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This approach offers a Risk Grand Unifying Theory across the organisation, drawing together all the various applications of risk management into a single framework, and ensuring that risk is managed effectively at all levels.

The international risk standard ISO31000 lays an important foundation of risk principles and guidance, and Public Sector Risk Management Framework for the implementation of the ERM in South Africa.

If Albert Einstein found it hard to define a Grand Unified Theory for the universe, perhaps we should not be surprised if it takes some time for us to sort out a unified approach for ERM to manage risks across the enterprise. But if Einstein in thought it was worth trying, so should we.

is it possible to develop a "Risk Grand Unified Theory"? Is there a single underlying "Theory Of Everything" for risk? Perhaps enterprise risk management (ERM) is the answer.

There are many types of risk management, each with its own language, processes, tools and techniques, and each supported by specialists and experts. These include business continuity, corporate governance, health & safety, project and programme risk, operational risk, reputation risk, cyber risk, information security, and many more.

ERM aims to integrate these various elements of risk management into a cohesive whole. It provides a single unifying framework within which each risk discipline can operate, allowing each specialist to focus on its own approach, but ensuring that they communicate with each other and support each other. ERM recognises that each risk discipline is distinct, but they are all interconnected and interdependent.

One key foundation for ERM is the existence of a "hierarchy of objectives" within the organisation. The overall objectives of the business are defined in the vision or mission statement. These are then implemented through departments and functions, each with their own set of objectives, where the sum of the lower-level objectives fully describes the top set. Risk is defined as uncertainty which can affect achievement of objectives, so ERM provides a hierarchical risk management framework that matches the organisational hierarchy of objectives. Risk management can then be applied in a cohesive and integrated manner from top to bottom across the hierarchy.



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### A GRAND UNIFIED THEORY FOR RISK?

Albert Einstein tried for decades to develop a single "Theory Of Everything", but he failed. Since then physicists have looked for a Grand Unified Theory to unify the various fundamental forces (weak, strong, electromagnetic and gravitational) and offer a more elegant understanding of the organisation of the universe and the nature of matter, energy, space and time.

Setsoto Local Municipality Risk management  
051 933 9370  
risk@setsoto.co.za