always be required to have this knowledge. Employers usually provide training to acquire skills for:

- A detailed knowledge of general risk management tools and techniques
- A broad curiosity of the world, business affairs and human behaviour in order to comprehend where risk might come from, and benefit from others’ experience
- The different roles that specific business teams play in risk management and an understanding of their individual risk controls
- Your organisation’s requirements relating to the application of relevant codes, laws and regulatory requirements

### Entry qualifications

Most risk managers are graduates or experienced professionals. Although any degree subject is acceptable, qualifications in risk management, actuarial science, economics, business studies, law, management, insurance or engineering can be particularly useful. There are sometimes entry level roles into the profession - likely to be administrative or support roles within a risk management team.

In order to gain an entry level support position, employers will look for people who have:

- A Levels, Scottish Highers or equivalent qualifications such as Business, Administration and Finance (BAF) Diploma, BTEC National Diploma, Welsh Baccalaureate (BAC), SVQ Level 3 or Higher National Certificate (SCQF Level 7)
Professional and higher qualifications

Qualifications specific to risk management are available from the Institute of Risk Management (IRM), including:

- Risk Management in Financial Services
- IRM International Certificate in Risk Management
- IRM International Diploma, a postgraduate-level qualification

Many of the professional financial bodies also offer risk management specific qualifications or include risk management within their qualifications as specialist modules, including:

- Chartered Insurance Institute (CII) Advanced Diploma in Insurance
- CII MSc in Insurance and Risk Management
- ifs School of Finance Professional Certificate in Banking (PCertB)

UK and global opportunities

As well as virtually every financial services company, all medium to large commercial companies in virtually every sector, from transport and logistics to engineering, are likely to have a risk management function. Also, local authorities, health trusts, fire and rescue service, police authorities and central government are large employers of risk professionals. Opportunities in the UK are nationwide with a good spread of regional positions.

Find out more

Association of Insurance and Risk Managers – www.airmic.com
Chartered Institute for Securities & Investment – www.cisi.org
Chartered Insurance Institute – www.cii.co.uk
Directions – www.directions.org.uk
ifs School of Finance – www.ifslearning.ac.uk
Institute of Risk Management – www.theirm.org
Strategic Risk – www.strategicrisk.co.uk