Navigating Your GRC Journey





Agenda



- 1. Enterprise Risk Management what is it?
- 2. What's in an Enterprise Risk Framework?
- 3. Bringing it Together.
- 4. Making a Difference.
- 5. Key Tips.
- 6. Audience Questions and Discussion

Enterprise Risk Management - What is it?



- Enterprise Risk Management first emerged as a term in the early 2000's.
- Initial scepticism that it was a term dreamt up by the "Big 4".
- Articulated by the likes of the Casualty Actuarial Society (2003), COSO (2004) and RIMS (2008).
- In reality, it is a reaction to the simple fact that risks are managed in disciplined silos and are in need a way to bring a consistent view across an organisation.
- ERM today consists of detailed frameworks and a report A report for the Executive and Board Risk Committees

What's in an Enterprise Risk Framework?



No secrets here - it's the bleeding obvious:

- Risk Management Strategy aligned to business strategy!
- Risk Appetite Framework with Key Risk Indicators
- Risk Profile
- Culture
- Governance Framework
- Delegated Authorities
- Risk Management Model
- Policies
- Individual Risk Frameworks
- Data
- Risk Management Tools
- Reporting

Bringing it together





Enterprise Risk Management Framework



Enterprise Risk Management Framework



Enterprise Risk Management Framework

Governance

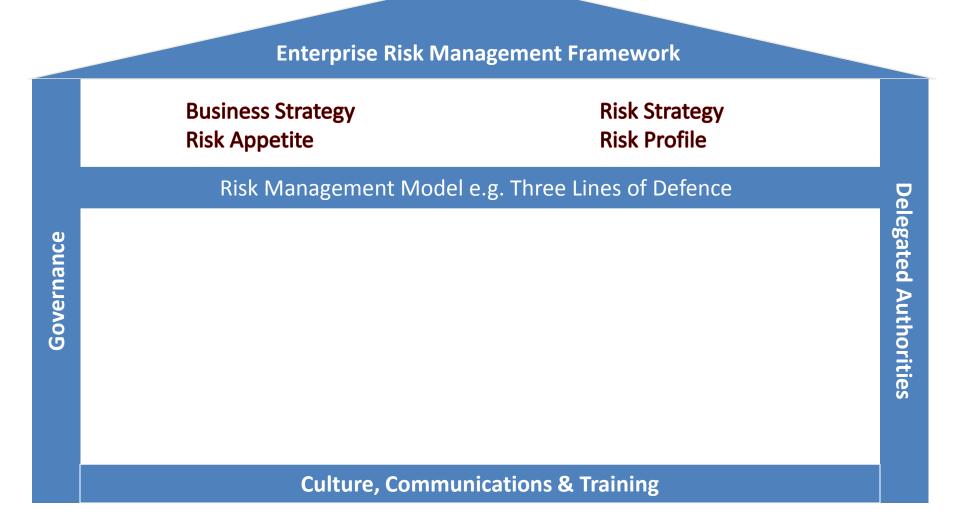


Enterprise Risk Management Framework Delegated Authorities Governance **Culture, Communications & Training**









Bringing it together - A Risk House



Enterprise Risk Management Framework

Business Strategy Risk Appetite Risk Strategy Risk Profile

Risk Management Model e.g. Three Lines of Defence

Governance

PEOPLE

- Roles & Responsibilities
- Organisation Charts
- Performance & Remuneration
- Customer
 Service
- Training

Bringing it together - A Risk House



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- Supporting Frameworks
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DATA & SYSTEMS

- Technology Infrastructure
- Information
- Security
- Data Management
- Records
 Management



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MANAGE & MONITOR RISKS

- Risk Taxonomy
- Risk Assessment
- Assurance / Testing Activities
- KPIs / KRIs
- Events & Loss Data Capture
- Findings & Action Plans Management
- Whistleblowing

Culture, Communications & Training

Delegated Authorities



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SUSTAINABILITY

- Capital Assessment (ICAAP)
- Liquidity Assessment (ILA)
- Scenario Analysis
- Stress Testing
- Recovery Resolution & **Planning**
- Incident Management / **Business Continuity** Planning
- Insurance

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DECISIONING

- Risk Appetite
- Key Risk Indicators
- Risk & Decisioning Models
- Business
 Change
- Product Lifecycle
- Risk Analytics

Making a Difference - It's all in the Report



Risk Reports - Common Problems

- Lengthy
- Wordy
- Disjointed
- Backward Looking
- Lacking in analysis and recommendation



For Illustrative purposes only

Making a Difference - It's all in the Report



Risk Reports - Best Practice

- Consolidated
- Illustrative
- Coordinated
- Forward Looking
- Analytical
- Directive



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Key Tips



Be Proportionate Your Framework MUST be proportionate to your organisation.

Risk Strategy MUST align with your Business Strategy.

Risk Appetite MUST reflect Risk Strategy and be understood by all interested

parties.

Key Risk Indicators Keep them simple, relevant and up to date.

Analytics Be forward looking - join indicators with what you know about the

current environment, your issues, your events, your competition,

your opportunities and align with your business strategy.

Illustration Pictures are more powerful than words – people are more likely to

remember the pictures rather than the words.

Technology Select the right tool and company to partner with.

Join the Discussion Online



