

## CMSL SCORE

### System for Comprehensive Organisational Risk Management Excellence

#### Enterprise-Wide Risk Management

All entities face uncertainty on an ongoing basis and the management is constantly challenged to determine the extent of uncertainty to accept for enhancing stakeholders' value. The understanding of risk by the management and making informed decisions in response to uncertainty is fundamental to the development and execution of a sound business strategy.



The recent events show, if not addressed effectively, poor risk management can lead to catastrophic events at corporate and even systemic levels. Despite past investment in sophisticated risk management tools and practices, today organisations are beginning to realise that risk management at the product, portfolio or even business unit level does not necessarily scale well to provide an adequate view of enterprise risk.

Enterprise-wide risk management (EWRM) enables the organisation and more particularly the management to effectively deal with uncertainty and associated risks and opportunities. CMSL firmly believes that managing various risks across the organisation is the key to sustainability and growth for any business enterprise.

#### Benefits of EWRM

- Align and integrate risk management practices across the organisation, for overall decision making and improve control environment
- Reduce the frequency and severity of surprises and losses
- Identify and manage multiple and cross-enterprise risks
- Take risk response decisions in alignment with the firm's risk appetite
- Enhance corporate governance by preserving and creating value

#### A New Way of Thinking - CMSL SCORE framework

As never before, the imperative for corporates to align business goals and desired risk profile with information and technology strategy is paramount. Establishing a roadmap to achieve true enterprise-wide and cross-asset class risk management best practices and policies is therefore essential and requires the chief information officer (CIO) and chief risk officer (CRO) to work in unison with board level scrutiny.

This new way of thinking requires organisations to ensure they are adopting the right approach to risk management. CMSL approach would involve focusing on a framework (CMSL SCORE) that aligns with the overall business objectives and reporting requirements and then deploying solutions that fit within the firm-specific constraints. It is also crucial to integrate risk management effectively throughout a firm's culture - something that requires a bottom-up view of existing systems as well as a top-down approach. In bottom-up, cross-functional project teams are escalating the required actions to consolidate and connect disparate systems upward; in top-down, senior management needs to establish the risk management process so that it facilitates overall convergence across business objectives and becomes an endemic part of the culture and decision making structure. Each firm will need to develop and enhance its risk management approach in a way that best accommodates the enterprise's investment



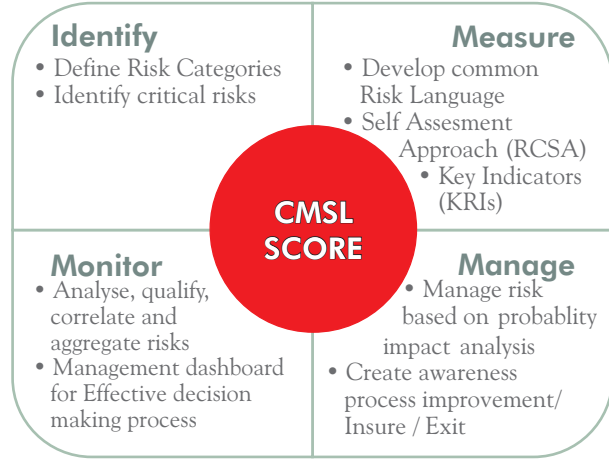
style and business structure.

**CMSL SCORE (System for Comprehensive Organisation-wide Risk Management Excellence) framework**

CMSL's SCORE is based on the best practices underlying the COSO framework. This is done by developing framework which helps an organisation in identifying the critical risk factors, developing systems/ processes for monitoring these risks, creating an effective reporting system/ process and strategy for effective management of these risks. CMSL's individual engagements will be structured in agreement with each client on a case by case basis.

The deliverables under SCORE will include a framework which will help the organisation in developing KRI framework, Self Assessment framework (RCSA), Loss estimation framework, Management dash board and Control Index for monitoring risk.

CMSL's team has a wide experience in risk management from consulting to implementation including expertise in



various aspects of risk management covering all aspects of an enterprise risk management framework.



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