



Planning and Priorities Unit

For action: Chief Executives, HSS Boards  
Chief Executives, HSS Trusts  
Chief Executive, CSA  
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Your Ref:  
Our Ref: HSS (PPM) 4/2005  
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Dear Colleague

### **AS/NZS 4360: 2004 - RISK MANAGEMENT**

1. Circular HSS (PPM) 3/2002, issued on 21 June 2002, announced that the Department had decided to adopt a common risk management model for itself and all of its associated bodies. The Department chose the internationally recognised Standard, AS/NZS 4360:1999 (subsequently issued under cover of Circular HSS (PPM) 6/2002).
2. The Department has updated its licence agreement with Standards Australia and a CD copy of the new AS/NZS 4360:2004 Standard is being sent to all HPSS bodies. The agreement is on the same basis as before ie it is for the use of the Department and its satellite bodies only and, therefore, **should not be made available to anyone outside your organisation.**
3. Whilst the substance of the Standard remains unchanged, some updating has taken place to reflect lessons learnt from the application of the 2003 version. There is an increased focus on communicating and consulting, and emphasis is placed throughout on keeping records of the risk management process. The language regarding stakeholders has altered, placing them in an internal and external context (rather than strategic and organisational as before). The section on *Treating risks* explores separately the options for treating risks with positive outcomes and those risks with negative outcomes, whilst the section on *Establishing effective risk management* now includes more guidance on evaluating needs, developing risk management plans and ensuring that adequate resources are made available for risk management.
4. Heather Shepherd, the Regional Governance and Risk Management Adviser, will provide awareness training to support implementation of the Standard. This, together with the proposed issue of guidance on building a Governance and Assurance Framework, will help to sustain HPSS progress on risk management and controls

assurance. References to the AS/NZS Model in the controls assurance standards will be updated with effect from April 2006.

5. Any questions on the content of this Circular should be addressed to either Elaine Lawson, telephone 028 9052 3112, e-mail [Elaine.lawson@dhsspsni.gov.uk](mailto:Elaine.lawson@dhsspsni.gov.uk) or Robert Haworth, telephone 028 9052 8286, e-mail [Robert.haworth@dhsspsni.gov.uk](mailto:Robert.haworth@dhsspsni.gov.uk).

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