M_o_R 2010 Summary

The MoR® framework is based on four core concepts

MoR® Principles: Principles are necessary for the growth & maintenance of good risk mgmt practice. They are informed by corporate governance principles & the international standard for risk management, IS0 31000:2009. They are high-level & universally approved statements that guide organizations as they design a suitable method for risk mgmt as part of their internal controls.
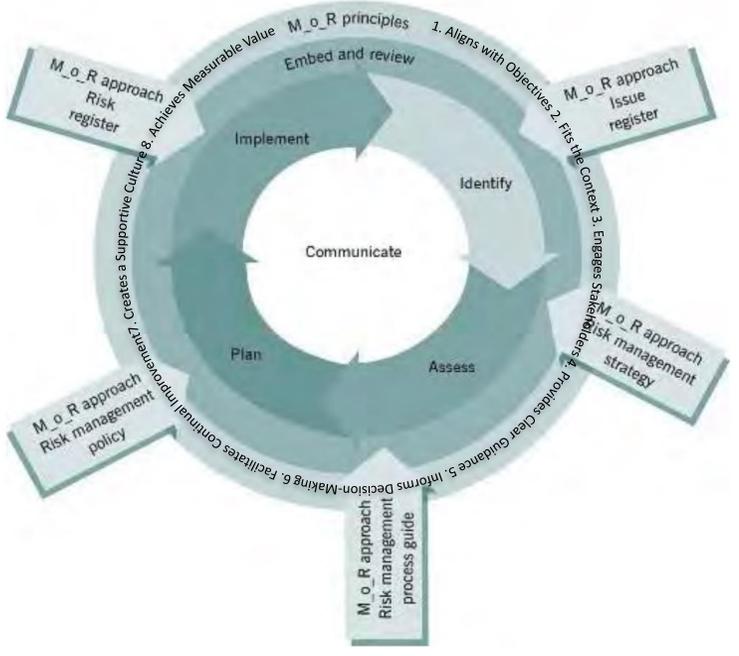
MoR® approach: Principles need to be adapted & adopted to suit each organization. An organization's approach to the principle needs to be agreed upon & defined within a risk mgmt policy, process guide, & strategies.

MoR® process: The process is divided into four main steps: identity, assess, plan, & implement. Each step describes the inputs, outputs, tasks, & techniques involved to ensure that the overall process is effective.

Embedding & reviewing MoR®: Having put in place an approach & process that satisfy the principles, an organization should ensure that they are consistently applied across the organization & that their application undergoes continual improvement for them to be effective.

MoR® process:

The process is divided into four main steps (+ 2 sub steps for Identify & Assess) & a standalone communicate step as the findings of each step may be communicated to mgmt at any time. Each step describes the inputs, outputs, tasks, and techniques involved to ensure that the overall process is effective.

Identify

    Context goal: to obtain information about the planned activity & how it fits into the wider organization.

    Risks goal: identify risks to the activity objectives with the aim of minimizing threats while maximising opportunities.

Assess

    Estimate goal: to prioritize individual risks so that it is clear which risks are most important & most urgent.

    Evaluate goal: to understand the risk exposure faced by the activity by looking at the net effect of the identified threats & opportunities on an activity when aggregated together.

Plan goal: to prepare specific mgmt responses to the threats & opportunities identified, ideally to remove or reduce the threats & to maximise the opportunities.

Implement goal: to ensure the planned risk mgmt actions are implemented & monitored as to their effectiveness & corrective action taken is taken where the responses do not match expectations.

