



Manage Your Enterprise Risk Effectively using ISO 31000:2018

Overview



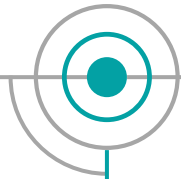
Mustapha B Mugisa, Mr. Strategy



Top 3 learning outcomes

Learn RM Principles, Practices and Framework

Outcome 1

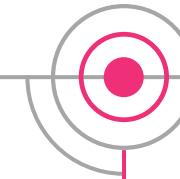


Understand the concept of Risk as “impact of uncertainty on objectives.”

Outcome 2



Outcome 3



Appreciate the value of ISO 31000 as the best benchmark for Managing Risk



ISO 31000 overview



- a) Based in Geneva Switzerland, established in 1947, ISO is an independent, non-governmental international organization with a membership of 165 national standards bodies.
- b) Worlds largest developer of voluntary International Standards, based on global and market relevancy



Why are standards important?



Why standards?



Communication

Facilitates business interaction and collaboration



Innovation

Speeds up introduction of new services and products



Compliance

Promotes compliance with applicable laws and regulations



Interoperability

Enables ease of integration and connections between entities and systems



Why ISO 31000:2018?

- **An international standard that provides principles and generic guidelines on risk management**
- **Generic approach:**
 - a) Not specific to any industry or sector
 - b) Can be applied to any type of risk (financial, technological, natural, project)
 - c) Can be applied to any type of organization
 - d) Can be applied to organizational activities such as decision making



The ISO 31000:2018 Scope

GUIDELINES

ISO 31000:2018
Risk management
guidelines

**ISO Guide
73:2009**
Risk management
vocabulary

VOCABULARY

IEC 31010:2019 Risk
assessment
techniques

TECHNIQUES

Risk
Management



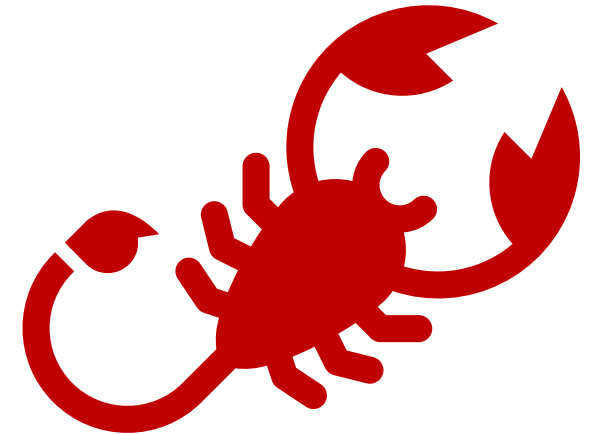
Objectives of ISO 31000:2018?

- a) Helps organizations develop a risk management strategy to effectively identify and mitigate risks
- b) Develop a risk management culture where employees and stakeholders are aware of the importance of monitoring and managing risk



