

Applying ISO 31000 in the Financial Services Sector

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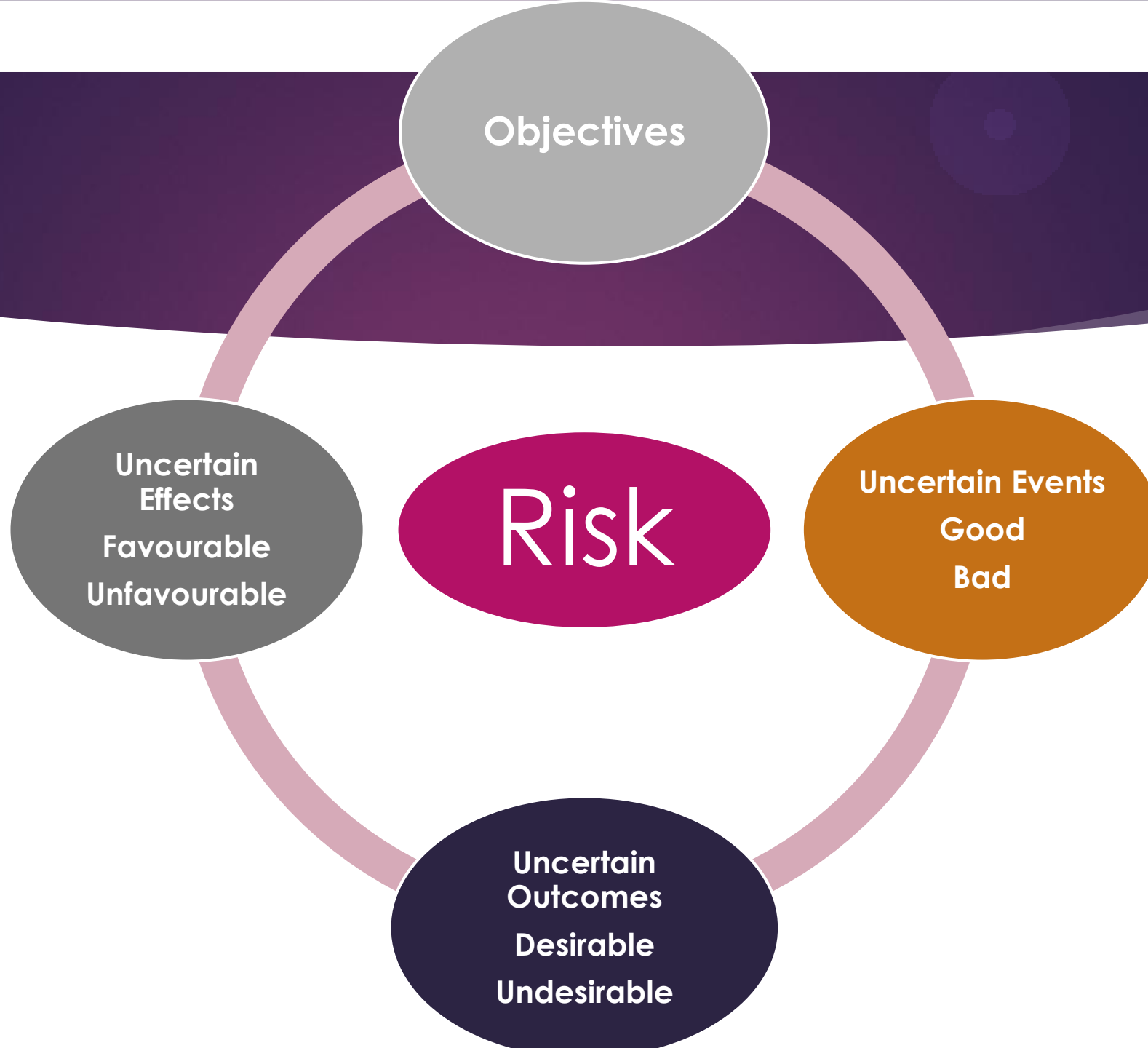
Overview

- ▶ Introduction
 - ▶ ORC Relationship
 - ▶ Risk Cycle
- ▶ ISO 31000:2009
 - ▶ Principles
 - ▶ Framework
 - ▶ Process
- ▶ Conclusion

