

Research Proposal Template

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To

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Risk management in companies

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Introduction

Every organization small or large, is susceptible to risk in many different areas: operational, market, legal, environmental, reputational, brand, liability, financial, and property losses. Any of these can impact (positively or negatively) every municipality. Most local government organizations are, of course, concerned primarily with the type of risk that may affect them in a negative way.

This blog will examine the basic elements of local government risk management, including the benefits of risk management, risk assessment, prioritization, and the adoption of risk management response strategies.

Risk management” helps an organization to identify, evaluate, analyze, monitor, and mitigate the risks that threaten the achievement of the organization’s strategic objectives in a disciplined and systematic way (note the words “disciplined” and “systematic”).

Risk management is intentionally proactive, not reactive. It can be as simple as one crew member mentioning that a coworker needs to wear her safety glasses, or it may involve something as complex as a full asset allocation modeling of all of your organization’s capital assets. Risk management practices can even be applied to events as broad and far-reaching as the loss of a major employer in the community.

Different situations and events can simultaneously result in both good and bad consequences. Each consequence may require a different risk management strategy. As an example, let’s say that a new 300-home subdivision is planned for your community. On the positive side, an event like this will likely be welcomed as it will mean more tax revenues, increased population to support local business, and vitality for the community. On the negative side, however, it may also result in increased traffic and added demands on law enforcement and fire services, and it may upset neighbors who are averse to change. Each issue will require a separate risk management strategy.

Research Problem

In this thesis, we study three different problems in financial risk management. The first one is to prove that the sample autocovariance with lag 1 ($ACV(1)$) of the increments of a mixed Poisson process converges to 0 almost surely as the sample size goes to infinity. Pólya processes, as a good candidate for modeling the arrival of events that cluster in time, are also mixed Poisson processes. The sample $ACV(1)$ of the increments of a Pólya process converges to 0, instead of the theoretical population $ACV(1)$ of the increments, almost surely as the sample size goes to infinity, implying that one cannot use sample ACV in parameter estimation of Pólya process by methods of moments. The second problem is about comparing the power of backtest of value-at-risk at level 1 % and expected shortfall at level 2%. With simulation, we show that 2% expected shortfall performs better than 1 % value-at-risk in detecting the misspecification of the forecast model. The third problem is about representation of risk measures incorporating uncertainty in probability measures. We propose a new set of axioms for risk measures and obtain representation of the risk measures that satisfy these axioms. The representation of the new class of risk measures, called natural risk measures, provide a theoretical framework that includes the Basel II and the Basel III risk measures as special cases.

Research Significant

This review of studies of trust in risk management was designed, in part, to examine the relations between the reviewed research and the consensus model of trust that has recently emerged in other fields of study. The review begins by briefly elaborating the consensus views on the dimensionality and function of trust. It then describes the various models of trust that have been developed in the field of risk management, comparing them with the consensus approach. The findings of previous reviews are outlined, followed by a delineation of the open questions addressed by the present review, the method used, and the results. Finally, the findings of the review are discussed in relation to the important issue of trust asymmetry, the role of trust in risk management, and directions for future research. The consensus model specifies two conceptualizations of trust, each linked to particular types of antecedents. Relational trust, which is called trust in this review, is based on the relations between the trusting person and the other. Calculative trust, which is called confidence, is based on past behavior of the other and/or on constraints on future behavior. Results of this review showed that most studies of trust in risk management, while exploring matters of particular concern to the risk management community, were at least in part consistent with the consensus model. The review concludes by urging greater integration between the concerns of the former and the insights of the latter.

Conclusion

security authorization package will be generated and submitted to the company's authorizing official for adjudication (National Institute of Standards and Technology, 2010). The authorizing official will then evaluate this package and determine the risks to the application, the organization, or the businesses using the application, and decide if these risks are acceptable. They will then recommend the appropriate actions to address these residual risks (Wheeler, 2011). Step 6: Monitor Security Controls Finally, during the final step of the process it will be necessary to monitor and assess selected security controls for the application on an ongoing basis including assessing security control effectiveness, documenting changes to the application or environment of operation, and conducting security impact analyses of the associated changes. The security plan, security assessment report, and plan of action and milestones will be updated and revised based on the results of this continuous monitoring process. The security status of the application will be reported to the authorizing official on an ongoing basis (National Institute of Standards and Technology, 2010). The final action of the RMF process will involve the development of a decommissioning strategy, which will ultimately define what actions will be required if the application is removed from service.

Conclusion The risk management process is vital to the success of any organization. Today's organizations depend on their information systems to successfully carry out their missions and business processes. Cyber-attacks on these information systems are often forceful, disciplined,

sophisticated, and effective. Successful attacks can result in serious damage to these organizations as well as potentially doing damage to customers of an organization, if the organizations data stores are compromised. Given the significant and growing danger of these threats, it is of the utmost importance that leaders at all levels of an organization understand their responsibilities for achieving adequate information security and for managing information system-related security risks (National Institute of Standards and Technology, 2010). The RMF principles are important to both federal and commercial businesses since they affect all areas of the business. It is vital to have documented systems security controls in place in order to protect the company's assets from theft. In order to do so, all of the required processes and procedures must be implemented by each department

of the organization. Essentially, the Risk Management Framework is a series of security controls and information systems. Accomplishing these proven principles can promote consistent and constant security authorization decisions which will lead to an overall more secure information system for the organization, regardless if it is a federal or commercial agency.

References List

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