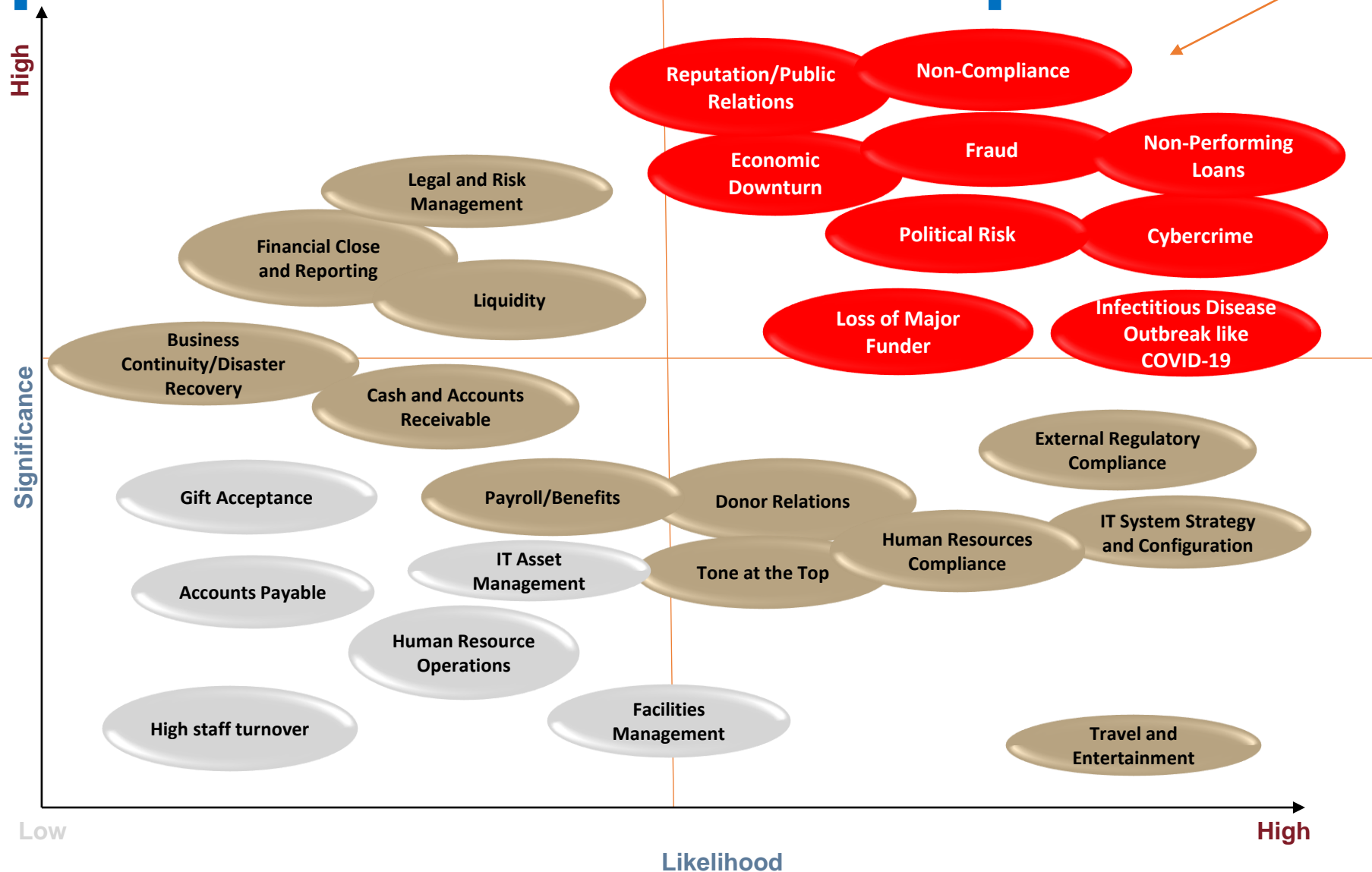
What is “risk”?

- a) Risk is present in everything we do
- b) Risk can be a threat or an opportunity
- c) Anything that could harm, prevent, delay or enhance your ability to achieve your objectives
- d) ISO 9001:2015, ISO 14001:2015, ISO 22301:2012 and ISO 45001:2018 are all risk-based standards



Examples of risks on a "risk map"

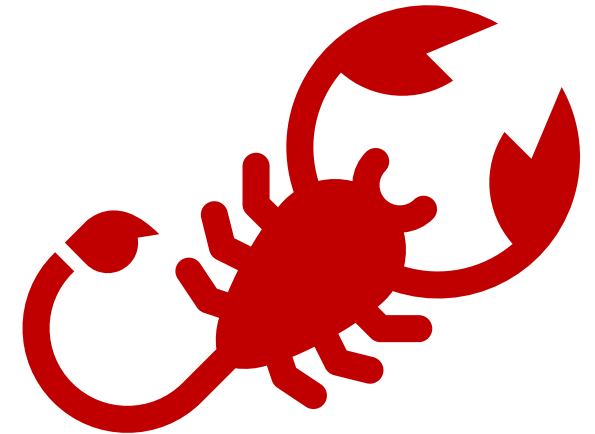
Top risks



What is “Risk”?