Introduction

Introduction

▶ Objective, Risk and Control (ORC) Relationship



Risk Circle

ISO 31000:2009

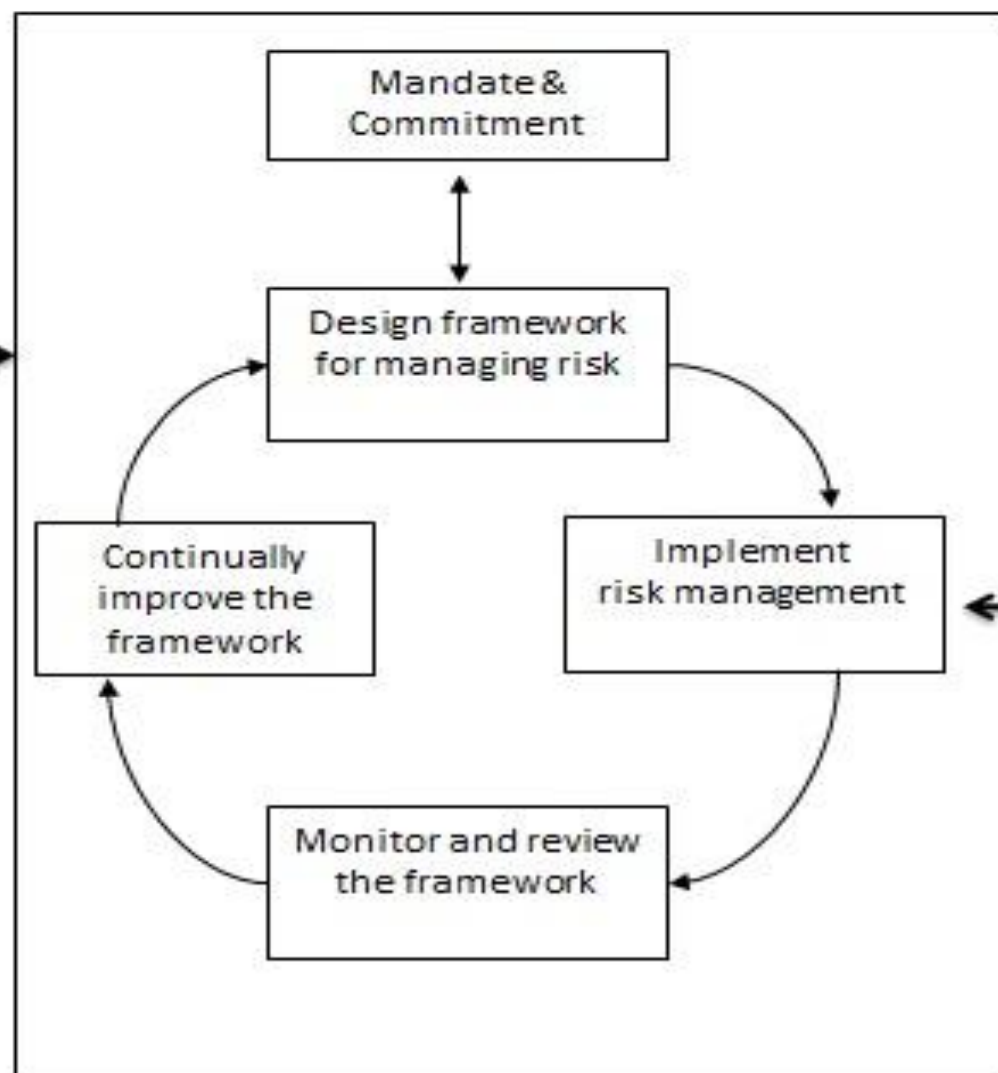
ISO 31000

- ▶ ISO 31000 provides a generic risk management approach that can be applied to all organizations to help achieve their objectives.
- ▶ Including those in the financial sector 😊

