



Comprehensive Business Risk Assessment

An organization needs to be able to assess and manage the risks that are most relevant to its success. To help you do this, KPMG's Management Assurance Services introduces the Comprehensive Business Risk Assessment (CBRA). CBRA offers a new way of conducting a risk assessment. It helps identify and prioritize the risks that affect the strategic well being of your organization, so you can focus on the areas that are most critical to your ultimate success.

How KPMG can help

Using CBRA, KPMG can help you find the right balance between risks and controls; by directly linking your process risk back to your strategic objectives. Unlike a register of all risks facing the organization, CBRA identifies, quantifies, and prioritizes the key risks so that your management team can focus on those areas most critical to your success. We use this analysis to define your risk profile. This risk profile provides you with a snapshot of the key risks facing your organization.

Ultimately, CBRA streamlines your decision-making process by helping you maximize value and optimize business performance across your business. The strategic nature of CBRA makes it a model tool for aligning your organizations objectives and strategies with the processes in place to achieve them.

Benefits

KPMG gives key decision-makers within your organization an active role in the risk assessment process. This deeper involvement leads to greater

ownership of the actions that may be needed to optimize your risk profile by either increasing or reducing controls as a way of enhancing value without taking on undue risk.

Today, many operating managers know a lot about their business. They know what the risks are, but they may not have a framework for thinking about their risks and controls in the same kind of light. The results of a Comprehensive Business Risk Assessment can help your operating managers to start thinking about their business risks — and the controls around those risks — in a much more organized way. The results can also help them pinpoint and quantify those risks.

KPMG can frame the issues so that your operating managers thoroughly understand what the risks are — and can also make the connection between risks and controls. Using the flexible CBRA methodology, a multidisciplinary team of experienced KPMG internal audit and subject matter professionals creates an audit plan for your organization that is grounded in objectivity and built with the collaboration of your operating managers.

KPMG Approach

In brief, the steps in a CBRA include:

- *Strategic Analysis* — reviews your business objectives and environment in conjunction with strategic goals and processes. The strategic analysis provides the basic parameters and guidance for more detailed risk management analysis and also identifies risk as it affects core business processes. The review analyzes and compares your operation to your key competitors and industry-specific critical success factors.
- *Business Process Analysis* — analyzes the key processes used to achieve your business objectives and identifies the associated risks. A limited control evaluation reviews process level objectives and the activities used to accomplish them, and also examines the effectiveness of the controls supporting strategic objectives.

- *Risk Profile* — uses the preceding analyses to establish a risk profile for each core process. Quantitative and qualitative analyses compare perceived risks to the risk tolerance identified by your management. Controls are then tightened or loosened as appropriate.
- *Internal Audit Plan and Business Performance Optimization* — translates the risk profile into an audit plan through subsequent discussions with your key managers. The audit plan prioritizes the audits, presents the suggested audit techniques, and provides estimates of not only the number of estimated hours to complete the audit, but also the special skill sets required.

Why choose KPMG?

Our professionals are assigned to participate in those internal audits where their experience matches the needs of your organization. You identify your key process owners, for example, manufacturing, sales, or new product development. KPMG then supplements its risk assessment team with the appropriate subject matter professional to help ensure the key risks and controls are identified. The financial impact of those risks and the probability that they will occur are discussed and prioritized so the risks that have a high financial impact and a high probability of occurring are addressed first. In short, CBRA contributes to enhanced decision-making and improved risk management with the goal of increased business performance.

Contact us

For more information on how KPMG can help your organization, please contact us at mas@kpmg.com.hk