OBJECTIVE CENTRIC RISK & UNCERTAINTY MANAGEMENT ("OCRUM") IMPERATIVES

Traditional Approach Objective Centric Self-Assessment The Board of Directors Regulators Management/ Audit/Risk RISK SOURCE: **Work Units** Product/ Finance/ EVENTS, ACTIVITIES Commercial/ Environmental OR CIRCUMSTANCES Legal Liability THAT CAN EFFECT AN ORGANIZATION AND THE ACHIEVEMENT OF BUSINESS UNIT BUSINESS PROCESSES Missing Objectives BUSINESS PROCESSE BUSINESS/QUALIT OBJECTIVES OBJECTIVES OBJECTIVES Fraud/ Suppliers Corruption Risks/Threats Re-examine con design and/or business/quality Risk Treatment Strategy Analysis of risks, objectives and develop an action Equipment/ Examines, **Employees** Technology risk treatments and Residual Risk Status documents risk status/ and verifies Risk Transfer/ Control Competition uncertainty linked to Design YES controls top objectives and/or risk status Human Natural **Political Public** Behaviour Influences **Events** Perception **Assurance Functions** Health & Regulatory Risk & External Internal Audit **Ouality** Environment Legal Compliance Insurance Audit Safety **Product: Audit** Product: Audit/Risk report/opinion assurance related to **Assurance** on internal control "effectiveness" management's report and/or risk status on risk **Approach** status/uncertainty (Direct report audit) (Attestation auditing)

OCRUM Imperatives

- 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.

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