



## **ALARM Risk Workshop**

### **ERM - Making the Journey Easier**

15<sup>th</sup> October 2009

# ERM as a Journey



- **ERM can take between 3 to 5 years to complete;**
- **Like any other journey it is important that you know where you are going to....**

**Start with the end in mind....**

**Executive/Board**

**CONSOLIDATED STATEMENT OF INTERNAL CONTROL**

**STATEMENT OF INTERNAL CONTROL**

Based on an assessment of the key controls and mitigations which are in place to manage key organisational risks.

**MANAGEMENT**

**KEY CONTROLS & MITIGATIONS & BUSINESS PLANNING**

**CORPORATE RISKS**

**STRATEGIC OBJECTIVES**

**INDEPENDENT STATEMENT OF INTERNAL CONTROL**

Creation of an annual plan which is focused on the key risks & key financial controls.

Assurance based on control effectiveness assessments completed during the reporting period

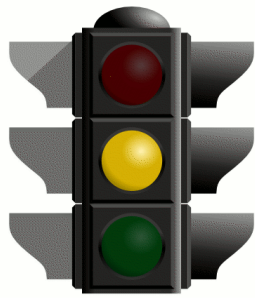
**INTERNAL AUDIT**

# ERM as a Journey

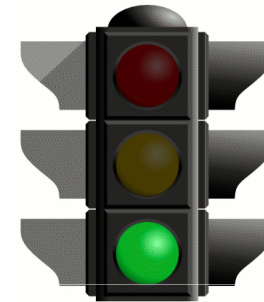


- **It vital that you have everyone on board.... and not swimming against the tide.**

# Key Stakeholders & Culture



## ■ The CEO & Culture



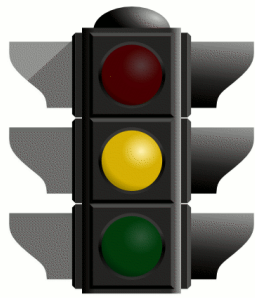
### Danger signs:

- Blame culture;
- Highly reactive and not enabled;
- Autocratic.

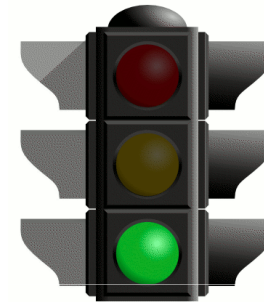
### Safe signs:

- Learning culture;
- Proactive;
- Enabled.

# Key Infrastructure



## ■ Existing processes



### Danger signs:

- No service or business planning;
- Lack of clear goals;
- Lack of performance management processes.

### Safe signs:

- Mature strategic planning process;
- Clear and measurable goals;
- Known and measured performance management process.

