



Enterprise Risk Management

Managing uncertainties in your business

ADVISORY

Enterprise risk management represents a paradigm shift in the way businesses manage the uncertainties that stand in the way of achieving their business objectives, whether strategic, financial, operational or compliance related. From being a fragmented, ad hoc and narrow business function, risk management has developed into an integrated and strategic source of competitive advantage.

Enterprise Risk Management (ERM) is a structured and disciplined approach aligning strategy, processes, people, technology and knowledge with the purpose of evaluating and managing risks that the enterprise faces. ERM represents a paradigm shift in the way businesses manage the uncertainties that stand in the way of achieving their business objectives, whether strategic, financial, operational or compliance related. From being a fragmented, ad hoc and narrow business function, risk management has developed into an integrated and strategic source of competitive advantage.

KPMG has an extensive ERM practice, with experienced risk management and industry professionals. We have successfully assisted large conglomerates and multinational companies in their risk management initiatives from a broad spectrum of industries.

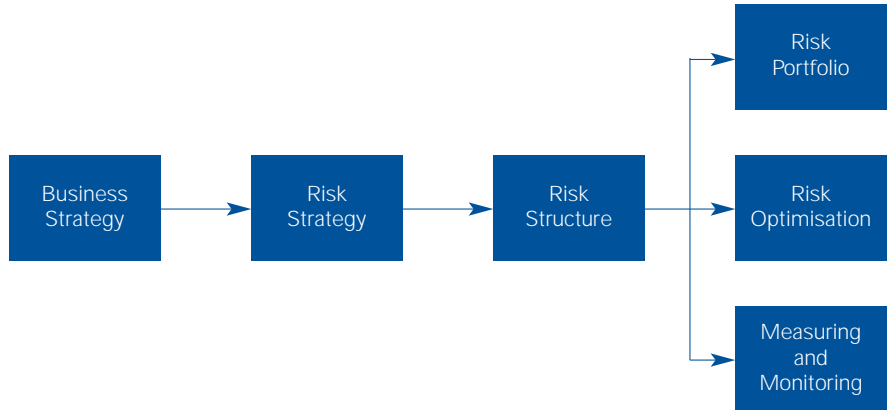
KPMG's approach

We have a comprehensive ERM methodology that is fully scalable to meet the unique needs of your organisation. Our methodology is flexible as we are able to use the same basic approach to address both your strategic and process related risks. One key objective of our approach is to enable your people to own the risk management process and acquire the knowhow from us at the shortest possible time.

Implementing ERM

There are two key components in implementing ERM. The first component involves developing the *risk architecture*. The second component is developing the *risk content*.

How is a robust risk management architecture achieved?

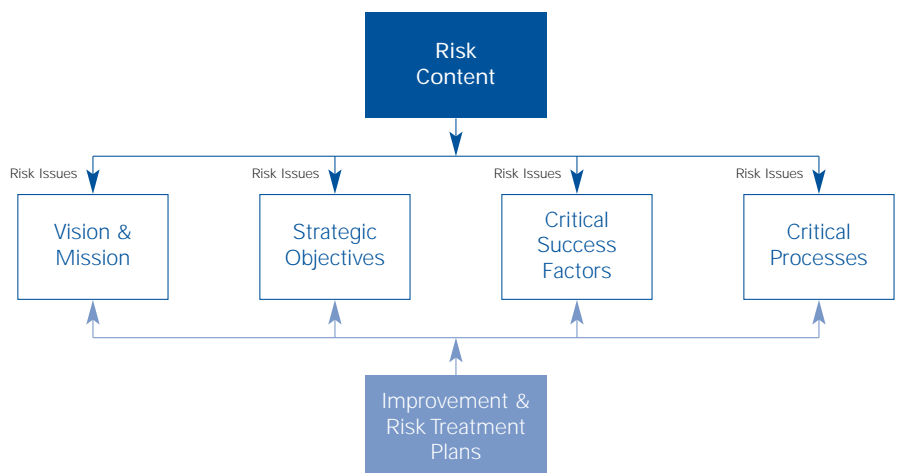


The Risk Management Framework (RMF) is a key differentiating approach in the market place for KPMG's ERM practice. It has five components, which when fully implemented will result in a robust risk management framework for your organisation. The RMF enables organisations to manage risks on an on-going basis and will help your organisation follow good risk management practices.

