#### **Risk Maturity Continuum**

Weak	Sustainable	Mature	Integrated	Advanced
<ul> <li>A formal risk management framework is not in place.</li> <li>Processes and frameworks are siloed, undocumented, inconsistent,</li> <li>Risk Management activities not aligned with business strategy.</li> <li>Risk management capabilities are dependent on individuals.</li> <li>Risk is not consistently considered as business decisions are made.</li> </ul>	<ul> <li>The business does the minimum to meet the expectations of internal and external stakeholders.</li> <li>Selected risk management activities are defined; some of which are aligned with business strategy.</li> <li>Risk management capabilities vary across the "three lines of defense".</li> <li>Limited and inconsistent use of supporting technology.</li> <li>Limited focus on emerging risks and/or scenario analysis.</li> </ul>	<ul> <li>The board and executives are increasingly confident that risk is being effectively managed based on emerging risk identification efforts, external benchmarking, and the use of risk appetite, tolerances and limits.</li> <li>Risk Management activities are aligned with business strategy.</li> <li>"Corporate" risk management functions demonstrate a level of consistency, but remote operations or business entities are not integrated.</li> <li>Use of technology is not integrated.</li> </ul>	<ul> <li>Risk management capabilities and activities are integrated and coordinated across corporate and remote operations and business entities.</li> <li>Risk management objectives and value proposition are consistently aligned with business strategy.</li> <li>Common tools and processes are used with enterprise-wide risk monitoring, measurement and reporting.</li> <li>Proactive change management exists among the three lines of defense.</li> </ul>	<ul> <li>Risk management activities are fully embedded in strategic planning, capital allocation, and in daily decision making.</li> <li>An early warning system is in place to notify the board and management of risks above established thresholds.</li> <li>Risk management serves as a source of competitive advantage.</li> <li>Incentive compensation formally considers risk management.</li> </ul>





# Arimm RISK MANAGEMENT CONFERENCE & C-SUITE FORUM 2024: SUCCESS STORIES IN RISK MANAGEMENT



### Journey of Establishment of ERM in Organization

YEAR 1 YEAR 2

#### **Design & Develop**

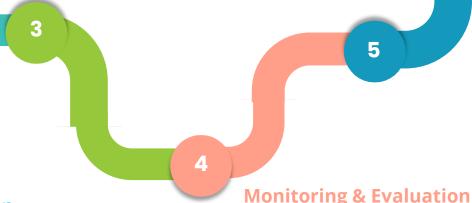
- Design and develop ERM framework, policy, reporting structure, roles and responsibility and process in managing ERM in organization.
- Perform risk assessment, identify current control exist in managing the risk and develop risk action plan & resources needed to manage the risk identified.

**Expected Outcome:** Refine and establishment of ERM Framework & Policy, Procedures, Risk Parameter, Risk Appetite, Risk Tolerance, Risk Register and Risk Profile for Entity & Group

#### **Implementation**

- Implement the ERM structure, process and procedures that been designed and develop.
- Implementing strategic & cost-effective action plans that identified within the agreeable timeframe and resources provided.
- Implementing ERM awareness and training across organization

**Expected Outcome:** Implementation ERM Framework & Policy, ERM process & activities, and Risk Action Plan



## Maintain & continuous improvements

- Maintaining and strike continuous ERM improvement that give value added to organization.
- Cultivate ERM as part of organization values and culture
- Become ERM leading in the industry

**Expected Outcome:** Robust and sustainable ERM framework, policy, process and culture throughout Entity & Group

#### **Understand current situation**

- Analysis current state of ERM in the organization and engage with relevant stakeholder to gauge organisation needs, challenges face and future expectation.
- Identify scope of work, milestone and resources needed (e.g. manpower & financial) for ERM establishment.

**Expected Outcome:** Gap analysis report and ERM Masterplan

- Monitoring & evaluation of Entity and Group Risk Profile, Risk Register and Risk Action Plans
- Evaluating effectiveness of ERM awareness
   & training

**Expected Outcome:** Monitoring & evaluation of Entity and Group Risk Profile and Risk Action Plan and continuous ERM education.















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