



Usually, the environmental risk framework adopted for a property or portfolio will be specified by an asset manager, in alignment to a wider corporate risk framework. The process of environmental risk control and assurance is often co-ordinated by a property manager, with input from a facilities manager where required.

Environmental risk control and assurance generally considers the following steps:



STEP 1: ALLOCATE ENVIRONMENTAL RISK RESPONSIBILITIES

It is important that a senior individual is nominated to be accountable for environmental risk across a company. It is likely that environmental risks are combined with wider accountabilities for non-environmental risk.

The responsibilities for various risk management tasks should be allocated to individuals at the company, portfolio and property levels. These may include, for example:

- Risk identification and assessment.
- Maintaining risk registers.
- Developing risk controls.
- Assessment of risk control effectiveness.



STEP 2: DEFINE COMPETENCE AND PROVIDE TRAINING

As accountabilities for managing environmental risk vary across a range of roles and seniority, it is important that appropriate training is provided to enable individuals undertaking these roles to undertake their responsibilities competently.

For example:

Senior leaders with overall accountability for environmental and non-environmental risk should have a robust understanding of the way in which environmental risks may affect the company strategy and how to interpret the outcomes from the assessment of risk controls.

This competency can be developed through a combination of formal briefings from qualified risk professionals, for example, and through the provision of concise briefing material.

Risk assessment specialists should have in depth knowledge of risk assessment and auditing

Individuals undertaking local aspects and impacts assessment should be familiar with the process and associated documentation.

The competencies for risk assessment specialists and practitioners can be developed by undertaking accredited training courses and attaining qualifications, for example, and through in-house classroom style courses or e-learning.



Senior leaders



Risk assessment specialists



Individuals undertaking impacts assessment

Develop competencies for risk assessment specialists and practitioners through accredited training courses and attaining qualifications

STEP 3: DEVELOP RISK CONTROLS

Risk controls are often developed at managerial and operational levels.

- Managerial controls usually involve strategic interventions to control risks rating as significant. For example, considering the recruitment of suitably qualified resource to manage compliance arrangements environmental risk management, or commissioning climate resilience studies in relation to the risk of climate change.
- Operational controls are developed so that operations and activities can be undertaken in a way that mitigates associated risks. For example, procedures for handling, storage and disposal of hazardous waste or the use of hazardous cleaning chemicals.

Operational controls are usually prepared:

- In the form of work instructions, procedures or manuals. They are best prepared in accordance with an existing document control procedure.
- With input from individuals undertaking the related operational activities, along with suitably experienced individuals with responsibility for risk. The operational control is developed in a way which enables practical and efficient operations while mitigating the associated risk to a level which is acceptable.

STEP 4: ASSESS THE EFFECTIVENESS OF RISK CONTROLS

The assessment of the effectiveness of risk controls can be undertaken in various ways. For example, audit programmes are:

- Often developed to check that operational controls are being followed.
- Usually undertaken by a suitably trained auditor.
- Often build on other available data which may indicate where risk mitigation is not as effective as intended.

Environmental occurrence trends are also used to help assess the effectiveness of environmental controls. Environmental occurrences indicate where an environmental control has not been effective in controlling risk. Through investigations into the root-cause of the occurrence, remedial action can be undertaken to improve the control, or its deployment.

STEP 5: PROVIDE GOVERNANCE OVER ENVIRONMENTAL RISK

It is important that the management of environmental risk is undertaken within an appropriate governance framework.

The governance of environmental risk most often includes a series of meetings throughout an organisational hierarchy to review identified risks, their significance and the associated controls. It is important to that the effectiveness of environmental risk control is also reviewed within these frameworks, including:

- The outcome of audit reports.
- Trend information.
- Findings and recommendations from occurrence investigations.

By considering both environmental and non-environmental risks, risk governance frameworks usually aggregate the assurance of risk for the local property level through to portfolio and company levels.

Likewise, risks identified at the corporate level may be cascaded to the most local level of managerial control.