Supporting the modern board agenda

Risk needs to be recognised as a board level issue. We have identified six of the most important gamechangers for boards today. These are the hottest issues in enterprise risk, going right to the heart of your strategic agenda. The framework provides a highly effective lens through which to assess the impact of these issues on your organisation. It also gives you a platform from which to adopt a more strategic and rigorous approach to risk which, in turn, helps boards and audit committees feel more confident in how they measure, control and exploit risk.

We have developed responses to each of these gamechangers that offer fresh, provocative and value-creating perspectives. They are designed to help you respond effectively and make brave, confident decisions that build resilience and support growth.

Fundamentally interconnected, boards that actively monitor, manage and exploit all six of these business hot spots are firmly in the driving seat.

Thinking differently to future-proof your business

The real power of the framework lies not in its individual component parts, but in the combined effect that results from considering types of risk your business might be exposed to, your approach to those risks and how effectively you are able to respond to them.

Using the framework will help you think differently about your risks. Thinking differently means taking a broader, deeper, more rigorous approach, one that will result in greater confidence and agility, both in the way you respond to the threats associated with risk and exploit its opportunities.

This, in turn, will bring commercial advantage and with it, the ability to plan ahead with certainty, knowing that you have taken essential steps to future-proof your business.

A framework for risk, control and assurance

Future-proofing your business

A framework for thinking differently about your risks

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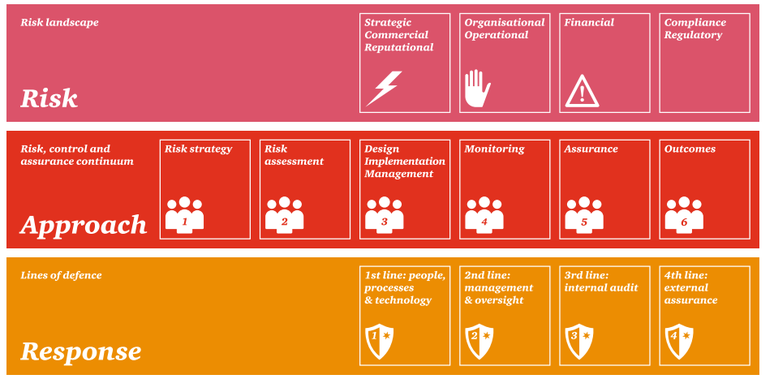
The world of risk is changing

Challenging economic times, volatile world events and fast-changing technology are leaving organisations more vulnerable than ever. It's much harder to predict where new risks will come from. Businesses are adapting and so have we, supporting you in future-proofing your business to become risk resilient and risk ready.

Many organisations have elements of governance, risk and compliance (GRC) processes in place to manage risk. However, often it is not as robust as it needs to be or, it is more focused on yesterday's risks rather than being forward looking. We're taking a broader perspective based on the view that boards need to start taking a holistic approach to risk, moving from being reactive and compliance-driven to being proactive, seeing it as a strategic driver of performance.

Introducing our framework for risk, control and assurance



Working with our clients, we have developed a framework to help you explore where risk lies in your business and identify the potential threats and opportunities it holds.

A strategic driver of performance

The framework is flexible, and dynamic – designed to encourage a broader perspective and future-facing approach to risk and resilience. It is a catalyst – helping you think holistically about your key strategic risks and adopt a different mindset that explores the opportunities presented by risk, as much as the threats.

Used effectively, it can help you assess known areas of vulnerability and advantage, as well as uncover risks and opportunities that perhaps you didn't know existed, enabling you to develop quick, effective and confident responses.

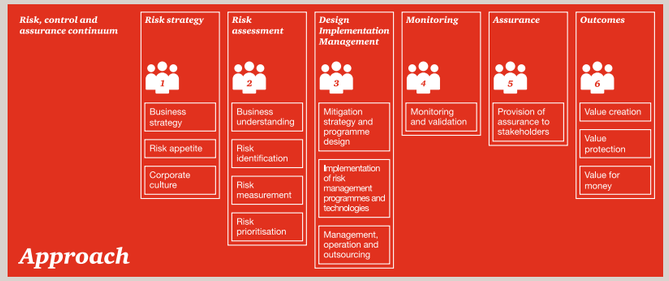
The framework is supported by world-class tools and methodologies that enable us to provide insightful, robust and leading edge support in all the areas it covers.

Types of risk

This element of the framework can help you to determine where risk is sitting in your organisation and, therefore, where you are potentially vulnerable. We have identified four types of risk which make up the 'risk landscape', the population of risks which could affect – positively or negatively – the ability of your organisation to achieve its business strategy and protect or create value. These categories help in the identification of unknown or hard to predict risks.

Approach

Businesses need to clearly understand the alignment between what they are trying to achieve through their business strategy and which risks to take, avoid and manage. This part of the framework captures the elements that should be present in an organisation's model for managing risk – the risk, control and assurance continuum. It can form the basis of a 'diagnostic' evaluation that enables you to identify where you may be stronger or weaker.



Response

The lines of defence are what your business has in place to protect itself. They form a critical part of your organisation's overall response to risk. Crucially, we have identified four lines of defence. These are aspects of a business that span people, systems and controls; the board, risk management and compliance functions; internal audit and finally, external assurance.

As you move across the four lines they become increasingly independent of the business. This element of the framework can help you to consider a specific aspect of the business, for example, the effectiveness of your internal audit function, or, it can be used as the basis for a more general exploration of how effective the lines of defence are in protecting your organisation against risk.