In ISO 31000:2018, risk is defined as:

**The effect of
uncertainty on your
objectives.**

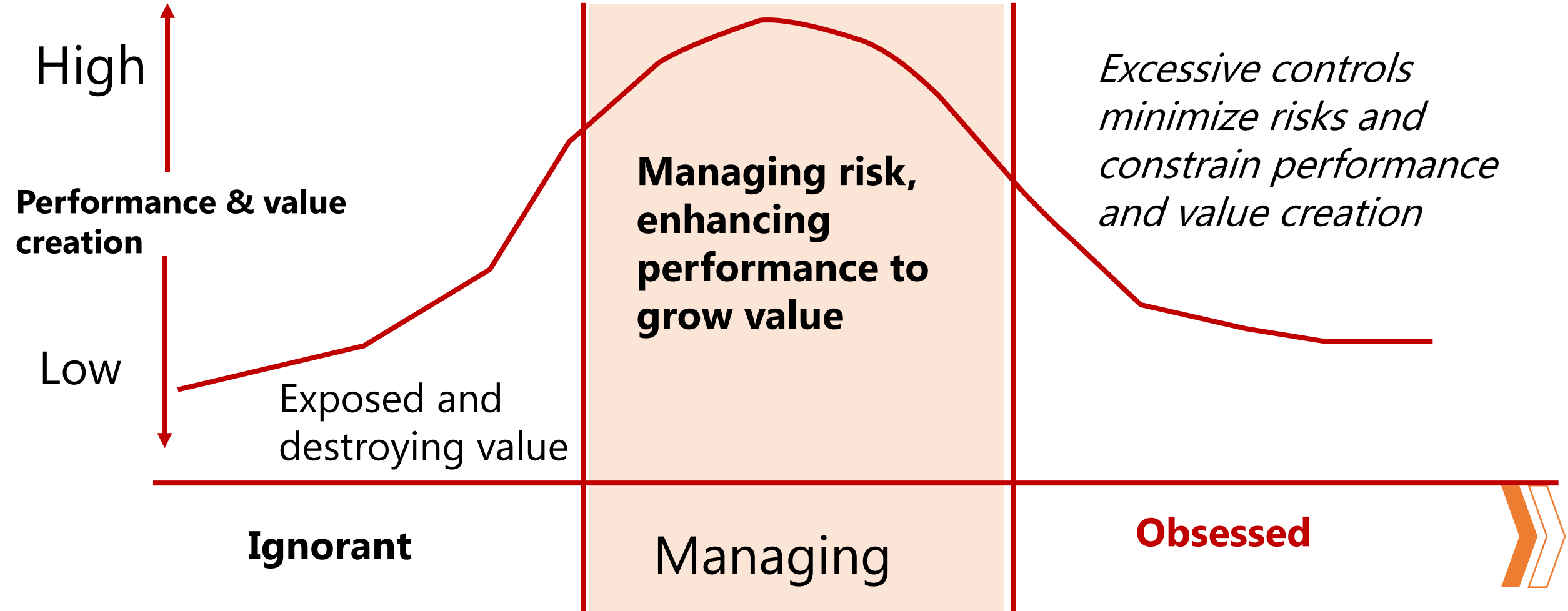


Why risk awareness?

- a) Risk is something that we all face every day
- b) As a company, risk taking is inevitable in pursuit of our objectives
- c) To raise awareness that ALL staff must manage risk as part of our daily working lives as well as personal growth



To win, you must control risks “prudently”



