

Assessment Activity 1:

PART A

1. Significance of Reviewing existing Risk management Processes, Procedures and requirements:

Reviewing existing Risk management Processes, Procedures and requirements provide us clear idea where organization stands in terms of Risk management. We could understand activities performed in previous risk assessments such as the details about earlier risk assessments schedules, evidences obtained, Standards adopted, conclusions reached, significant controls recommended by auditors and responses of Management towards each control.

Comprehending existing Risk management Processes, Procedures and requirements will aid us to scheduling and performing current risk assessment engagement. It gives us clarity on organizations acceptable risks, residual risks, and inherent risks. Existing documents also help us to plan follow up actions based on recommendation provided by the previous risk management Auditors.

Reviewing processes , procedures and requirement give us clear picture about futuristic goals of organization so Risk management will be planned so as to considering business objectives of the organization. Hence once the approval of the Management is obtained for Risk management then next step must be reviewing existing Risk management processes, procedures and requirements.

2. Significance of identifying scope of Risk Management:

Risk Scope is identified to have common understanding among stakeholders of Risk management process. Risk scope document defines what work will be performed and what work should be excluded from Risk management process. Managing the Risk scope, in turn, can determine how well the risk management team can plan, manage, and control the execution of the risk management process. Risk Scope Document identifies criticality of systems/process

which is of major concern to the organization can affect business risk on those processes are not focused as part of risk management process.

3. Documentation needed to be reviewed during Establishing Risk context step

- Organization's Policies and procedures.
- Business Processes and organization structure.
- Business stakeholder's information.
- Regulations, legislation and standards that Business should comply with.
- Scope Document
- Requirements and goals of the Business.
- Obtaining Acceptance level of risk through preceded Risk Audit reports.

4. Need of Support for Risk management activities within the organization

We need to have good engagement with Management and employees in order to plan and implement risk management processes. Better communication with stake holders leads to successful Risk management process.

In order to assess any system, cooperation of employees are required to obtain clear understanding of processes, identify risks and obtain any evidences of vulnerability seen in the system /process of organization. Without support within the organization it is impossible to carry out risk management activities. Involvement of stakeholder are enhanced through

5.

PART B

XYZ CORP CASE STUDY

1. Recommendations to Senior Management:

- Stringent local authority regulations made XYZ corp to expel out of victoria.
- Less knowledge about the competitors and market adverse the business at Victoria.
- Risks related to local government regulatory standards of Victoria should have been assessed and have to be addressed to mitigate them.
- An internal Auditing has to be performed to make organization ready to compliant with Victoria legal standards.
- Competitor Analysis and consumer behavior should have been done before launch of store in Victoria.

2. Controls that would have implemented to understand the risks.

- Proper understanding of local rules and regulations of both the markers Victoria and Queensland.
- Compliance Auditing to verify the XYZ store adhere to those local regulations.
- Competitor Analysis of both markets.
- Organization wide risk assessment process.
- Obtain KPI's of Business and steps to enhance them by understanding competitors' weakness.
- Risk related to interdependency of stores

AssessmentActivity2:

PART A:

1. Significance of Stakeholder involvement in Identifying Risk:

1. The objective of risk identification is the early and continuous identification of events that, if they occur, will have negative impacts on the organization's ability to achieve performance or capability outcome goals. They may come from within the organization or from external sources. So to understand each and every aspect of organization process stakeholder involvement is necessary. Authentic information about organization's systems / processes is gathered only through the stakeholders in form of direct questions, surveys or interviews. Stakeholder risk acceptance and tolerance level are obtained by good communication with stakeholder of the organization. No matter how much you plan or how invested you are in a Risk management project, poor stakeholder management can easily cause failure. It is a key component of executing and completing a successful Risk management.

2. Five Research Methods for determining operating risks:

2. Scenario Analysis
3. Standardized approach (SA),
4. Internal measurement approach (IMA), and
5. Loss distribution approach (LDA).
6. Basic indicator approach (BIA),

3. Advantages of Scenario based Risk analysis:

- Scenarios open up the mind to hitherto unimaginable possibilities and challenge long-held internal beliefs of an organization

- The use of scenarios can change the corporate culture, compelling its managers to rethink radically the hypotheses on which they have grounded their strategy.
- Scenarios Analysis are an appropriate way to recognize ‘weaknesses’, technological discontinuities or disruptive events and include them into long-range planning; as a consequence, the organization is better prepared to handle new situations as they arise and to promote proactive leadership initiatives.
- One function of scenarios beyond the planning aspect is improving communication: scenarios can lead to the creation of a common language for dealing with strategic issues by opening a strategic conversation within an organization.
- The large number of different scenario techniques points out that the ways of building a scenario are very flexible and can be adjusted to the specific task/ situation.

PART B

EMQ CASE STUDY:

1. Personnel need to be invited for Risk Identification and research process:

- Employees of Western Brisbane distribution centre
- Employees of chemical plants
- Employees of Bushland

2. Research Method could be applied:

- Basic indicator approach (BIA),
- Standardized approach (SA),

- Internal measurement approach (IMA), and
- Loss distribution approach (LDA).

3. Methods that ensure all risks will be identified:

- Basic indicator approach (BIA),
- Standardized approach (SA),