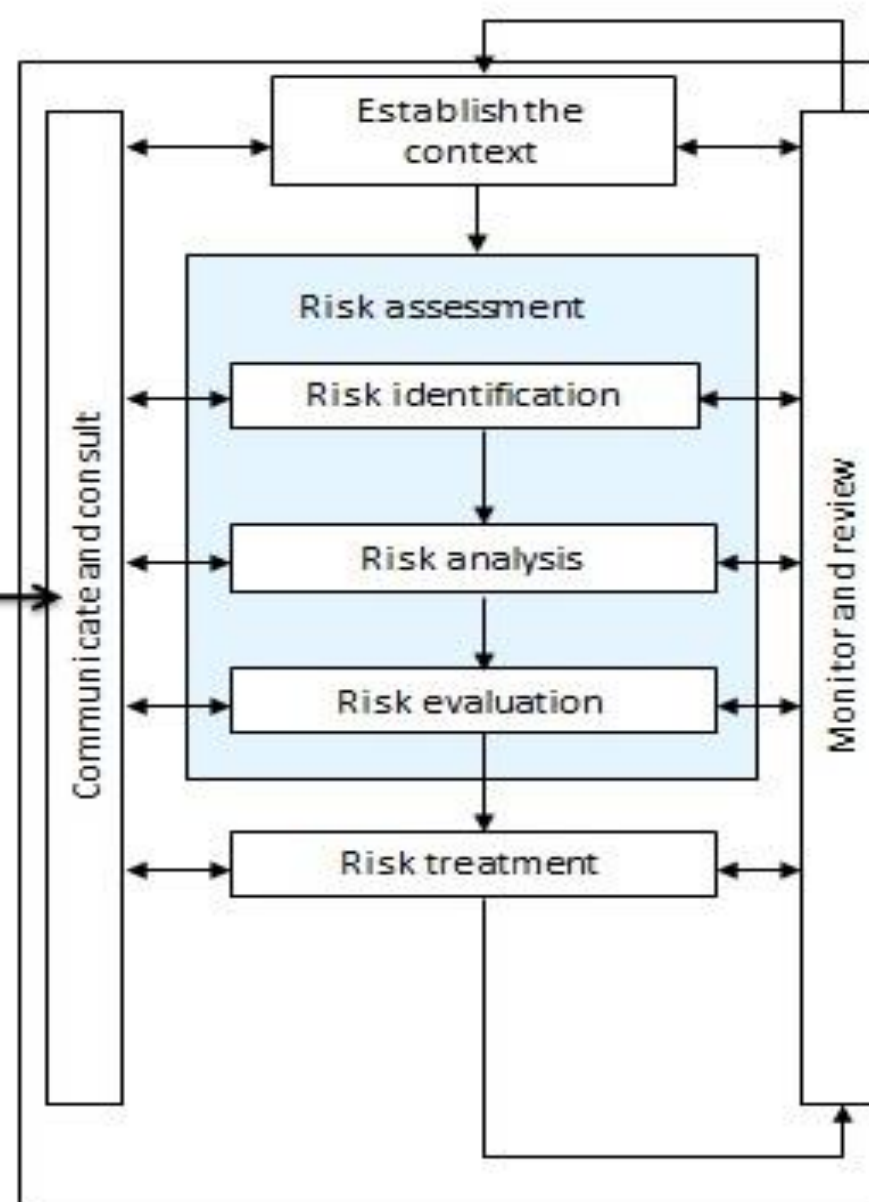
Principles

- Creates value
- Integral part of organizational processes
- Part of decision making
- Explicitly addresses uncertainty
- Systematic, structured & timely
- Based on best available info
- Tailored
- Takes human & cultural factors into account
- Transparent & inclusive
- Dynamic, iterative & responsive to change
- Facilitates continual improvement & enhancement of the org

