PRIMA 2020 WEBINAR

Going Beyond the Risk Assessment

Presented by

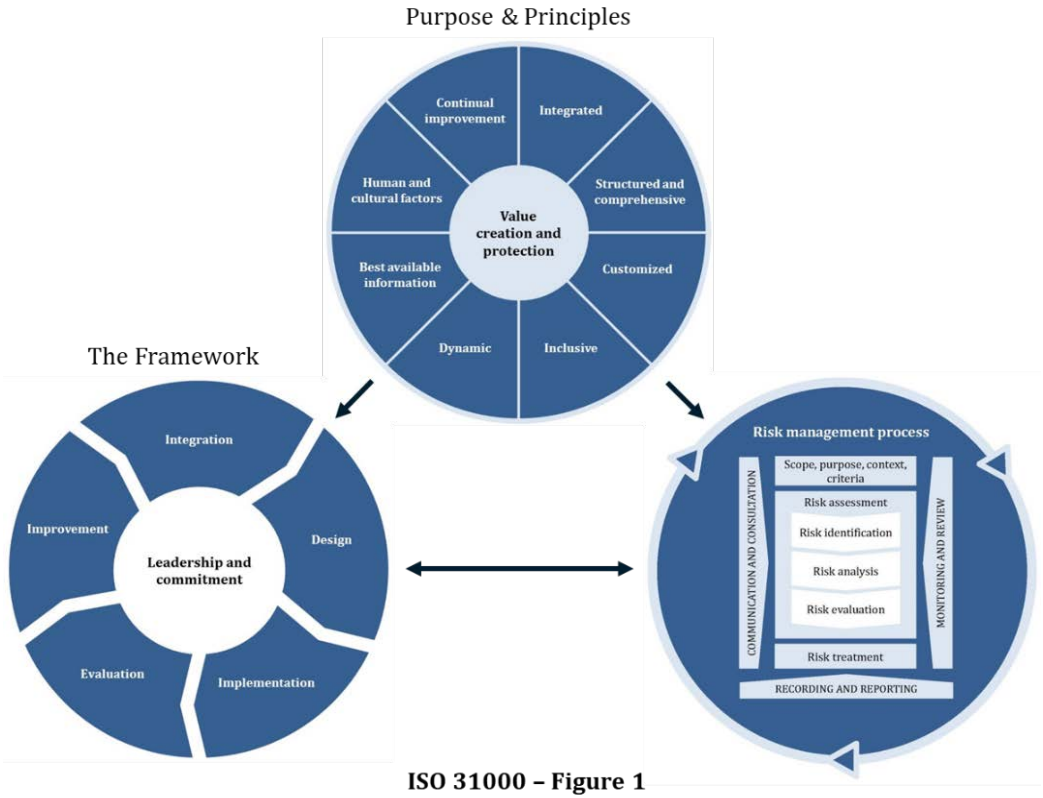
Lisanne Sison, Gallagher

July 22, 2020

Agenda

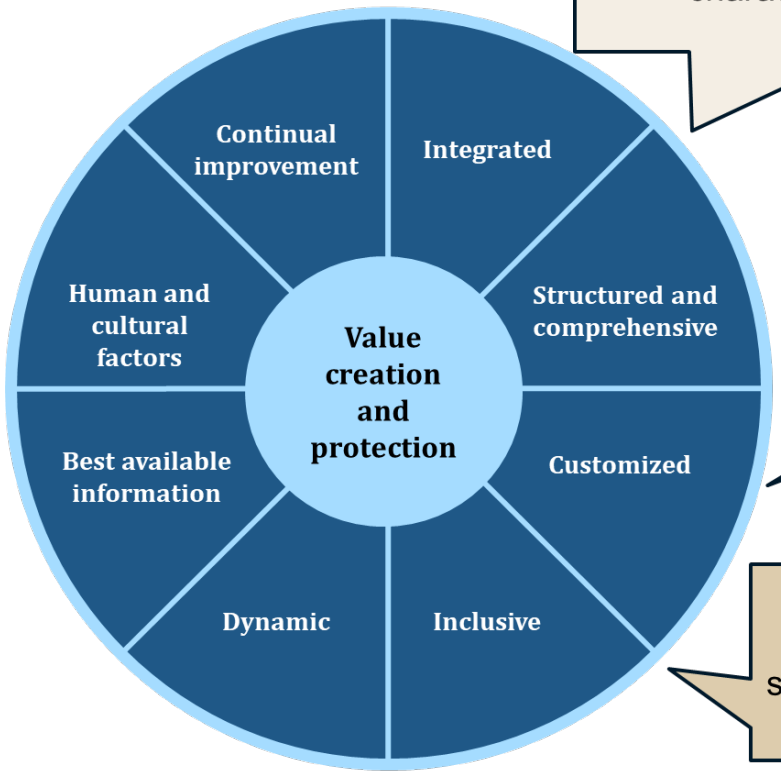
- Introduction to ISO 31000 Principles
- Overview of ISO 31000 Framework
- Tips on designing a sustainable model
- Examples of measuring performance over time
- Q&A

