HOW TO BUILD A NETWORK OF RISK FACTSHEET

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WHAT IS A RISK NETWORK?

Risks do not occur in isolation, they are intrinsically linked to causes and consequences. The relationship between different causes and consequences builds up a network of nodes, many of which are risks on their own. This is a risk network. It is complex and interlinked.

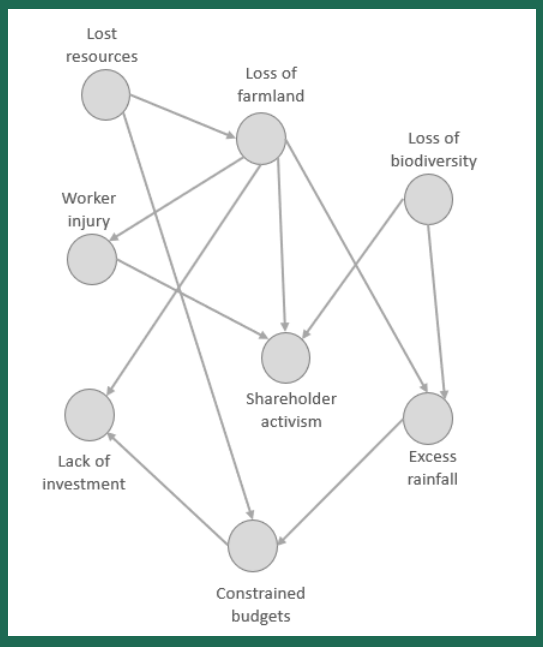
WHY DO WE USE RISK NETWORKS?

A network is a much more realistic depiction of a risk profile than siloed categories. Advances in computing technology now allow us to model and represent our data in the 'real' world network style opposed to / as well as categories.

	RISK CATEGORIES	vs	RISK NETWORKS
PROS	• Simple to understand • Easy to replicate across an organisation • Can be included in reporting / standards		• Better representation of the real world • Dynamic & live • Represents everyone's perspectives all at once
CONS	• Risks & controls often duplicated • Risks & controls often fall between gaps • Categories need to be reviewed & updated on a regular basis • Difficult to make dynamic		• Many older software programs (including excel) find it difficult to represent a network • Can be complex to manage • Mindset shift from traditional risk management

HOW

TO REPORT ON A RISK NETWORK



1. Review topic to be brainstormed = are we all on the same page?
2. Invite everyone to write down their top 3-5 risks on separate sticky notes. [note: "top" risks can be interpreted in any way you wish].
3. Facilitator invites a participant to describe their first risk and stick it to the wall. [note: if this participant adds what could be considered a cause or consequence welcome their input as are creating an interconnected network].
4. If anyone else has the same or a similar risk, participants are invited to add their sticky note to the first risk.
5. Similar risks can be drawn out with links made to the first risk. Often a cause – risk – consequence scenario begins to build up.
6. Continue process until all risks are displayed on the wall in an interconnected mesh. Typically, there will be 10 – 20 nodes of risks.

BUILDING A RISK NETWORK