

SCCE COMPLIANCE & ETHICS INSTITUTE

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Effective E&C Risk Management – Part 2

Operationalizing Risk Management and Taking Your Practice to the Next Level

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DISCLAIMER

The views expressed in this presentation are my own. The content of this presentation does not reflect the Federal Reserve Bank of Richmond, the Federal Reserve System, or the United States Department of the Treasury

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Rules of Engagement

- I. You **MUST** allow yourself to engage
- II. Everyone can learn something from everyone else in the room
- III. Today's session is time-boxed, but our expertise and willingness to assist are not.

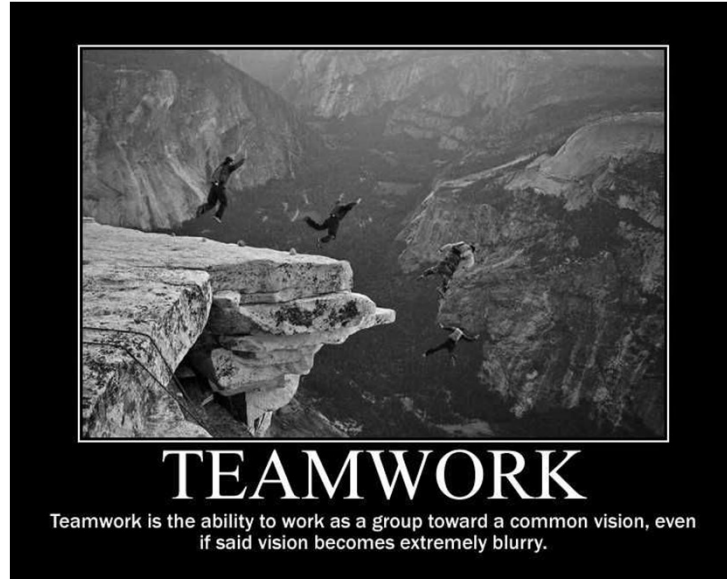
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Topics for Discussion

- I. Group Exercise – Identifying and Categorizing Risk
- II. “Check the Box” and Unincorporated Risk Management Functions – the **REAL** Risk to Any Organization
- II. Challenges of Maturing Your Risk Management Function
- III. Successful Maturity of Risk Management – the Pursuit for Risk Nirvana
- IV. Questions

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Group Exercise



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Check the Box Risk Management



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So What Are We Talking About?!

Risk Management – The forecasting of events with a likelihood for negative impact on an organization

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Example of Check The Box Failure



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Challenges of Maturing Your Risk Management Function



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#1 Challenge of Maturing Risk Management Function

RESOURCES

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What Exactly are Resources?!



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Effective Risk Management Must be Expensive... Right?

TRUE

FALSE



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Don't Stress – Have Some TEA...



TRAIN
EMPOWER
AWARENESS

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Training – Without Breaking the Bank

Ask
Me
Anything.

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Leverage Natural Curiosity

What do you do,
exactly?

Is there an incident
ongoing?

You're always
holding the
business back!

Here comes
bad cop...

What did I do
wrong now?

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Enlisting a Risk Management Army



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Empowering the Masses – Enlisting a RM Army

Risk is **EVERYONE'S** Business.

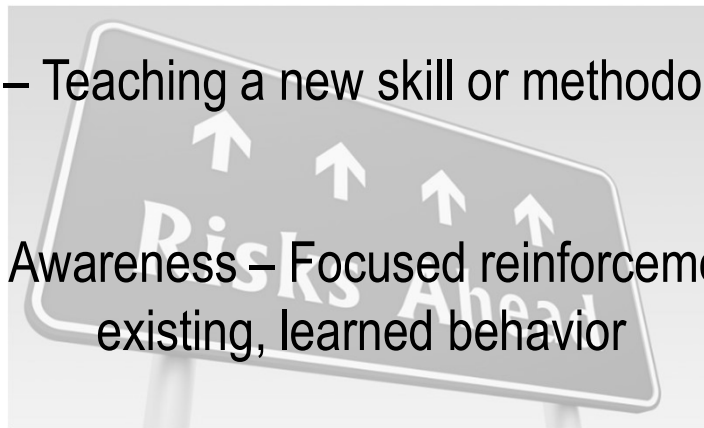
Anyone in the organization should feel they are able to observe risk, identify risk, speak to someone about risk.

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Awareness Campaigns – Early and Often

Training – Teaching a new skill or methodology

Raising Awareness – Focused reinforcement of an existing, learned behavior



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What is an Awareness Campaign?

Password
Management

Data
Handling



Phishing
Vigilance

Social
Engineering

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Jim's Soap Box – Insider Risk



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Incidents are Secret... Right?



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Capitalizing on Opportunity



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Challenges of Maturing a Risk Management Function

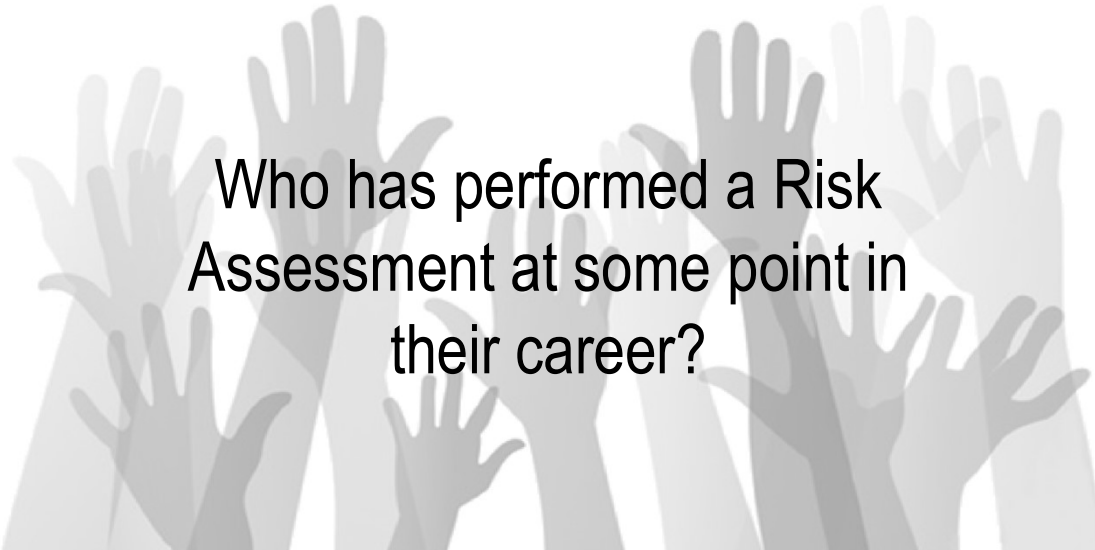
There is a single challenge that feeds all other challenges when contemplating successful maturity of a RM Function

The word **RISK**.

20 Years of Root Cause Analysis Expertise – the Challenge is the Conversation about RISK.

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Challenges of Maturing a Risk Management Function



Who has performed a Risk Assessment at some point in their career?

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Changing the Conversation – Avoiding “Risk”



“If you don’t like
what’s being said,
change the
conversation.”

-DON DRAPER, MAD MEN

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The Mackenzie Method

WHY????

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Final Thoughts – DOJ's Updated Guidance

Is the Corporation's Compliance Program well designed?

TRAINING

Is the Corporation's Compliance Program being implemented effectively?

EMPOWERMENT

Does the Corporation's Compliance Program work in practice?

AWARENESS

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What's Next?



**WHAT'S
NEXT?**

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