

OBJECTIVE CENTRIC RISK & UNCERTAINTY MANAGEMENT (“OCRUM”) IMPERATIVES

OCRUM Imperatives

Traditional Approach

Objective Centric Self-Assessment

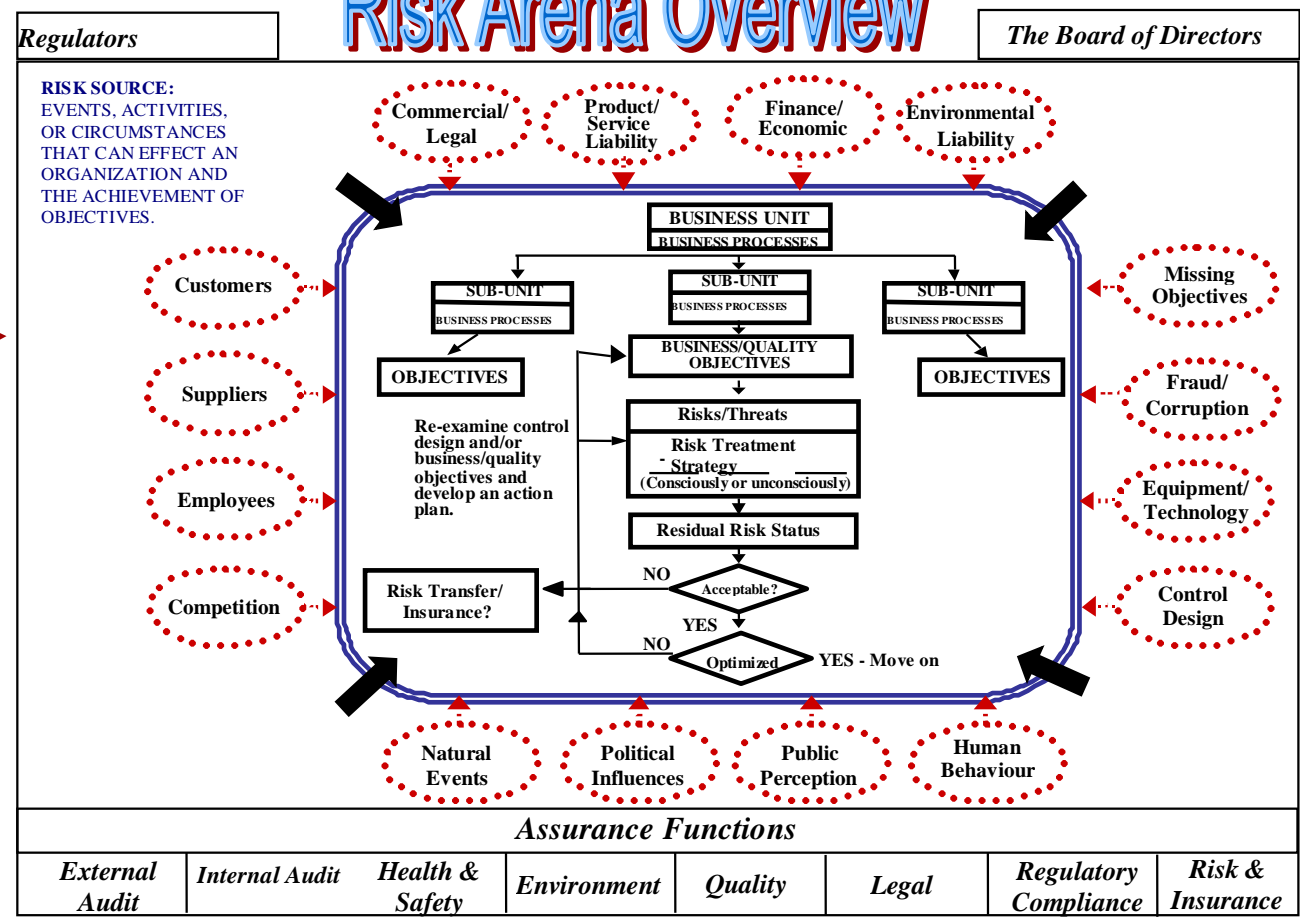
Audit/Risk



Examines, documents and verifies controls and/or risk status

Product: Audit/Risk report/opinion on internal control “effectiveness” and/or risk status
(Direct report audit)

Risk Arena Overview



Management/Work Units



Analysis of risks, risk treatments and risk status/uncertainty linked to top objectives

Product: Audit assurance related to management’s report on risk status/uncertainty
(Attestation auditing)



1. Increase confidence top strategic/value creation and value preservation objectives will be achieved with an acceptable level of risk/uncertainty. (“objective centric”)
2. Reduce cost of risk treatments to lowest level possible that results in acceptable level of uncertainty/risk.
3. Increase amount of reliable information on significant risks/uncertainty being accepted linked to MISSION CRITICAL OBJECTIVES.
4. Improve ability of Board and C-Suite to oversee risk/uncertainty management processes.
5. Integrate efforts of second line functions and reduce assurance burden on work units/management.
6. Increase capability and motivation of the “FIRST LINE” to design, assess, improve, and report on state of risk/uncertainty linked to top objectives. (“strong first line”)
7. Reduce amount of inspection required. Build quality in, not on, to risk/uncertainty management systems.
8. Increase clarity on objectives C-Suite and board want formal assurance on, and target level of assurance. (“demand driven”)
9. Dramatically increase value added by internal audit and risk/uncertainty specialists.
10. Increase the value added as a result of risk transfer/financing activities.