ISO 31000 ERM Standard



ISO 31000 – Figure 1

Purpose and Principles



The principles provide guidance on the rationale for managing risk and the characteristics of effective risk management

These influence the design and structure of your *framework* for managing risk and *how* you implement risk management processes

The principles can assist in continual improvement and serve as a "maturity model" for implementation

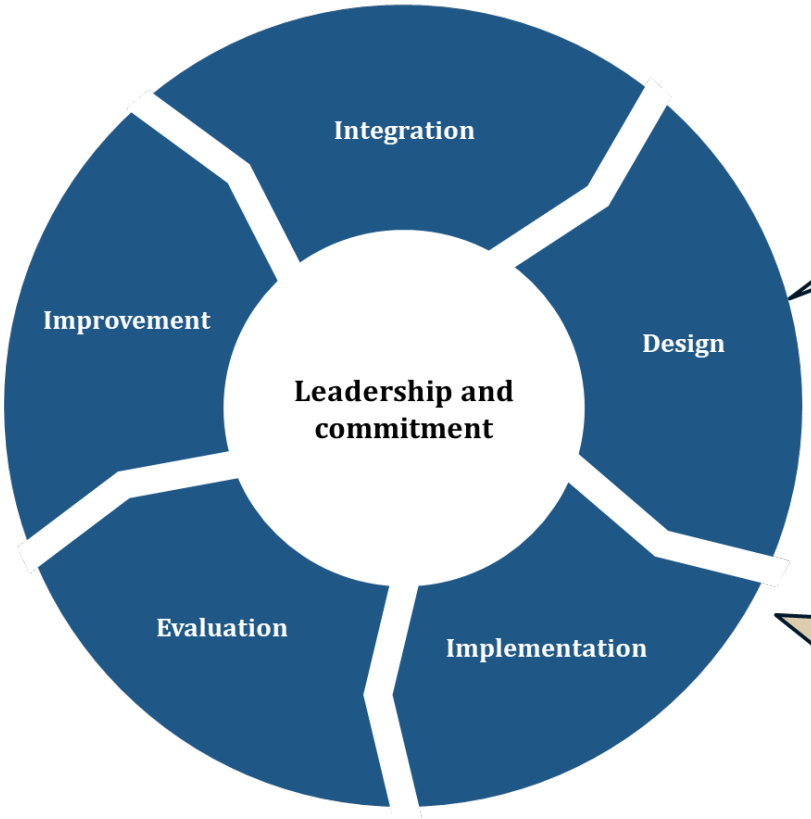
More on Principles

Integrated	Structured and Comprehensive	Customized	Inclusive
• Across all organizational activities • Imbedded with organization's daily management • Considers risk as part of decision-making	• Consistent / repeatable process • Defined roles and responsibilities • Defined communication channels and process • Clear procedures for risk identification, evaluation, and treatment	• Tailored to the organization's structure, environment, context and culture • Risk management framework and process are proportionate to the organization's context and objectives	• Timely engagement of stakeholders • Collaborative approach to consideration of risk as part of decision-making • Encourages consideration of diverse knowledge and perceptions

More on Principles

Dynamic	Best Available Information	Human and Cultural Factors	Continual Improvement
• Risks can emerge, change or disappear • Risks should be reviewed on an ongoing basis in relation to organizational objectives	• Timely, clear and relevant • Internal and external data sources • Historical data and future projections / expectations	• Value employee input • Enhances collaboration and innovation • Contributes to and drives organizational culture	• Continually monitor, review and improve risk management processes • Requires an openness to accept feedback and experience • Driven by leadership engagement

The Framework



Your risk management framework will *sustain* and *improve* risk management efforts

Leadership and commitment is at the heart of ERM planning, execution and continual improvement