Framework



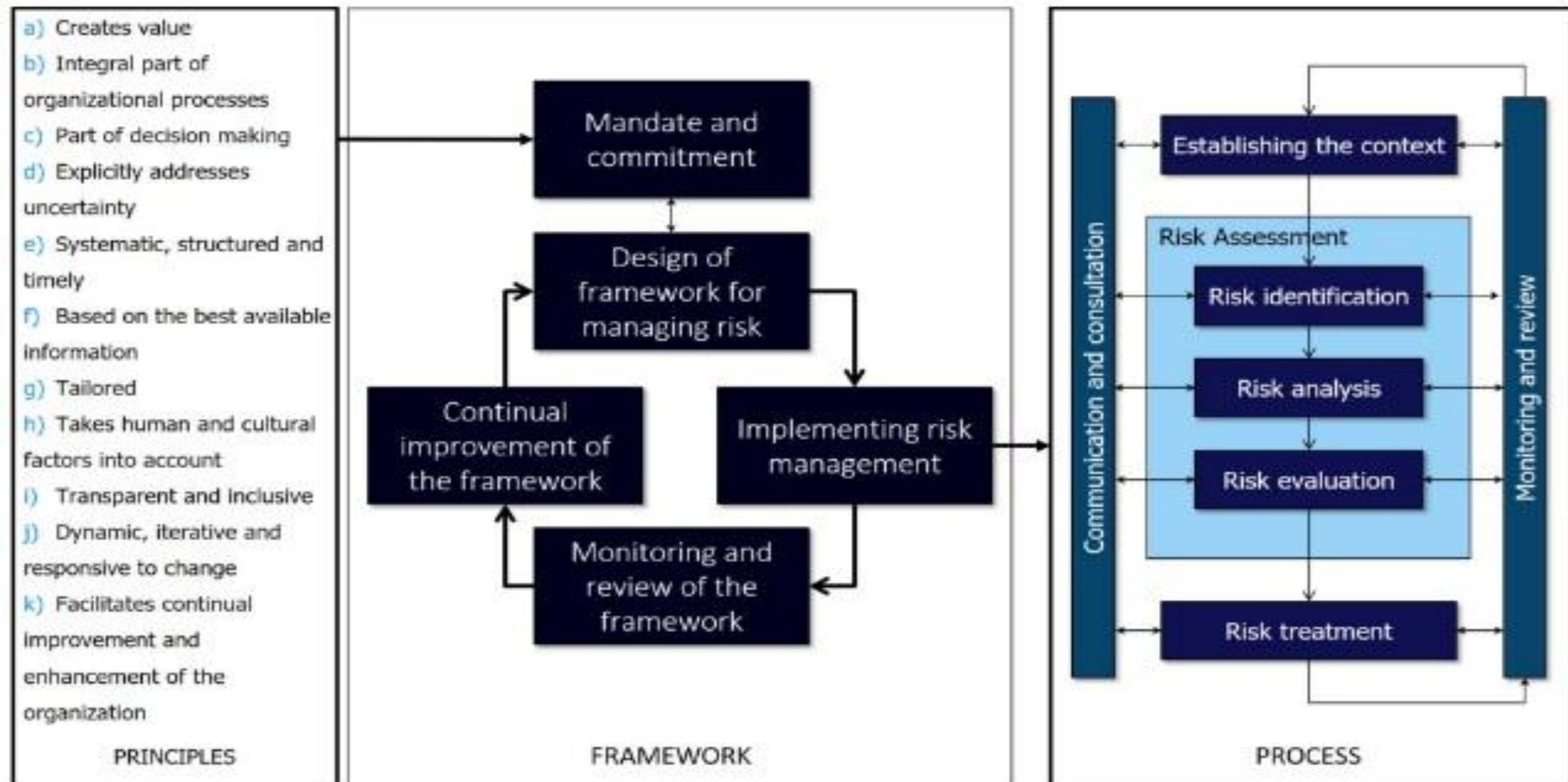
RM Process



The ISO 31000 family

- ▶ ISO 31000:2009 - Risk Management Principles
- ▶ ISO Guide 73:2009 - Risk Management Vocabulary
- ▶ ISO 31010: 2011 - Risk Management – Risk Assessment Techniques
- ▶ ISO 31004:2013 - Guidance for the Implementation of ISO 31000

