LEAVE NO STONE UNTURNED

The Search for Hidden Risk

Krista Muszak
Global Compliance Manager
Policy, Training & Communication
Tech Data Corp.

Roy Snell @RoySnellSCCE: 3d
Someone said, “It will take a long time to fight wrongdoing.” I replied...
“The question is not how long, it will take forever. The question is how many do they have on their team & how many do we have? With the advent of compliance programs, if I were them, I would be worried.”
AGENDA

Risky Business – Risk assessment overview and review of present day scenarios

Interactive scenario.

YOUR RISK ASSESSMENT

• A process through which Compliance Risks are:
  • Identified through various methods;
  • Evaluated based on impact and likelihood of the risk occurring;
  • Mitigated by implementing/enhancing controls;
  • Reported to management and the Board.

RISK IDENTIFICATION

• Know the business
• Prioritize your focus and resources
• Implement Controls
• Consistency to identify progress and success or failure
• Provide direction for planning Compliance Audits
• Provide direction for Compliance Training
RISK IDENTIFICATION

• What is your “Risk Universe”?
• Identify the laws that are applicable to you.
• Align with your business objectives.

LOOKING FOR RISKS ...

COULD BE LIKE SEARCHING FOR THE CAT AMONG ALL THE OWLS

(DUDOLF.COM)
RISK INVENTORY

Accounting Fraud/Earnings management
Antitrust/competition law
Bribery and Corruption
Confidential information
Conflicts of interest
Consumer protection
Document Management/Retention
Employment/Labor
Environmental
Government Contracting
Harassment
Insider Trading
Licensing

Money Laundering
Political contributions/lobbying
Privacy
Intellectual property
Product/service safety
Purchasing
Sales & marketing
Securities
Taxes
Third Party Risk
Wages
Workplace safety and health
Workplace violence and security

RISK EVALUATION

Impact & Likelihood

You must consider the external factors
• Local customs and culture
• Level of enforcement
• Regulatory complexity
The Iceberg Of Ignorance

- 4% Problems known to Executives
- 9% Problems known to Team Managers
- 74% Problems known to Team Leaders
- 100% Problems known to staff

Rationalization

Pressure

Opportunity

Misconduct Triangle

What, When, How & Who?
Technology, Procedures & People
Preventative & Detective
Adequate

Controls v. Culture

RISK MITIGATION
RISK REPORTING

- Complete
- Specific
- Context
- Mitigation
- Frequency
- Distribution

Ethical Hacking: Compliance Style

- RECON
- Scanning
- Gain Access
- Maintain Access
- Clear tracks
- Reporting
CONCLUSION

• Identify the risks but consider outliers.
• Direct focus and resources toward consistent, repeatable test steps.
• Implement controls and monitor progress, looking for gaps.
• Don’t underestimate the power of relationships. Both the kind that can help you as a Compliance professional and can hurt you if you aren’t vigilant.