# ERM as a Journey



- **Sell risk management as a success assurance process**

# The Risk Management Road Map



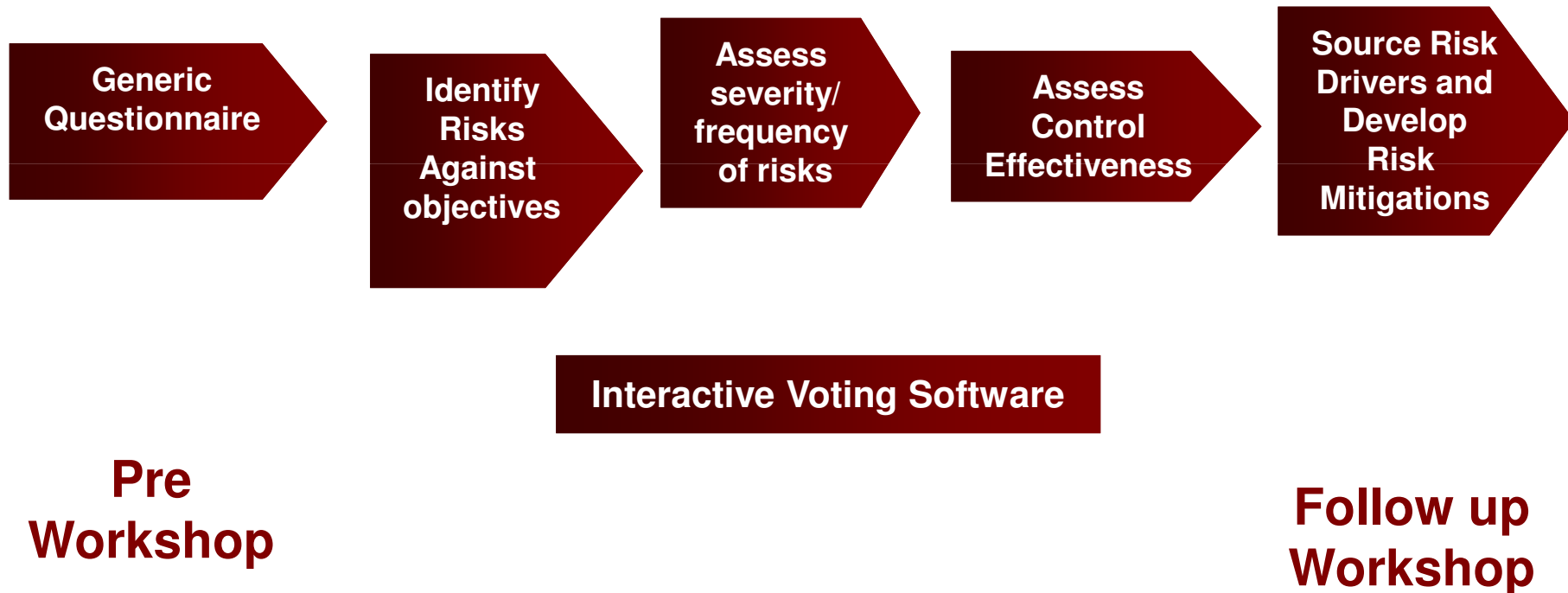
# ERM as a Journey



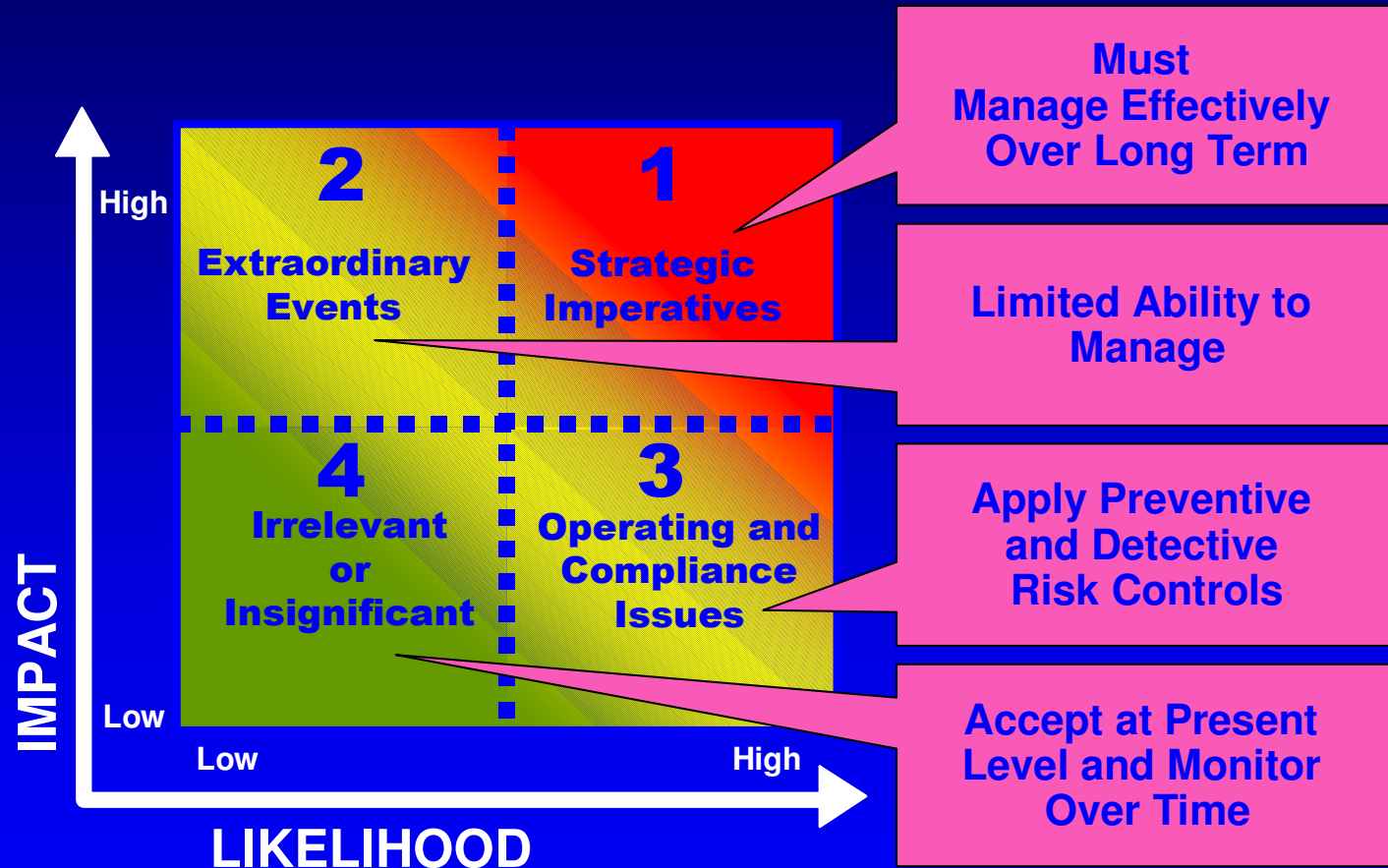
- It is important to prepare for the journey....
- And let everyone know what will be delivered and when.

# Overview of Workshop

## Risk Assessment Workshop



# Typical Risk Map



# Other actions



## Preparatory phase

- Ensure workshop participants have a good blend of strategic, tactical and operational experience;
- Emphasise that workshop participants knowledge of risks, the organisation and the environment is vital to the success of the project;

## Post workshop.....

- Issue risk assessment reports promptly to build on buy in and enthusiasm from workshop;
- Keep reporting simple;
- Highlight risk interdependencies and risk feedback loops;
- Don't portray yourself as a know all;
- Seek out trends and underlying risk drivers.



**Questions?**



# Contacts



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