Designing an Effective Framework

Design / Implement

Continuous Evaluation

Improve and Integrate

Process

Accountability

Leadership Support and Commitment

Building a Sustainable Model

Principles

Process

- Should align risk management with objectives, strategy and culture
- Guides expectations and activities with regard to risk
- Ensure that risks are adequately considered during objective setting

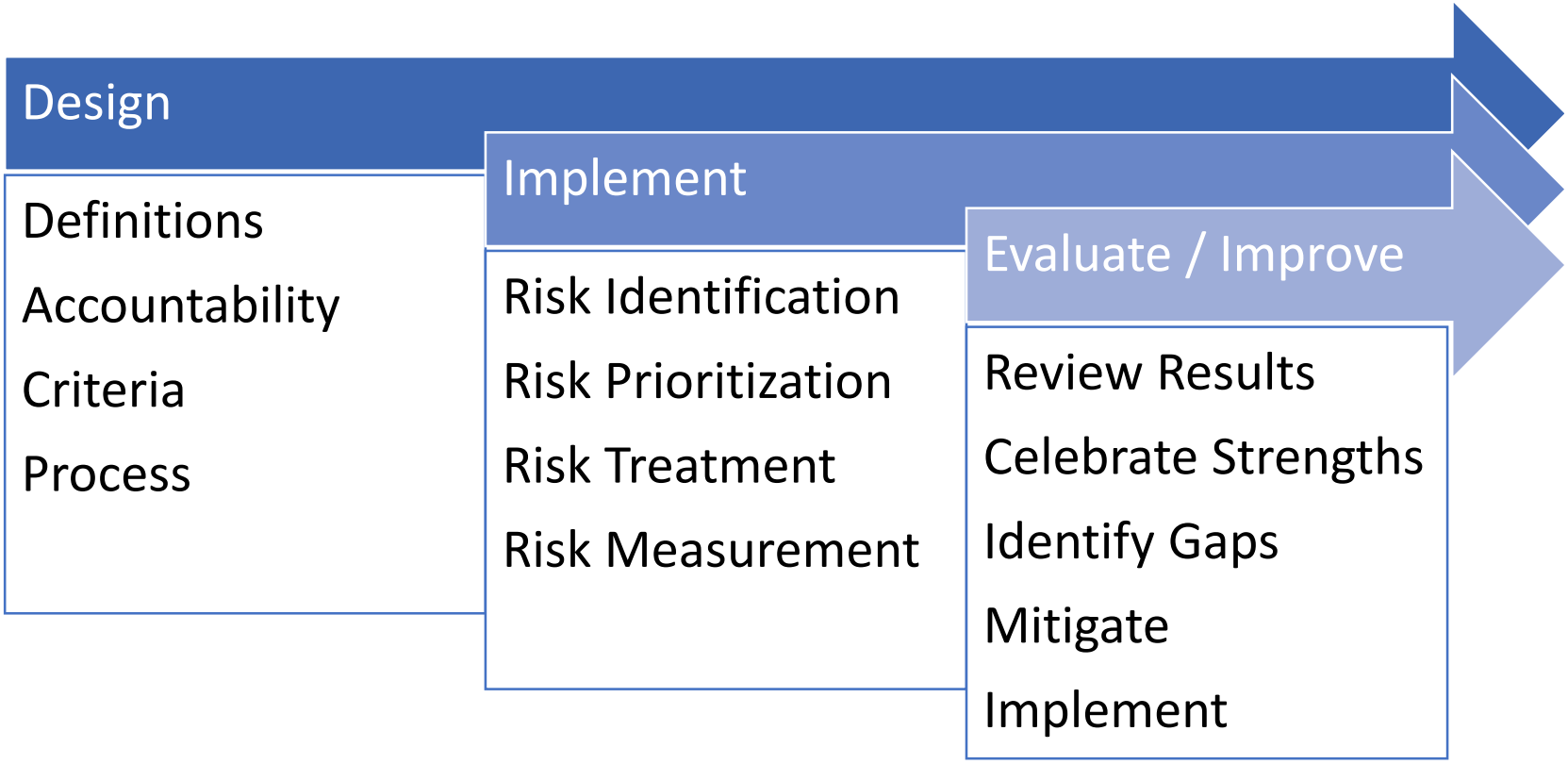
Accountability

- Assign roles and responsibilities
- Allocate resources
- Establish and maintain communication channels

