

The Uncertain Times

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Welcome to the sixth edition of **The Uncertain Times** – a regular newsletter bringing you snippets from the Business and Risk Management Industry.

In this edition we introduce Knowledge Management as a discipline and we discuss the importance of Combined Assurance. We have also included a Time Magazine outlook on the global risks for 2018.



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Dynamic Pragmatic Innovative

Knowledge Management – Are you in the Know?

Written by Vanessa Thurlwell

- Is your organisation a Learning Organisation?
- Do you have Knowledge Workers?
- What do these terms even mean?



Let's ask these questions again:

- Does your organisation capture and learn from successes and failures?
- Do your employees share information and intellectual property (IP) to be able to perform better?
- Is there a central repository of project documentation, policies, procedures, frameworks and other publications?
- Are there single points of reliance on certain key individuals and information they retain in memory?

Knowledge management (KM) as a theory and then a practical discipline can hold many of the positive answers to the above questions. Knowledge Management can be defined as the creation, retention and transfer of tacit and explicit knowledge by individuals, teams and entire organisations, with the goal of becoming a more intelligent learning organisation and build critical capabilities for greater success as a business.

KM is particularly important for organisations who do not deal in tangible, packaged products, for example: service providers and consulting firms who need to create and re-sell their knowledge, ideas and individual brilliance. Is this your organisation?

[You can read the full article here.](#)

Contact us if you wish to find out more about Knowledge Management and the processes that can help your organisation.

Contact us for any advice or assistance in the following areas:

- Enterprise Risk Management
- Emergency and Business Continuity Management
- Governance and Compliance
- Risk Management Software Solutions
- Internal Audit
- Corporate Secretarial
- Environmental Risk Management
- Sustainability Risk Management
- Human Failure Analysis

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A Combined Assurance Model: Is it something everyone should aspire to? By Oliver Laloux

Recent developments in the risk and assurance fields have resulted in many discussions, especially at the Board sub-committee levels, around integrated and Combined Assurance Models (CAM).

The official publication of the King IV Report on Corporate Governance for South Africa (the “King IV Report”) in late 2016 has rejuvenated many of these discussions, often with a limited understanding of what an integrated and combined assurance model really involves and requires in practice. The latest definition of combined assurance proposed by King, that it recommends but does not prescribe states:

“A combined assurance model incorporates and optimises all assurance services and function so that taken as a whole, these enable an effective control environment; support the integrity of information used for internal decision making by management, the governing body and its committees; and support the integrity of the organisation’s external reports.”

King IV Report 2016.

A mouthful, with reference to incorporation, optimisation, integrity, decision making and an effective control environment. The word missing in the definition, but referenced in many other places in King IV and related publications is that for CAM to add value, it should be risk based. In addition, we now all have to apply AND explain and not just apply or explain.

So what does this mean to decision makers on ‘governing bodies’ and its sub-committees? What can they reasonably expect from management when it comes to a CAM? And more importantly, what level of risk, assurance and organisational maturity is required to make CAM work. We attempt to answer some of these questions and to open honest debate as to what are the underlying factors that need to be in place before management is tasked with developing and implementing a CAM.

In order for CAM to work and be implemented, based on our practical experience, we propose that a number of things need to exist in an organisation at a certain level of maturity. We also raise a number of questions we encourage you to answer before making a decision on CAM.

- Do you have the right organisational structure, at the governing body and management levels with a commensurate set of roles and responsibilities that are well defined?
- Do you have a complete stakeholder map, stakeholder strategy and has it been developed in a meaningful fashion for CAM implementation?
- Do you have a clear set of strategic and operational objectives? Are they risk assessed?
- Do you have the risks documented and the controls documented in a way that creates an understanding of the uncertainties facing the achievement (read exceed or fail to achieve) of objectives for the various objectives and their associated uncertainties (read risks) at the different levels of the organisation?
- Have you set a common language, process, and reporting structure for various assurance activities?
- Do you know your risks; do you understand their root causes? Is it clear what controls are aimed at causes and what controls are only there to reduce the direct consequence, like insurance?
- Do you have a defensible process to identify key controls from a myriad of controls?

For recommendations related to these questions, [please read the full article here.](#)

Oliver Laloux has a BSc TRP-Honours and MSc. He is the CEO of Mondial Consultants and a prior director of a large risk consultancy. Oliver has over 20 years’ experience in enterprise risk management and project risk management as well as various elements of health, safety, environmental and quality (HSEQ) management. He has been the lead for numerous consulting projects, specialist Enterprise Risk Management (ERM) projects, project governance assignments and due diligence surveys in both South Africa and abroad, including clients in various sectors of industry.

The Top 10 Risks to the World in 2018

Source: Time Magazine <http://time.com/5083778/2018-top-risks-world/>



According to Time Magazine, these are the top global risks going into 2018:

1. China rising

China's government has developed some of the world's most effective global trade and investment strategies. The global business environment must adapt to new sets of rules and practices. U.S.-China conflict, particularly on trade, will become more likely in 2018.

2. Room for accidents

There are many places where a misstep or misjudgment could provoke serious international conflict, e.g. conflict in cyberspace, the fight over North Korea, battlefield slip-ups in Syria, growing U.S.-Russia tension.

3. The tech Cold War

The world's biggest fight over economic power centers on development of new information technologies, e.g. artificial intelligence and supercomputing.

4. Mexico's moment

2018 will be a defining year for Mexico as NAFTA renegotiation comes to a head and voters choose a new president.

5. U.S.-Iran tensions

The U.S. will more frequently sanction Iran for ballistic missile tests, perceived support for terrorism, and human rights violations.

6. Institutions eroding

Governments, political parties, courts, the media, and financial institutions, which support and sustain peace and prosperity, continue to lose public credibility.

7. The new protectionism

The rise of anti-establishment movements in developed markets has forced policymakers to shift toward a more zero-sum approach to global economic competition. As a result, walls are going up, creating barriers in the digital economy and innovation-intensive industries.

8. British brawls

Britain faces both acrimonious Brexit negotiations and the risk of domestic political turmoil.

9. Identity politics in Southern Asia

Resentment of ethnic Chinese, who hold a disproportionate share of wealth in several countries, has made a strong recent comeback, particularly in Indonesia. Persecution of Myanmar's minority Muslim Rohingya has triggered a humanitarian crisis and radicalism is on the increase.

10. Africa's security

In 2018, negative spillover from Africa's unstable periphery (Mali, South Sudan, Somalia) will spill over into core countries (Cote d'Ivoire, Nigeria, Kenya, Ethiopia). The principle threats come from militancy and terrorism.