Benefits of ISO 31000 risk management

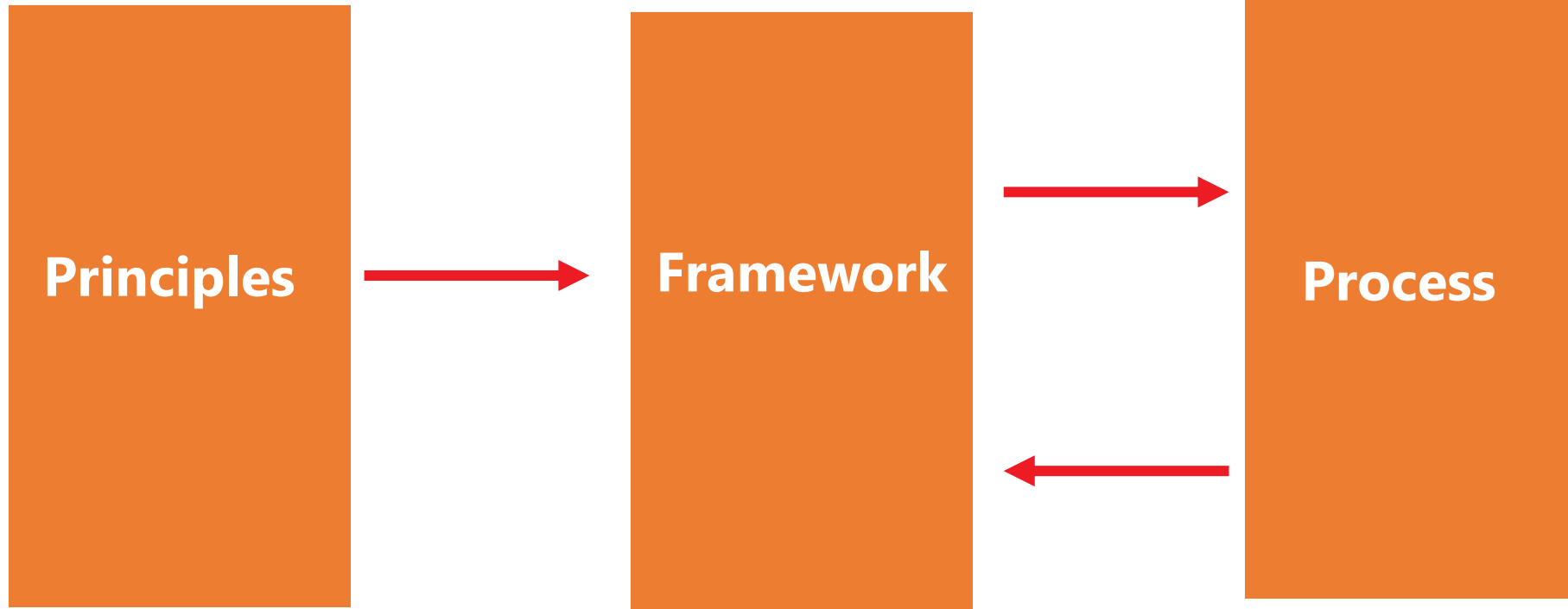
Increase	Increase the likelihood of achieving objectives
Encourage	Encourage proactive management & leadership
Identify and treat	Identify and treat risk before it materializes
Improve	Improve the identification of opportunities and threats to grow stakeholder value
Comply	Comply with relevant legal and regulatory requirements and internal norms
Improve	Improve financial reporting
Promote	Promote governance
Establish	Establish a reliable basis for decision making