MoR® Principles: Principles need to be adapted & adopted to suit each organization. They are necessary for the growth & maintenance of good risk mgmt practice. They are informed by corporate governance principles & the international standard for risk management, IS0 31000:2009. Principles are characterized as:

- Universal in that they apply to every organization
- Self-validating in that they have been proven in practice over many years
- Empowering because they give risk practitioners added confidence & ability to influence & shape risk mgmt across the organization

1. **Aligns with Objectives:** risk mgmt aligns continually with organizational objectives.
2. **Fits the Context: risk mgmt** is designed to fit the current context.
3. **Engages Stakeholders: risk mgmt** engages stakeholders & deals with differing perceptions of risk.
4. **Provides Clear Guidance:** risk mgmt provides clear & coherent guidance to stakeholders.
5. **Informs Decision-Making:** risk mgmt is linked to & informs decision-making across the organization.
6. **Facilitates Continual Improvement: risk mgmt** uses historical data & facilitates learning & continual improvement.
7. **Creates a Supportive Culture:** risk mgmt creates a culture that recognizes uncertainty & supports considered risk-taking.
8. **Achieves Measurable Value:** risk mgmt enables the achievement of measurable organizational value.

MoR® approach: An organization's approach to the principle needs to be agreed, defined within set of risk mgmt policy, process guide, & strategies documentation

Risk mgmt policy purpose: to communicate why & how risk mgmt will be implemented throughout an organization (or part of thereof) to support the realization of its objectives.

Risk mgmt strategies purpose : to describe the specific risk mgmt activities that will undertaken for a particular organizational activity. It would be typical for multiple strategies to be prepared — one for each distinct organizational activity,

Risk Register purpose : to capture & maintain information on all of the identified threats & opportunities relating to a specific organizational activity. Each organization will need to decide on its risk register's precise content, collecting information that is sufficient to enable suitable responses to risks to be planned & controlled.

Issue Register purpose: to capture & maintain information in a consistent, structured manner on all of the identified issues that are happening now & require action. Although issue resolution is not part of the risk mgmt process, the issue register is the link between these two processes.

Risk Improvement Plan purpose: to assist with embedding risk mgmt into the culture of the organization & to document planned improvements. As such it provides a record of the current 'health' &/or maturity of risk mgmt within an organization, the targets/timeframes that have been set

Risk Communication Plan purpose: describes how the information will be disseminated to & received from all relevant stakeholders of a particular organizational activity. Risk communications may be part of a wide communications plan for the activity in question, or a specific risk communications plan may be created.

Risk Response Plan purpose: is linked to the risk response field of the risk register. Its purpose is to detail specific plans for responding to a single or linked set of risks. Such a document is useful where a particular risk event or group of related risk events warrants a significant & resource-intensive response(s).

Risk Progress Report purpose: to provide regular progress information to management on risk mgmt within a particular organizational activity. A risk progress report will comment on the progress of planned actions & the effectiveness of these. It will also report trend analysis & report performance against measures established to demonstrate the value of risk mgmt activities
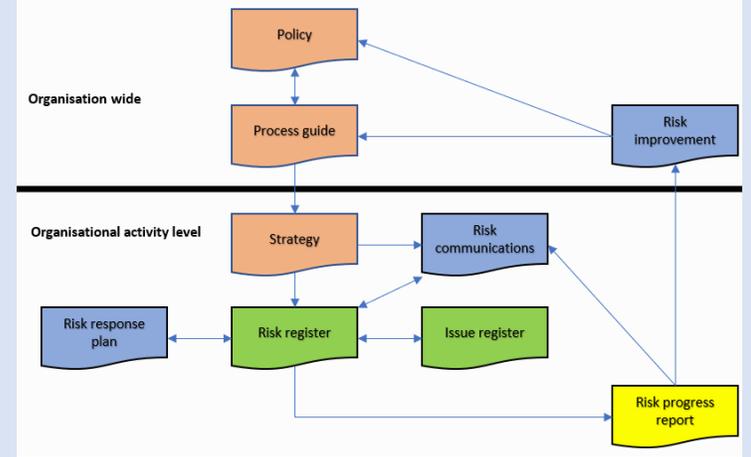
Embedding & reviewing MoR®:
Having put in place an approach and process that satisfy the principles, an organisation should ensure that they are consistently applied across the organisation and that their application undergoes continual improvement for them to be effective.

