

BUSINESS RISK MANAGEMENT LTD



Enterprise Risk Management 2 days

Who should attend?

- Risk managers
- Managers responsible for the risk management function or process
- Internal Auditors and audit managers
- Other assurance professionals such as those in Compliance and QA functions who are being asked to review the risk process
- Finance managers and Insurance professionals who need knowledge of the wider approach to risk management

After completing this course you will be able to

- Apply a practical approach to enterprise risk management
- Update your risk process to enable an enterprise –wide approach to risk
- Use one approach across the business – to reduce silos
- Engage all levels of management in the risk agenda
- Sell the benefits effectively
- Apply the different techniques for identifying risks
- Measure the risks in a simple way
- Implement effective risk mitigation
- Link risk management into the business planning process
- Deliver practical techniques for the assessment of people, process and reputation risks
- Record the risk process efficiently
- Engage stakeholders

CPE credits

Participants can earn up to 14 CPE credits in the Management Advisory Services field of study

Business Risk Management Ltd is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

Course outline

Day 1: Understanding Enterprise Risk Management (ERM)

The key aspects of ERM

- Explanation of ERM and it's benefits
- The current economic crisis and how ERM can provide a lifeline
- The role and responsibilities of directors and senior management with respect to ERM
- ERM roles
- ERM tips
- Strategic, financial and operational risk.
- The key link between corporate governance and risk
- Selling the benefits to top management
- How to quantify and measure risk – and why the approach followed by most organizations, may be misleading
- The steps to success
- Why ERM is receiving such publicity
- High profile corporate failures and the lessons to learn

Exercise 1 – 30 questions about risk management

Risk standards

- Risk standards – choosing the right one
- Explanation of the new ISO 31000 international risk standard
- ISO 31000 and ERM paper will be shared
- AUS/NZ 4360 standard
- COSO
- COSO ERM paper will be shared
- IRM standards
- The regulatory regime and impact on ERM

The link between ERM and strategic objectives

- The need to understand the organisation's strategic objectives
- Developing a programme to reflect these objectives
- Risk appetite – the least understood aspect of risk?
- External risk statements – principal risk factors
- Examples of risk appetite statements will be provided
- Categories of risk
- Establishing a risk management framework
- The results of a Global RM study will be shared

Exercise 2 – Analysing a Disaster

Establishing an Embedded Risk Management Process

- Risk management framework guide
- Surprises and risk
- Why financial risks are only the tip of the iceberg
- The widening of the risk portfolio
- Risk cultures
- IRM paper on risk culture assessment
- The challenges
- New and emerging risks- reputation, social, environmental
- Updating the risk strategy for your organisation
- Establishing the business case
- Selling the benefits to management
- The need for risk champions
- Risk and competitive advantage

Exercise 3 – Risk Taking In Action

Risk Identification and Evaluation

- Approaches and techniques
- How to establish a risk workshop process
- Risk workshops – the do's & don'ts
- How to identify, sift and group the risks
- Measuring the consequences and the likelihood of occurrence of each risk
- The use of risk matrices to prioritise the risks.
- The need for effective facilitation
- Facilitation skills
- Risk as an opportunity
- The use of diagnostic questions and thought-provokers
- The pros and cons of using data capture technology
- Other methods of risk identification

Exercise 4 Interactive Risk Workshop

Assessment of Risk Mitigation

- Controls or mitigation
- Ensuring risks are managed effectively
- How to assess risk mitigation
- The need for diligence and challenge
- Identification of risk exposures
- Dealing with the exposures (the 4 Ts - terminate, tolerate, treat or transfer)
- Recording the risks – risk registers or risk maps
- Risk registers – do's and don'ts
- The need to keep the process as simple as possible
- Establishment of action plans
- Allocation of risk owners

Exercise 5 Risk Mitigation and Dealing with the Exposures

Day 2: Dealing with the risks

Linking the output from risk workshops into the business planning process

- Linking corporate risks with the strategic planning process
- Linking operational risks into service planning
- Risk owners – how to determine such personnel and enforce ownership
- Annual statements by risk owners
- Developing risk tracking
- Using the risk register as a decision skeleton
- Quarterly board reporting to review progress in addressing the exposures
- Risk management committee reporting
- Half yearly evaluation of key risks to ensure new risks identified and included

Exercise 6 – Team Exercise to enable you to appreciate the emerging risks

People and Process Risks

- Key risk themes and how to deal with them
 - Failure to manage projects effectively
 - Loss of IT systems
 - Failure of partners or inability to establish effective partnering
 - Loss of key personnel
 - Hacking/breach of system security
 - Failure to innovate
 - Poor prioritisation of systems development
 - Loss of morale / stress
 - Too much data – insufficient information
 - E-Commerce – the key risks and steps to take to mitigate them
 - IT security – how to evaluate effectiveness and influence change

Exercise 7 – People and System risks

Reputation risk

- Definitions
- The rise of reputation as a key risk
- The increasing importance of a positive image – the need to be admired
- Where does reputation come from?
- How do you measure it?
- The magnifying effect on reputation of business failures
- The explosion of regulation and external assurance
- Damage by association – partnering and alliances
- Identifying reputational risks
- A checklist for reviewing reputational risk will be provided

The checklist incorporates sections on:

- Financial performance
- The senior management role
- Quality of service provision
- Treatment of staff
- Social responsibility
- Customer service

Exercise 8 - How to Judge Reputation

Recording the Risk Environment

- The need to coordinate and link the output
- Flagging interdependencies – if one risk treatment is changed the other party or parties impacted need to be notified
- Risk treatment analysis – how to determine the cost/benefits of dealing with exposures / exploiting opportunities
- Risk management as a route to reducing bureaucracy
- How to use the risk process to break down the barriers
- Reports for senior management

Exercise 9 –Risk management reports

Cascading the Process

- Making risk management second nature
- Keeping up the momentum
- Risk financing and how to introduce the disciplines
- Integrating health and safety, insurance and claims etc
- Risk awareness for staff
- Sharing output with partners
- Evaluating risks within these relationships
- Risk indicators (KRI's)
- Auditing the risk management programme
- The Internal Audit role in the risk management process – guidance and advice
- Feeding key risks up the organisation
- Coordinating the whole process
- Useful web sites and reference books
- Measuring the benefits

Exercise 10 Measuring the Benefits

