Appendix I: Key Definitions.

**Business risk**: “The level of exposure to uncertainty that the enterprise must understand and effectively manage as it executes its strategies to achieve its business objectives and create value”. (DeLoach.J.W. 2000)

**Business risk management process**: “A systematic process for building and improving risk management capabilities. It is used by executive management to manage the risks of the enterprise and by process/activity owners to manage the risks within their respective business processes and activities. It includes key tasks essential to an enterprise wide risk management environment: establish goals, objectives and oversights; assess business risk, (identify, source and measure); develop business risk management strategies; design and implement risk management capabilities”. (DeLoach.J.W. 2000)

**Enterprise risk management**: COSO-ERM (2004) defines as “a process, effected by an entity’s board of directors, management, and other personnel, applied in a strategy setting and across the enterprise, designed to identify potential events that may affect the entity and manage risk to be within its risk appetite to provide reasonable assurance regarding the achievement of organizational objectives”

**Enterprise –wide**: “Suggests an elimination of functional, departmental or cultural barriers so that a truly holistic, integrated approach is taken to manage risk with intent of creating value” (DeLoach.J.W. 2000)

**Enterprise -wide risk management (EWRM)** “A structured disciplined approach that aligns strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the uncertainties the enterprise faces as it creates value” (DeLoach.J.W. 2000)

**Holistic**: “A term used in risk management that emphasizes the strengthening of the linkages, co-ordination and interrelationships among individual risks (or groups of related risks) and the components of an organization that contribute to the managing risk. A holistic risk management process is therefore, by definition, one that is not fragmented into functions and departments, but is organized with the intention of optimizing the performance of the process, unit or enterprise in managing a single risk or aggregate
group of related risks. An EWRM approach is holistic in its perspective of business risk management. Depending on the capabilities desired by management, an EWRM approach may also be holistic in its perspective of risk” (DeLoach.J.W. 2000)

**Integrated**: “A term used in risk management to describe an approach or methodology that aggregates and organizes risk data, information, measurements and analyses into large framework for decision-making that adds rigour and robustness to the process. All applications of EWRM are integrated approaches applied to a single risk, to a group of related risks or comprehensively to all significant risks of the enterprise” (DeLoach.J.W. 2000)

**Risk management**: “The management activities which are authorized designed and executed to provide reasonable assurance that possible outcomes arising from business risks fall within acceptable tolerance levels. Risk management activities identify, source, measure and monitor risk, formulate risk management strategies and implement capabilities to avoid, retain, reduce, transfer and exploit individual risks and group of related risks” (DeLoach.J.W. 2000)

**Risk management system**: “ The components of the firm’s system that are concerned with measuring and managing risk, including business planning, risk control processes, monitoring and feedback mechanisms, dedicated risk management personnel, technology (including support systems architecture and databases), methodologies and risk-focused knowledge sharing and communications processes” (DeLoach.J.W. 2000)