The Three Pillars of ISO 31000:2018, overview

**The principles guide the
creation of the framework**

**The framework defines
the process**

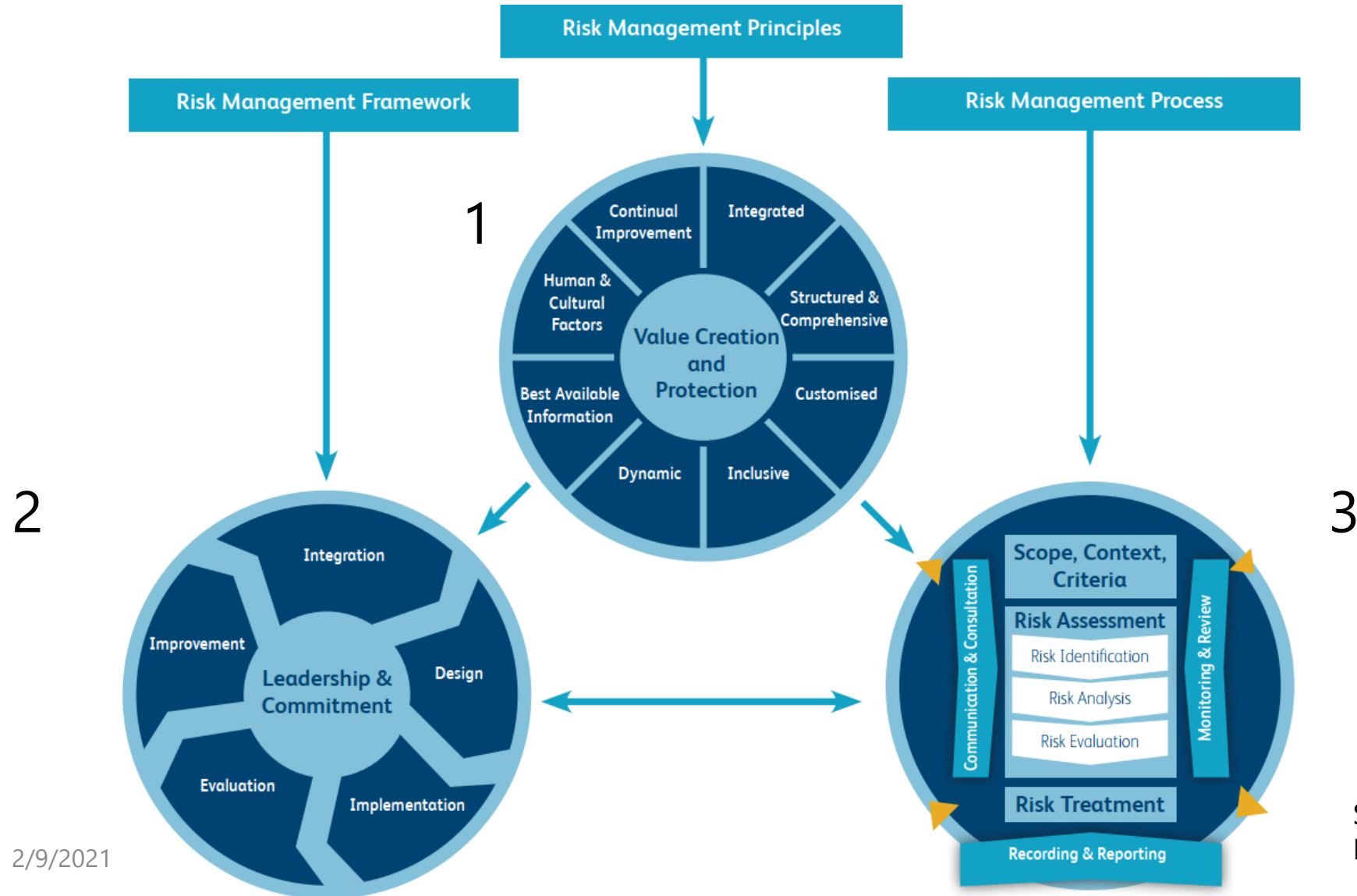


**The performance of the
process feeds back into the
framework**

Source: ISO 31000:2018 Risk
Management Process



Three Pillars of ISO 31000:2018

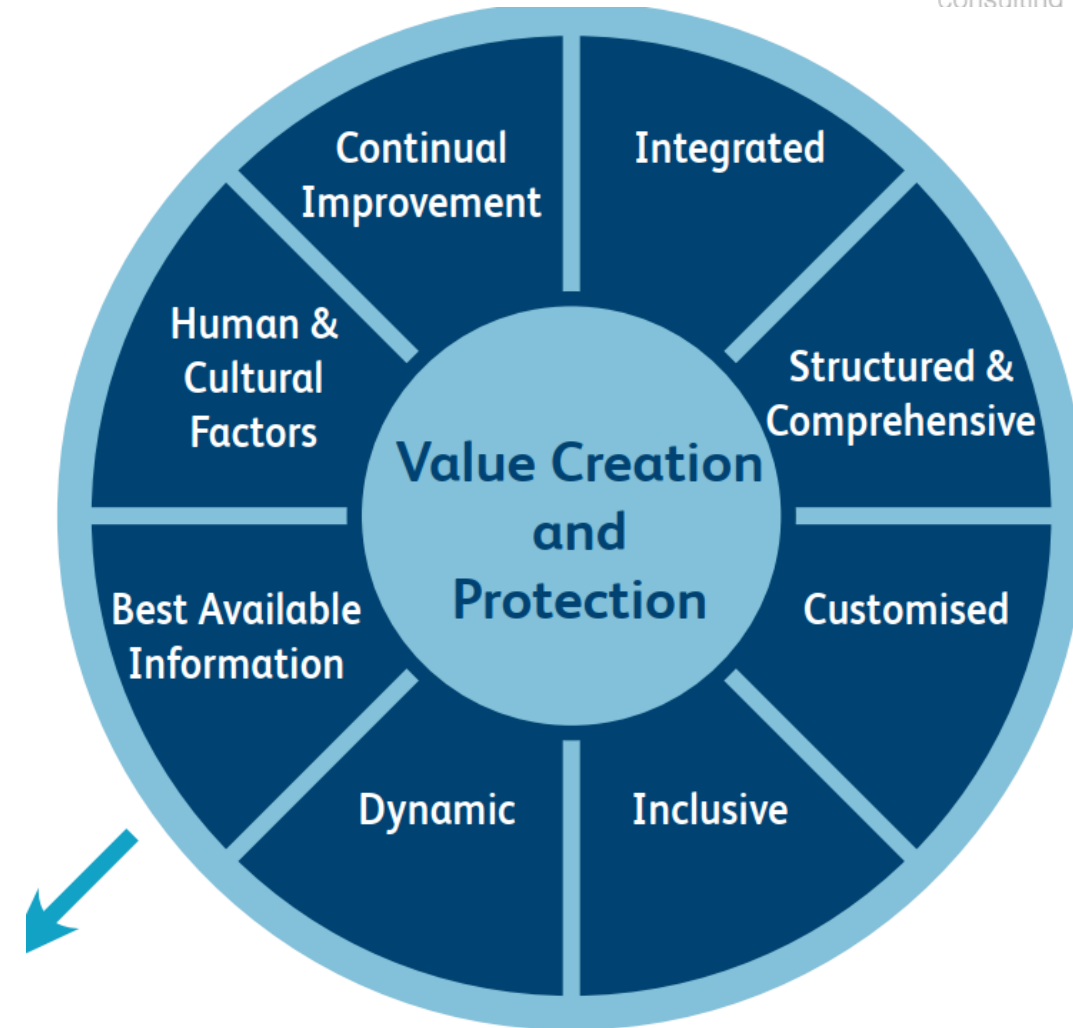


Source: ISO 31000:2018 Risk Management Process



1. Risk Management Framework

- a) Core concept of ISO 31000: The purpose of risk management is the creation and protection of value.
- b) Eight Principles (concepts) communicate the value of risk management, explain its intention and purpose and are the foundation for managing risk
- c) The principles are required for an effective risk management – they are the core concepts of risk management!



2. Risk Management Framework

- a) Leadership and Commitment (top management and – where applicable oversight bodies)
- Customizing and implementing the framework
 - Issuing a policy statement
 - Allocating the necessary resources
 - Assigning authority, responsibility and accountability Leadership and Commitment
 - Monitoring implementation



3. Risk Management Process

- Effective risk assessment and reporting
 - Understand context
 - Risk assessment