The old picture



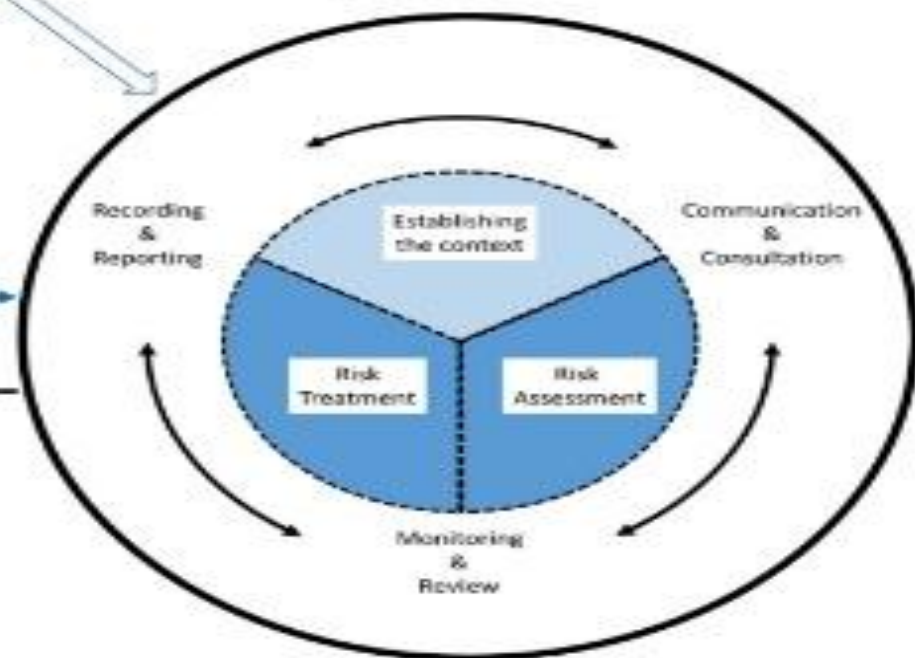
Principles



Framework



Process



Questions



Methodology

3.2 Overview of our approach and methodology

Our approach to this assignment carefully considers the objectives of Bidi Group and translates this into an action plan that ultimately delivers a basic enterprise risk management structure supported by the right risk management culture. We have divided the project into four phases to enable us tailor our methodology to the unique requirements of the project. These are as follows:

Phase 1	Planning and Scoping
Phase 2	Visioning Session
Phase 3	ORC Workshops
Phase 4	Consolidation and Reporting

3.3 Detailed Approach and Methodology

3.3.1 Introduction

We present our detailed approach and methodology in this section. All the various phases are broken down into detailed activities.

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3.3.2 Phase 1 - Planning and Scoping

This stage includes the following activities:

1	Finalisation of assignment brief with Bidi Group
2	Preparation of timetable in consultation with yourselves
3	Evaluation of Risk Management Policy and updating as per best practice
4	Advice on establishment of Risk Management Committee
5	Development of thought provokers and diagnostic questions – to encourage the participants to consider the critical risks prior to the workshops
6	Establishment of specific milestone dates
7	Agreement of contacts, specific format of workshops and attendees
8	Establishment of workshop dates
9	Determination of reporting mechanisms, risk categories, financial criteria for the risk matrix <u>etc</u>
10	Review of existing risk management documentation and systems (risk management audit)

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10	Review of existing risk management documentation and systems (risk management audit)

Outputs from this phase include:

1. Project Timetable with agreed milestones;
2. Risk Management Audit report;
3. Proposed Terms of Reference for Risk Management Committee; and
- ▲ 4. Proposed organizational risk management structure for Bidi Group



A new approach for articulating and managing
risk appetite in your organization

DEFINING YOUR TASTE FOR RISK

BY | ROB QUAIL

Few concepts of Enterprise Risk Management (ERM) have stimulated more discussion, debate, and confusion than “Risk Appetite.”

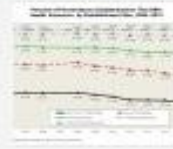
Financial Institutions of Canada (OSFI) has issued a guideline that says “senior management should be able to identify and clearly articulate the institution’s

and sources aren’t much help. ISO 31000 sidesteps the controversy altogether by making no reference whatsoever to risk appetite. And COSO’s ERM framework

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Governance

Risk Management, Internal Audit Should Kiss and Make Up

Collaboration of risk-management and internal-audit functions is helping organizations improve efficiency, decision-making, and results.

» Kristina Narvaez and John Bugalla, Contributors

October 22, 2012 | CFO.com | US

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Risk Management

Internal Audit's Approach to Risk Needs Upgrading

As internal audit takes on a greater role in evaluating business-relevant risks, audit chiefs say risk-assessment processes and other risk-related functions need enhancing.

» Caroline McDonald

August 3, 2012 | CFO.com | US

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Improving risk-assessment processes and enlarging internal audit's focus to encompass broader organizational risks that have business relevance are top priorities of chief audit executives, but a large majority think that to do that, their internal-audit functions need upgrading.

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