

LEAVE NO STONE UNTURNED

The Search for Hidden Risk

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Roy Snell @RoySnellS... · 11h
Compliance & ethics professionals, You set the bar with values, policies, morals, principles & ethical expectations. However, to achieve all those expectations you have to find the people who do not meet those expectations & stop them. Otherwise no one is going to listen to you.

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.

Best Practices for Risk Mitigation: How to stay vigilant for new vulnerabilities.



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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.

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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

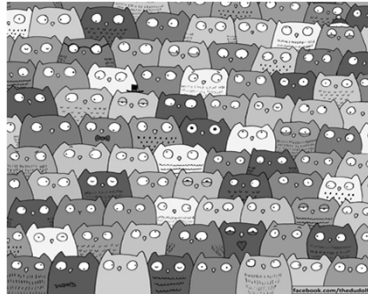
RISK IDENTIFICATION

- 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 | Money Laundering |
| Antitrust/competition law | Political contributions/lobbying |
| Bribery and Corruption | Privacy |
| Confidential information | Intellectual property |
| Conflicts of interest | Product/service safety |
| Consumer protection | Purchasing |
| Document Management/Retention | Sales & marketing |
| Employment/Labor | Securities |
| Environmental | Taxes |
| Government Contracting | Third Party Risk |
| Harassment | Wages |
| Insider Trading | Workplace safety and health |
| Licensing | Workplace violence and security |

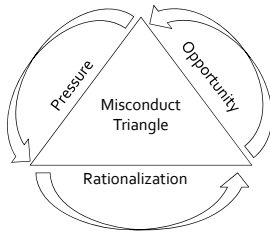
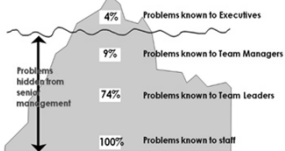
RISK EVALUATION

Impact & Likelihood

You must consider the external factors

- Local customs and culture
- Level of enforcement
- Regulatory complexity

The Iceberg Of Ignorance



RISK MITIGATION

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

- Controls v. Culture

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RISK REPORTING



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

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Ethical Hacking: Compliance Style



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

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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.