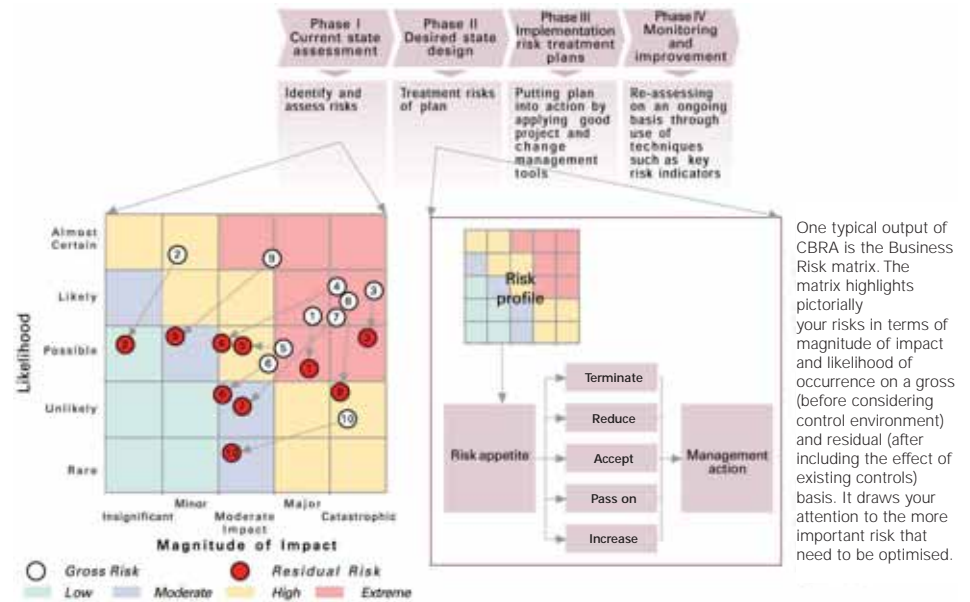
RMF promotes overall awareness of risk management throughout the organisation. This awareness is crucial as it will serve as a good starting point in building and sustaining a risk management culture within the organisation.

What are your risks and how do we assess them?

Knowing the risks in the organisation and their impact on the business (risk content) is an essential part of ERM. Business risks traverse different levels of the organisation from the strategic level down to the process/operational level.



So in addition to helping with the risk management framework using the RMF, KPMG will work with you to identify, assess and address risks that undermine your business objectives. Using KPMG's Comprehensive Business Risk Assessment (CBRA) methodology, as illustrated below, we can help you assess those risks and manage them so that they are maintained within your risk appetite.



We also assist our clients in implementing specific risk management related tools either as part of implementing ERM or as stand alone projects. Examples of such assistance are:

- Developing comprehensive key performance and risk indicators;
- Integrating risk reporting into the organisation's management reporting;
- Setting and communicating risk management policies and procedures;
- Developing risk management manuals;
- Aligning the organisation's staff objectives with its risk management goals;
- Project managing the ERM implementation programme;
- Risk management co-sourcing;
- Ongoing risk profiling;
- Including risk management in knowledge management systems; and
- Benchmarking your company's risk management factors.



Contact Us

Why KPMG?

KPMG's Enterprise Risk Management services offers many advantages to our clients. There are a number of differentiators that make KPMG the logical choice to assist your organisation in undertaking an ERM project. KPMG uses:

- The support of global resources and innovative methodologies;
- A number of technology tools to facilitate the completion of project deliverables; and
- Highly experienced and qualified professionals with varied industry backgrounds who will work with your organisation in building up your risk profile and in developing appropriate risk management practices.

To learn more about how KPMG can help your organisation, please contact one of the following KPMG Risk Advisory Services professionals.

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