

Aon Risk Maturity Index

What's your organisation's risk maturity rating?

Developed with

Overview and purpose

The Aon Risk Maturity Index is an innovative and free tool designed to capture and assess an organisation's risk management practices and provide participants with immediate feedback and comments for improvement. Aon has partnered with The Wharton School of the University of Pennsylvania to develop the Index and conduct joint research on the relationships between risk management practices and actual performance.

The Aon Risk Maturity Index combines the experience and knowledge of Aon Risk Solutions (ARS), Aon Global Risk Consulting (AGRC) and Aon Hewitt into an easy-to-understand questionnaire on risk management processes, corporate governance and risk understanding. Upon completion of the 30-35 minute questionnaire, participants receive a customised Risk Maturity Rating and general commentary on improving that rating. Approximately 1-2 weeks later, each participant receives a detailed report that includes more information on their organisation's Risk Maturity Rating, including scores on 40 components of risk maturity that can be benchmarked to peers and industry averages.

First launched in the US in April 2011, the Index has grown to become a global database, available in multiple languages and including responses from risk and finance leaders from five continents. As more data is captured, the Index will evolve into an industry standard and a platform for insight on global Risk Maturity Ratings, as well as a means for providing real-time insights into an organisation's rating relative to industry peers. These valuable insights can be used to support strategic discussions regarding risk management frameworks and capabilities.

The Index is *free and confidential*. More in-depth review and interpretation of results can be provided for a small consulting fee. Please visit www.aon.com/riskmaturityindex or email risk.maturity.index@aon.com for more information or to request an invitation.

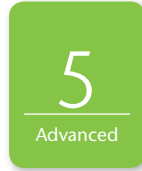
Question focus

The Index includes a variety of questions concerning risk management practices, corporate governance and management decision processes. The questions and content are targeted at risk and finance leaders. The multiple choice questions focus on observable practices and align with four foundational elements:

- **Governance/Infrastructure:** The set of policies and organising structures in place that guide and support risk management processes across the organisation
- **Process:** The methodology, tools and techniques an organisation uses to identify, analyse, measure, manage and monitor its key risks
- **Integration:** The approach and tools used to include risk, risk management and risk-return information into management decision processes
- **Culture & Communication:** The practices utilised internally and externally to raise awareness and enhance understanding of risk and risk management.

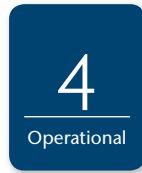
Risk Maturity Ratings

The data captured will support analysis of the relationship between specific business practices and financial performance. Risk Maturity Rating levels are defined below.



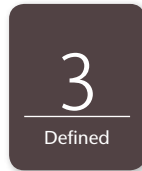
The organisation has a well developed ability to identify, measure, manage and monitor risks; risk management processes are dynamic and adapt to changing risks and business cycles.

- Formal statements of risk appetite and tolerance exist and guide decision making
- Risk and risk management information is explicitly considered in decision processes
- Analysis is consistently applied, incorporating qualitative & quantitative techniques
- Risk management is viewed as providing a competitive advantage with a focus on optimising risk-reward trade-offs.



There is a clear understanding of the organisation's key risks and also a consistent execution of activities to address these risks; some functional areas may employ more sophisticated techniques.

- The set of loss and tolerance guidelines are predetermined or developing
- Explicit consideration of risk and risk management information is taken in key decisions
- Analysis is consistently applied, incorporating both qualitative and quantitative techniques.



The organisation understands and is addressing its key risks; capabilities to measure, manage and monitor risks are in place but may be inconsistent across the organisation.

- Guidelines for loss and risk tolerance are less developed
- Risk and risk management information is considered informally/implicitly in decision making
- Analysis is consistently applied, with a focus on qualitative approaches.



There is inconsistent understanding, management and monitoring of key risks across the organisation; capabilities to consistently identify, assess, manage and monitor risks are limited.

- Risk management activities occur at the functional level rather than the enterprise level
- Risk management activities emphasise compliance
- Risk management information is considered informally or implicitly in decision making, often on an ad-hoc basis.



If the organisation identifies and addresses risks it is done within silos only; components and activities of the risk management process are limited in scope and implemented in an ad-hoc manner.

We can help

Joerg Schmitz
p +61 2 9253 8030
e joerg.schmitz@aon.com

aon.com.au

About Aon

[Aon plc](#) (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

Aon Risk Services Australia Limited ABN 17 000 434 720