Risk Assessment Management on an Organizational Level

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What to talk about

1. RCN – Organisation
2. RCN – Key figures
4. RCN – Implementing risk assessment management
   • Step 1 – 8 including role of internal audit
The Research Council of Norway - Organisation (1)

- Director General
- Staff
- International unit

Division for Science
Division for Strategic Priorities
Division for Innovation
Division for Administrative Affairs
The Research Council of Norway, Organisation (2)

Executive Board

- Director General
- Staff
- International and EU
- Media and Public Relations

Research Board

- Division for Science
- Division for Strategic Priorities
- Division for Innovation
- Division for Administrative Affairs

Internal auditing
Budget development (1993-2006)
Key figures (2)

Mill. NOK

1993-NOK

The Research Council of Norway
The Enterprise Risk Management Framework
(The Coso ERM framework)

1. The Enterprise Risk Management framework has eight interrelated components

2. Entity objectives can be viewed in the context of four categories
   - Strategic
   - Operations
   - Reporting
   - Compliance

3. ERM considers activities at all levels of the organization
NORVEGIAN GUIDE (GOVERNMENT AND MINISTRIES):

RISK ASSESSMENT MANAGEMENT

**CONTROL ENVIRONMENT**

**IMPLEMENTING RISK ASSESSMENT**

1. STRATEGY
2. PROCESS

**OBJECTIVES, RISKS, CONTROL ACTIVITIES, MONITORING**

3. IDENTIFY OBJECTIVES
4. IDENTIFY CRITICAL SUCCESS FACTORS
5. IDENTIFY RISKS
6. RANK THE RISKS
7. CONTROL ACTIVITIES
8. MONITORING

**STEP 3 – 8 ON STRATEGIC LEVEL, DIVISION LEVEL, PROJECT LEVEL, PROCESS LEVEL ETC.**
Enterprise Risk Management (ERM)
Implementing risk assessment - RCN

- **Step 1: Identify status**
  - Internal audit
  - Methodology (KPMG)
  - Interview management
  - Interview internal audit department

- **Step 2: Implementation plan**
  - Management
  - Internal audit

- **Step 3: Identify objectives**
  - Strategy for the Research Council of Norway
  - Business objectives

- **Step 4-8 Some ideas**
Step 1 – Status Risk Assessment
Role of Internal Audit

STEP 2: IMPLEMENTATION PLAN

Core internal audit roles in regard to ERM
- Facilitating identification & evaluation of risks
- Evaluating management of key risks
- Giving assurance that risks are correctly evaluated
- Giving assurance on the risk management processes

Legitimate internal audit roles with safeguards
- Co-ordinating ERM activities
- Consolidating reporting on risks
- Maintaining & developing the ERM framework
- Championing establishment of ERM

Roles internal audit should not undertake
- Setting the risk appetite
- Devising risk management processes
- Management assurance on risks
- Taking decisions on risk responses
- Implementing risk responses on management’s behalf
- Accountability for risk management

This diagram is taken from “Position Statement: The Role of Internal Audit in Enterprise-wide Risk Management”, reproduced with the permission of the Institute of Internal Auditors – UK and Ireland. For the full Statement visit www.iia.org.uk.

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The Research Council of Norway
Step 3: Strategy for the Research Council of Norway: Research expands frontiers

The Research Council will work to increase the value of society’s investment in research activity.

The Research Council has three principal tasks:
1. To serve as an advisory body on research strategy issues
2. To finance research
3. To create meeting places and networking opportunities for relevant players from research, trade and industry and public sector
Step 4 – 8 Models that can be useful

Step 6: Rank the risks

Step 7: Control activities

Risikokart

Risiko
- Kritisk
- Høy
- Moderat
- Lav

Samsmynlighet
- Svaert stor
- Stor
- Moderat
- Liten
- Meget liten

Konsekvens

Hva slags kontroller har vi?

- Manuelle
- Automatiske
- Oppdagende
- Forebyggende
Information about RCN and Norway

http://www.forskningsradet.no

http://www.norway.no/Default.asp?