



SUSAN CLARKE

Risk Assessment and Monitoring Strategies

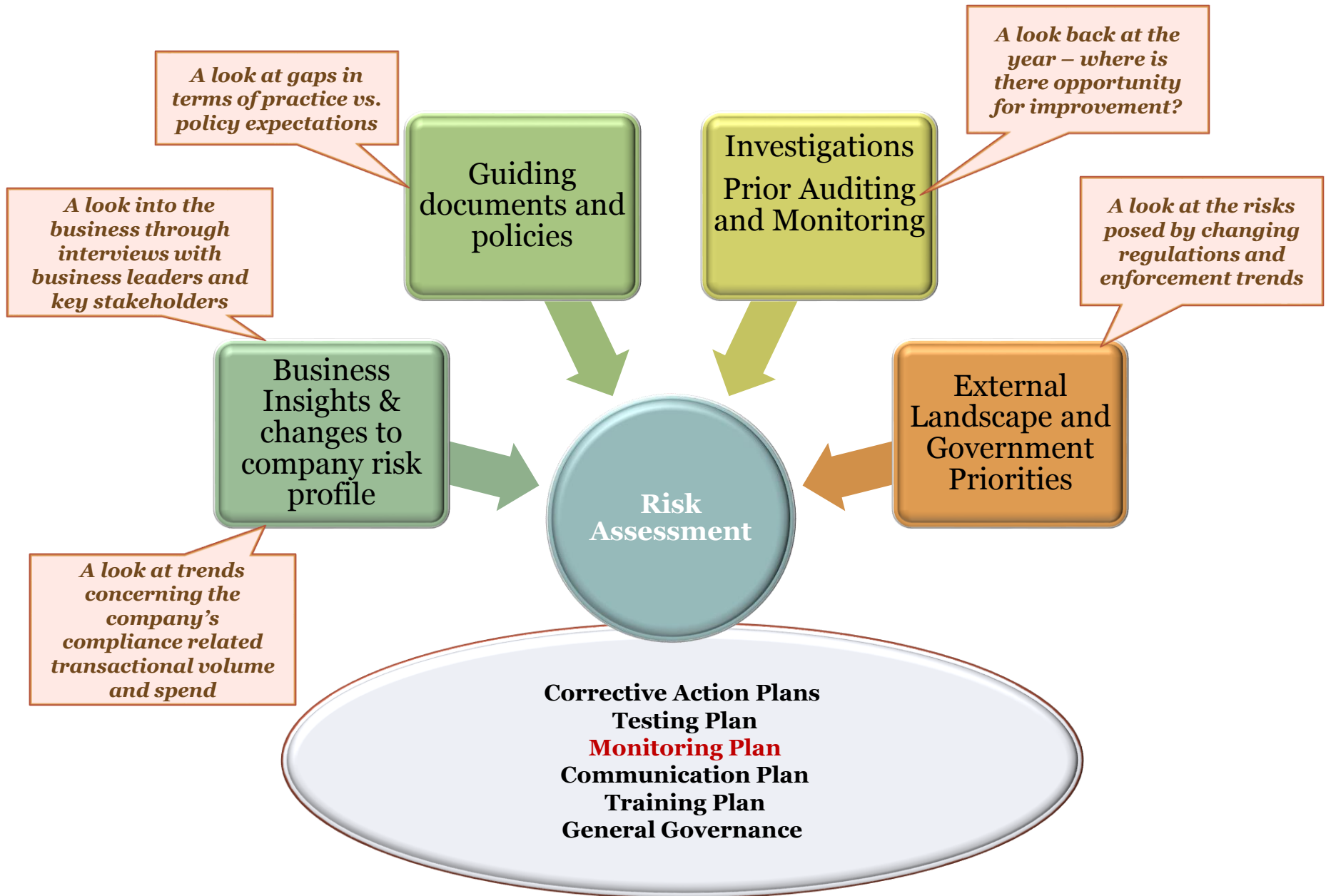
Introduction

- This deck describes a proposed approach for the conduct of an annual risk assessment and the optimized use of risk assessment outcomes to drive the annual compliance work plan.
- The approach is designed to provide process level visibility and strengthen and support business ownership of the compliance program.
- The content provided solely represents the opinions and ideas of the presenter and does not reflect the policies or strategy of her employer.

