

INTEGRATING RISK MANAGEMENT AND THE BALANCED SCORECARD

- INTRODUCTION TO RISK-BASED PERFORMANCE MANAGEMENT

WORKSHOP OVERVIEW

To effectively manage and monitor the relationship between risk appetite and risk exposure, thus driving strategic execution, organisations need to move beyond traditional, siloed performance and risk management approaches and instead take an integrated and aligned approach. They must understand how to integrate their risk management framework and processes with their Balanced Scorecard framework.

By attending this two-day interactive workshop, attendees will gain insights and the knowledge of how to integrate Risk Management and Balanced Scorecard using the Risk-Based Performance Management methodology. This methodology, which builds on the Balanced Scorecard and COSO frameworks, provides a proven approach to managing and monitoring strategic objectives, their risk appetite and risk exposure.

ABOUT RISK-BASED PERFORMANCE MANAGEMENT

Risk-Based Performance Management a strategic execution methodology which enables organisations to integrate and align strategy and risk management. It enables organisations to manage and monitor their strategic objectives, their risk appetite and risk exposure.

Workshop Objectives

- To gain a conceptual understanding of the Risk-Based Performance Management methodology, including understand the tools on which it developed, the Balanced Scorecard and COSO Risk Framework.
- To understand the relationship between strategic objectives, risk appetite and risk exposure, and tools for managing this relationship.
- To understand the role of strategic objectives and key risks, how to define, integrate and align these.
- To understand the three different types of key indicators, KPIs, KRIs and KCIs, how to define and apply these.

WHO SHOULD ATTEND?

This workshop is recommended for executives, managers, planners and analysts who are seeking the best practical ideas in improving strategic execution, and in particular, in integrating and aligning corporate performance and risk management processes.

WORKSHOP SCHEDULE

DAY 1

Session 1: Integrating strategic execution and risk management processes – Background.

Description: In this session we will review the background of the Risk-Based Performance Management, we will look at how existing frameworks, such as the Balanced Scorecard, Strategy Map, COSO and ISO31000 have evolved and influenced the design of the Risk-Based Performance Management methodology.

- Understand the need for an integrated strategy and risk management framework
- Understand existing strategy and risk frameworks and how they have evolved
- Understand how to leverage existing frameworks to develop the Risk-Based Performance Management methodology

Session 2: Understanding the Seven Disciplines of Risk-Based Performance Management

Description: In this session we will review in-depth the Seven Disciplines which underpin the Risk-Based Performance Management methodology. These include;

- Strategy Management
- Performance Management
- Risk Management
- Appetite Alignment
- Governance
- Communication
- Culture

Exercise 1: Understanding your Strategy and Risk Management Maturity

Description: During this exercise participants will reflect on the maturity of their strategy and risk management approach and processes based on the Seven Disciplines of Risk-Based Performance Management. Participants will be able to work individually or within small groups and will be invited to share the results of their maturity assessment.

Session 3: Understanding the Seven key tools of Risk-Based Performance Management

Description: In this session we will review in-depth the key tools within the Risk-Based Performance Management methodology. These include;

- Strategy Map
- Four Perspective Risk Map
- Appetite Alignment Matrix
- Control Map
- Strategy Scorecard
- Risk Scorecard
- Control Scorecard

DAY 2

Session 1: Introduction to the Strategy Map, Balanced Scorecard and COSO Risk Management framework

Description: In this session we will introduce key performance management tools, the Strategy Map and the Balanced Scorecard. We will also introduce the COSO Risk Management framework.

- Introduce and understand leading performance management tools, Strategy Map and Balanced Scorecard
- Understand how to align operational processes and change to deliver strategic objectives and drive strategic execution
- Introduce the COSO Risk Management framework and understand the risk management process

Session 2: Introduction to the Strategy Map, Balanced Scorecard and COSO Risk Management framework continued.

Description: In this session we will introduce key performance management tools, the Strategy Map and the Balanced Scorecard. We will also introduce the COSO Risk Management framework.

- Introduce and understand leading performance management tools, Strategy Map and Balanced Scorecard
- Understand how to align operational processes and change to deliver strategic objectives and drive strategic execution
- Introduce the COSO Risk Management framework and understand the risk management process

Exercise 1: Starting the definition of your integrated strategy and risk management framework

Description: During this exercise participants will begin the process of developing an integrated strategy and risk management framework using the Risk-Based Performance Management approach.

- Define your organisational Objectives in a Strategy Map
- Define your Key Risks
- Translating the strategy into operational processes and initiatives

Session 3: Understanding assessments and indicators

Description: In this session we will introduce risk assessment, control self-assessment and indicators. We will review the role these elements have to play in enable better decision-making.

- Introducing risk assessment processes
- Introducing control self-assessment
- Introducing the three types of indicators within the Risk-Based Performance Management methodology, KPIs, KRIs and KCIs
- Understanding the relationship between assessments, operational losses and indicators