

Options for Managing Risks

Action	Definition
Tolerate	A decision is taken to accept the risk. Management and/or the risk owner make an informed decision to accept that existing actions sufficiently reduce the likelihood and impact of a risk and there is no added value in doing more.
Treat	Implement further additional action(s) to reduce the risk by either reducing the likelihood of an event occurring (e.g. preventative action) and/or reducing the potential impact should the risk occur. Further actions should be recorded in the risk register and regularly monitored.
Terminate	A decision is taken to remove the risk entirely. Where the risks outweigh the possible benefits, avoid the risk by doing things differently e.g. revise strategy, revisit objectives or stop the activity.
Transfer	Transfer all or part of the risk through insurance or to a third party e.g. contractor or partner, who is better able to manage the risk.
Exploit	Whilst taking action to mitigate risks, a decision is made to exploit a resulting opportunity.