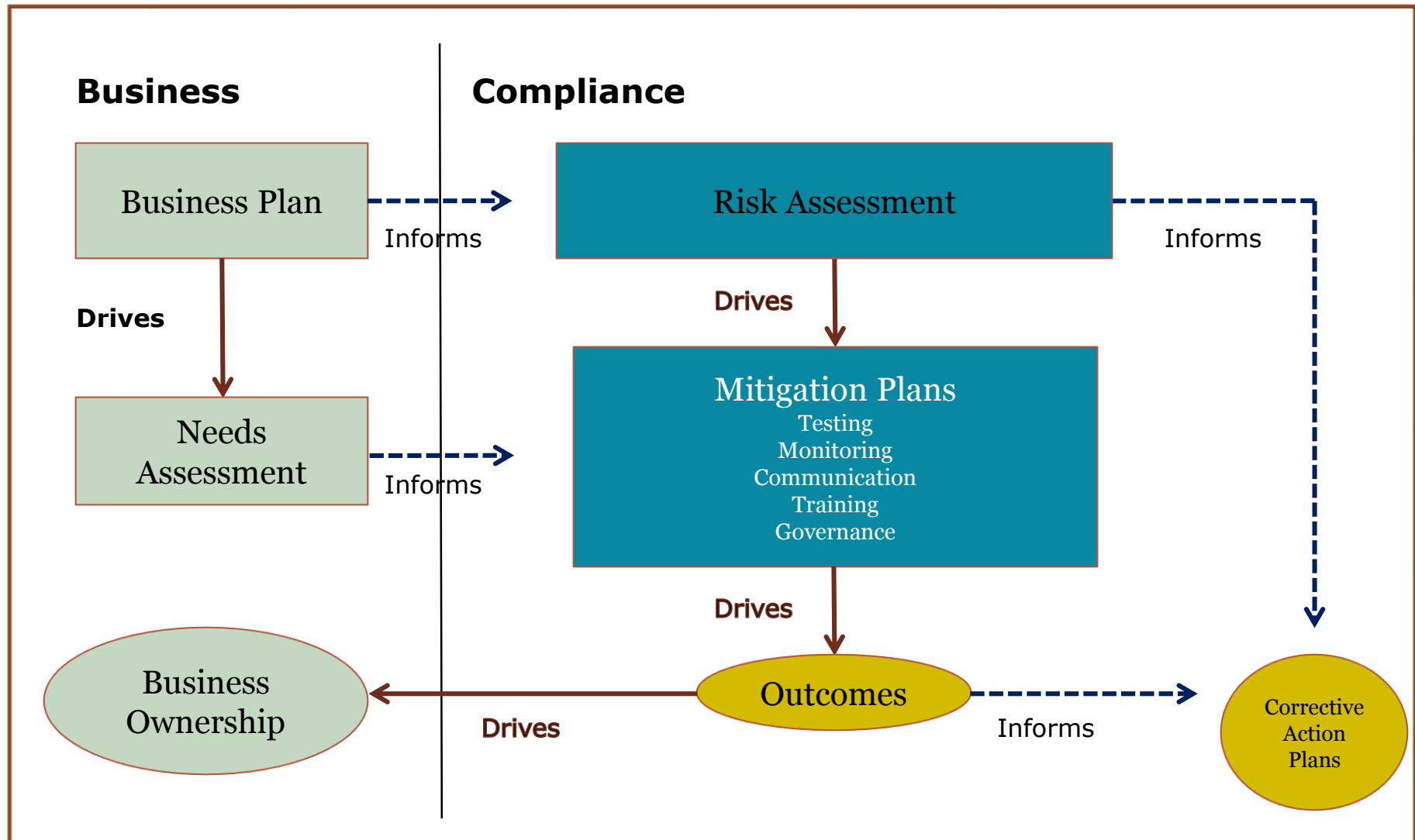
Optimizing the Risk Assessment Process

- An effective risk assessment approach should include:
 - Proactive engagement of key business partners
 - Scripted interviews
 - Requires process knowledge
 - Environmental scan
 - Consider both current and emerging risks
 - Leverage the strategic business plan
 - Compliance program insights
 - Past auditing and monitoring results
 - Existing infrastructure and policies
- Risk assessment results provide the foundation for the annual compliance work plan

RISK ASSESSMENT PROCESS



Business planning – Risk Assessment relationship



Why Build a Monitoring Strategy?

- To enhance a proactive business partnering approach with the ability to “check” implementation of programs and activities
- To support prioritized use of compliance resources
- To allow the business to “own” compliance and remove compliance as a gateway approver, where appropriate. Decision making should be reflective of the maturity of the business
- To keep pace with the business as they innovate and work in the grey - be comfortable with well reasoned risk
- To strengthen the compliance program in a way that brings value to the business – help them do it right vs. catching them doing it wrong

Types of Monitoring

Discovery

Is there anything to be concerned about here? Look and see what 's happening.

Process Monitoring

Is the process performing as intended? Compare samples to policy/procedure.

Output Monitoring

Analyze data collected over time and look for patterns, compliance/non-compliance.

Observe

Real-time observation of on-going activities.

Building a Monitoring Plan

- Design the monitoring plan by leveraging risk assessment outcomes to focus on highest priorities and strengthen compliance programs
- Focus on timely access to actionable, meaningful data
 - ✦ Design approach to focus on behaviors
 - ✦ Leverage the different types of monitoring to maximize value
 - ✦ Engage the business up front – use process experts in the design of monitoring plans and protocols
 - ✦ Design sample size and frequency to align with associated risk and maximize value – modify approach to address learnings
- Review data with the business to reap the full value.
- Align with the business on corrective actions
 - ✦ Be careful to distinguish between a compliance gaps and a process opportunity
 - ✦ Advertise successes

Conclusion



- A well designed risk assessment methodology provides the foundation for a relevant, prioritized work plan.
- A well designed monitoring plan provides timely, actionable information that enables the business to establish and own monitoring controls and embeds compliance into the business.