 - Risk treatment
 - Monitoring, communication
 - Recording and reporting



Your Risk Compliance Checklist

1. Do you have a risk management strategy (it does not have to be lengthy or complicated)?
2. Have you identified and captured your risks in a risk register?
3. How have you evaluated and prioritized your risks?
4. Have you engaged the appropriate stakeholders in the risk identification and evaluation processes?
5. What about risk owners? Does each risk have a risk owner?
6. Have the risk owners developed risk response plans for the highest risks?
7. Are you facilitating a review of your risks periodically, resulting in updates to the risk register and effective risk responses?
8. Are your risk reports adequate? How often do you report?
9. Is your risk assessment & reporting process automated?



Exercise

1. Draw aBi's Organisational Structure – and highlight with a circle where Risk Management Responsibility falls
2. Define your respective department's top 3 objectives

Let's take 30 minutes break. We resume at 10:46 am. Thanks

2/9/2021



Next Steps: **Transform!**

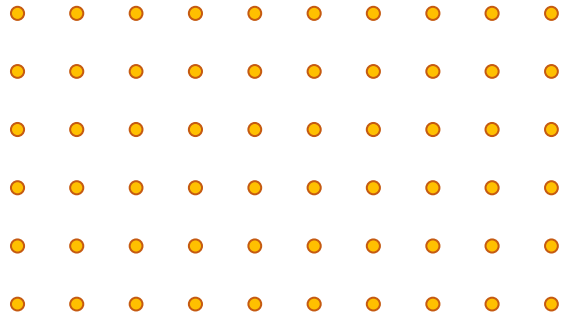


Focus where it matters most:



Automation of risk management processes





Thank You

summitFORENSICS
Know the Truth. Transform.