Changing the culture for risk mgmt: The risk mgmt documentsnts need to be understood, valued, implement & improved across the organization. Senior Mgmt need to engage at an operational leve**l**

Measuring the value: a number of indicators can be used
- Questionnaires to collect information
- Benchmarks against a baseline
- Benefits of risk mgmt
- Integration of risk mgmt within the organization
- Freedom, detail & speed risks are identified

Overcoming the common barriers to successs:
- Immature risk mgmt practices.
- Lack of risk facilitation resources & time.
- Lack of policies, processes, strategies, & plans.
- Lack of senior mgmt sponsorship.
- Lack of training, knowledge & formal risk tools & techniques
- Lack of clear guidance for managers & staff
- Lack of incentives for the participants in risk mgmt.

Identifying & establishing opportunities for change: Organizations should identify opportunities to emphasize their support & commitment to risk mgmt , deliver key messages & check that risk mgmt is taking place appropriately.

Perspectives
The way in which the principles, approach & process are applied will vary according to the nature of the context within which they are being carried out. Within any organization, the various contexts will lie somewhere on the continuum between:
- Maintaining the status quo through day to day mgmt of the organization's product or service delivery, &
- Establishing the future direction for the organization & moving the organization in that direction by means of change mgmt

Strategic: Concerned with ensuring overall business success, vitality & viability

Programme: Concerned with transforming business strategy into new ways of working that deliver measurable benefits to the organization.

Project: Concerned with delivering defined outputs to an appropriate level of quality withing an agreed scope, time & cost constraints.

Operational: Concerned with maintaining appropriate levels of business services to existing & new customers

M_o_R Senior Team Purpose:
- Writes, owns, &assures adherence to the risk mgmt policy
- Defines the overall risk appetite & reviews the risk mgmt strategy
- Approves funding for risk mgmt
- Monitors the risk profile
- Assures clarity of role & responsibility of other stakeholders
- Assists with assessing the risk context
- Monitors & acts on escalated risks
- Establishes governance

Senior Team Purpose:
- The senior manager appointed to represent the senior team
- Ensures that appropriate governance internal controls risk mgmt strategy are in place & implemented & adequate resources are available to implement the risk mgmt strategy
- Defines & monitors risk tolerances & assesses the balance within the set of risks
- Owns & manages escalated risks as appropriate
- Agrees on the information that will be reported to more senior stakeholders
- Assists the team in embedding the necessary risk mgmt practices
- Contributes to identification of key risk areas & assures that risk registers are in place for each

Manager Purpose:
- Ensures that risk registers, a risk review process & an escalation process exists
- Owns individual risks (including those delegated by the senior manager) escalates or delegates risks to higher or lower levels in the organization as required
- Ensures participation in the delivery of risk mgmt
- Explicitly identifies risk mgmt duties within the terms of engagement of other managers involved in achieving specific objectives
- Agrees with risk specialists on the timing, number, & content of the risk mgmt Interventions , the timing & content of risk progress reports, the involvement of the risk manager, audit committee, & risk committee as appropriate
- Establishes how risk mgmt will be integrated with change control & performance mgmt

Assurance Purpose:
- Assures the senior team that risk accountabilities exist & compliance with guidance on internal control
- Reviews progress & plans in developing & applying the risk mgmt policy & reviews the results of the assessments of mgmt of risk
- Makes formal assessments & reports of mgmt of risk implementation
- Ensures risk information is available to inform decision making

Team Purpose:
- Participates in the identification, assessment, planning, & mgmt of risks & possibilities
- Understands the risk mgmt policy &how it affects them
- Implements the risk mgmt policy within their areas of responsibility
- Escalates risks as necessary as defined by the risk mgmt policy

Risk Specialist Purpose.
- Ensures the risk mgmt policy is implemented
- Identifies lessons learned &disseminated learning
- Undertakes risk mgmt training &holds seminars to embed risk mgmt
- Prepares risk mgmt strategies & stakeholder analysis & meeting/workshop aids & risk mgmt reports
- Develops a risk breakdown structure or similar
- Participates in option analysis
- Carries out risk mgmt interventions
- Facilitates risk meetings/workshops
- Identifies risks
- Undertakes qualitative &quantitative assessment of risks
- Carries out ongoing mgmt of risk maturity assessments
- Develops plans to improve the mgmt of risk, mgmt of risk guidance & training