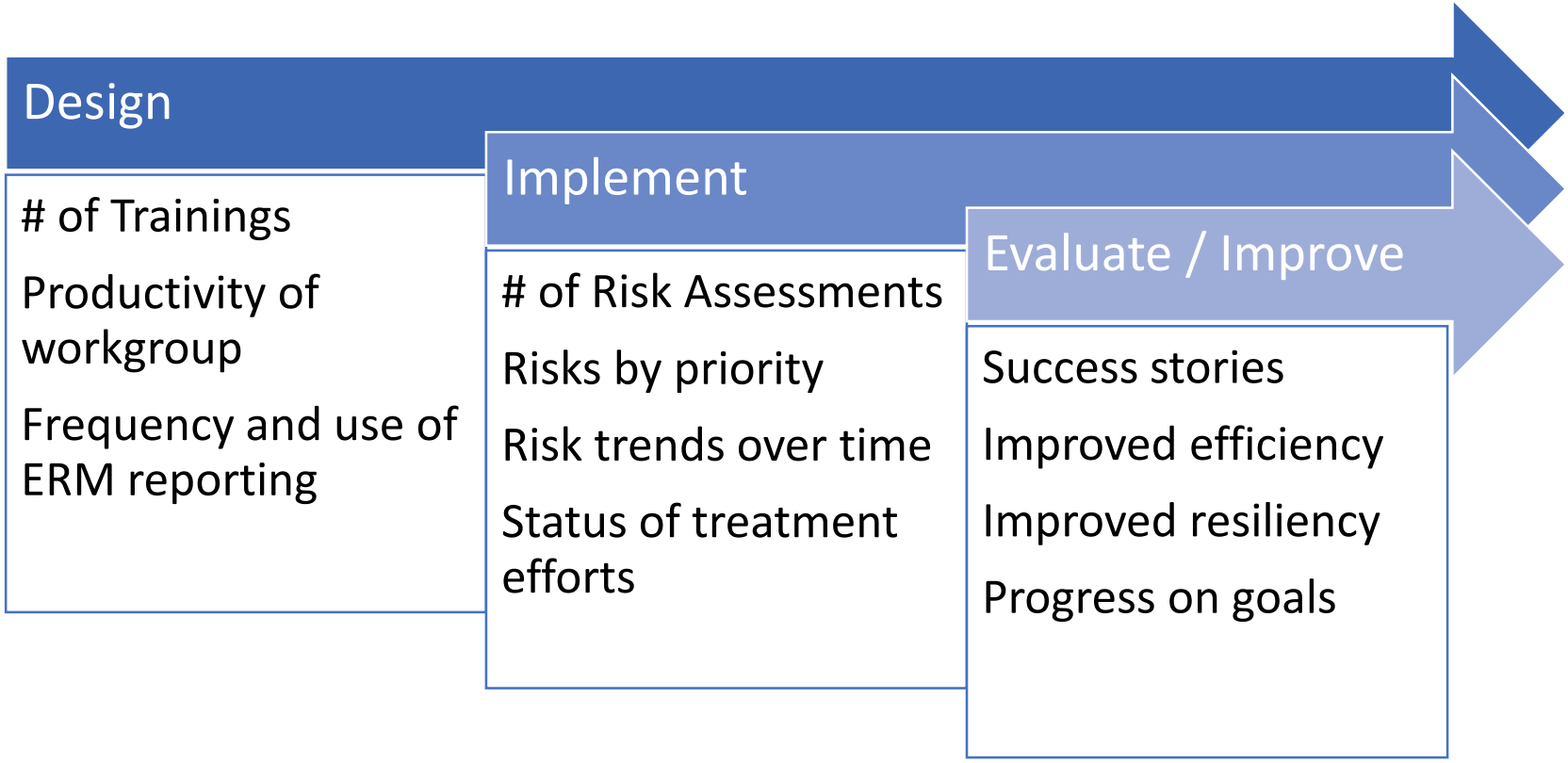
Improve and Integrate

- Promotes systematic monitoring of risks
- Adapt to dynamic risk environment
- Identify gaps and opportunities for improvement to ensure value

ERM in Practice



Measuring ERM in Practice



Takeaways

- ERM is more than the Risk Assessment
- The foundation of ERM is leadership commitment and support, but the *value* is generated by leveraging the risk management principles and process to support the successful achievement of the organization's strategy and objectives
- Framework must be continually improved to maintain relevance

Q&A



Thank you



Lisanne Sison
Managing Director, ERM Practice

Gallagher
Insurance | Risk Management | Consulting

Direct: 630.647.3154 | Mobile: 916.761.2252
Lisanne_Sison@ajg.com