

# Risk Automation – Considerations and Approaches

Uphold public interest

# Risk Management Automation

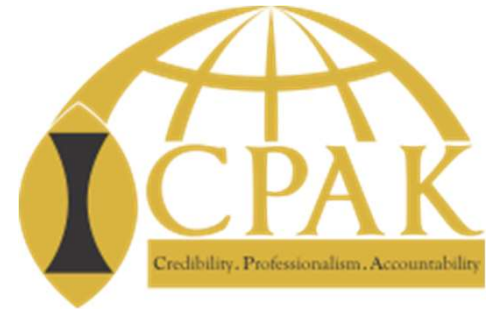


Your Facilitator

My Name is Barnabas Chirombo

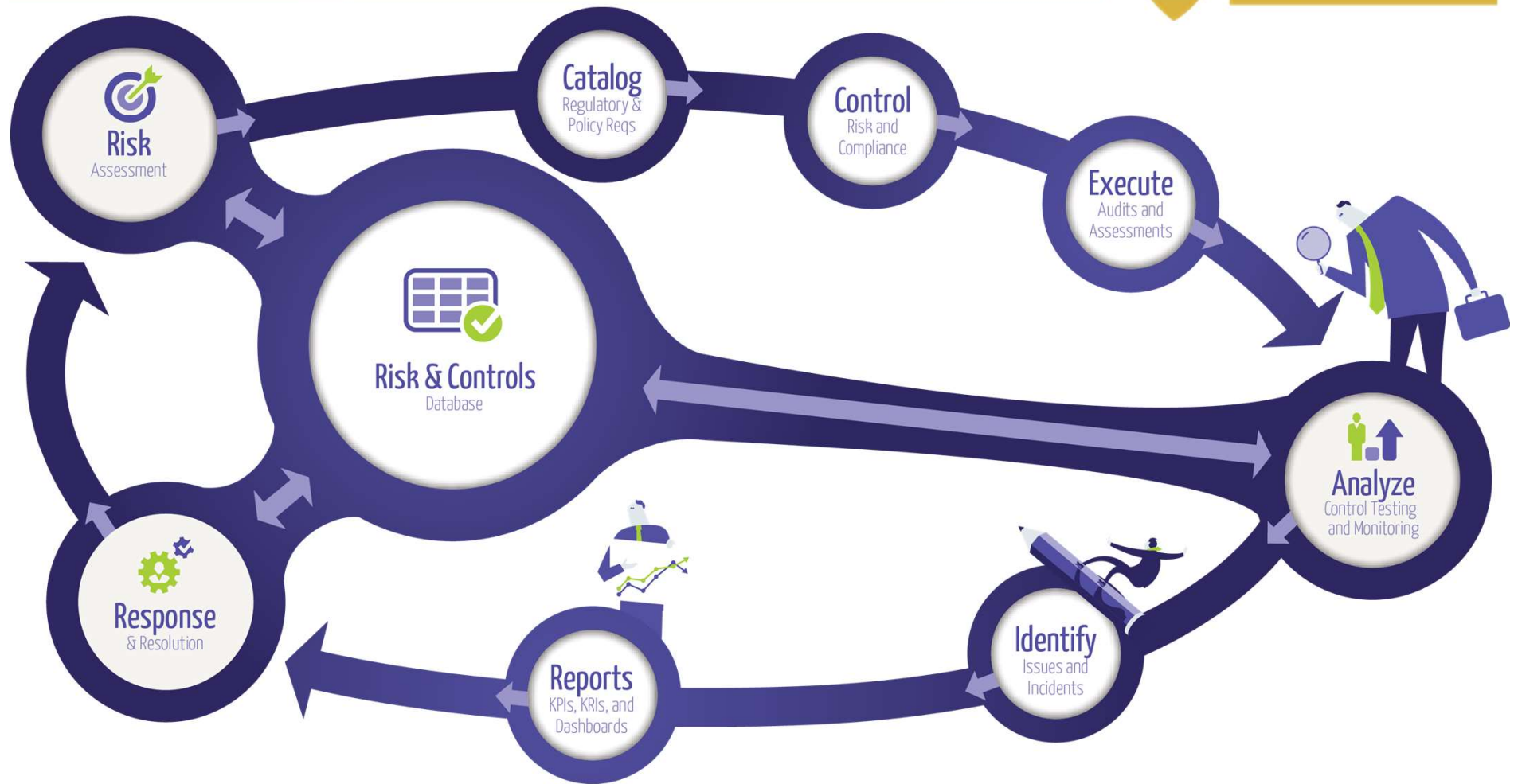
Head: Galvanize Africa

# Learning Objectives

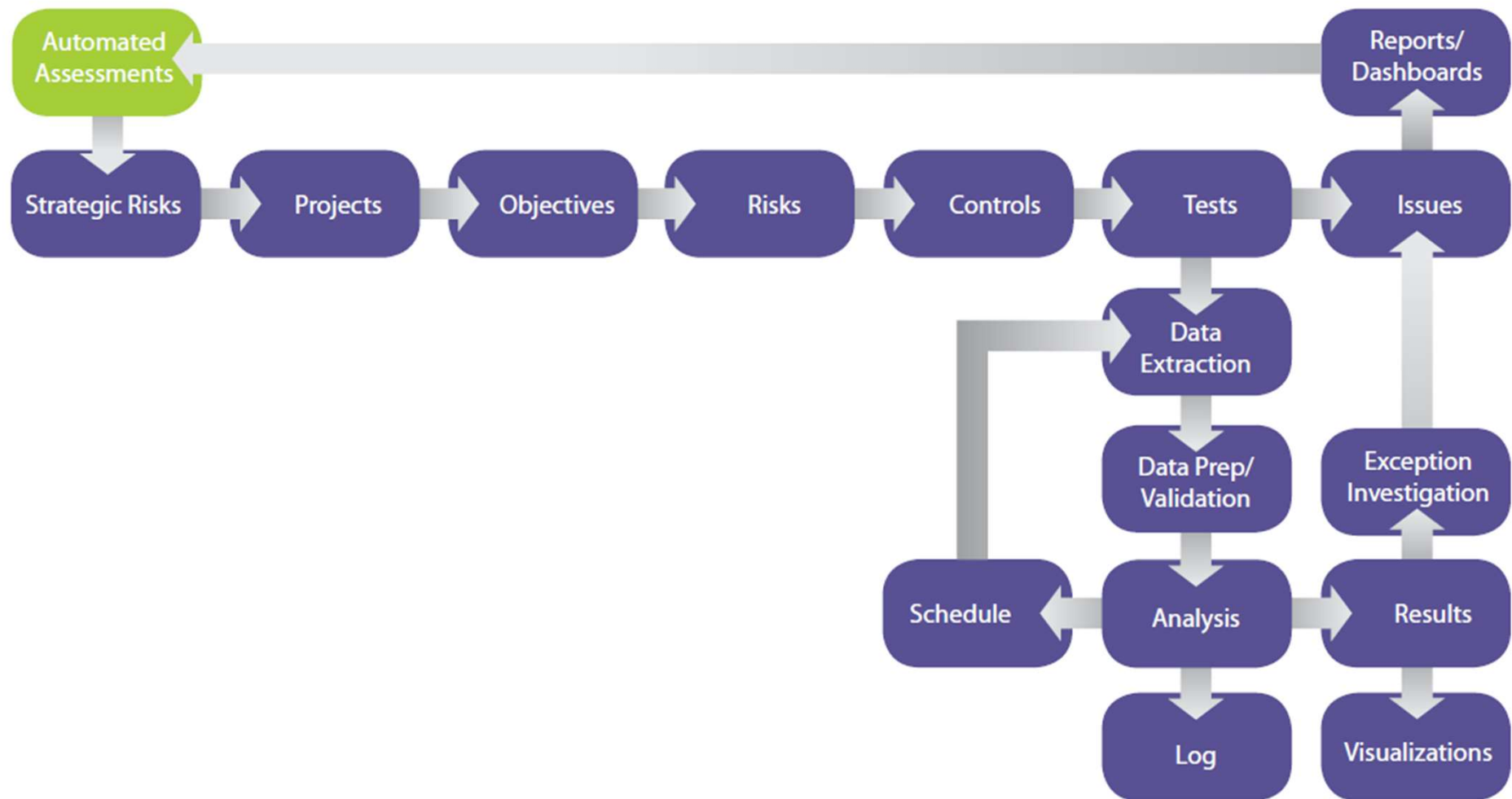


1. Risk Automation Objectives
2. Automation Opportunities
3. Reporting – dashboard examples
  - a) Strategic Objectives
  - b) Risk Appetite

# Integrated End to End GRC



# End-to-end DD GRC



# Automating Risk Management



# Automating Risk Management



2

3

4

5

Risk Identification

Risk Library

Strategic  
Alignment

Risk Appetite

Risk Heatmaps

# Automating Risk Management



## Risk Identification

Risk Library

Strategic  
Alignment

Risk Appetite

Risk Heatmaps

### Tier One Risks

- 1 Retrenchment of globalisation/increase in protectionism
- 2 Oil price shock
- 3 Asset price collapse
- 4 Emergence of disruptive business model
- 5 International terrorism
- 6 Unexpected regulatory change
- 7 Global recession
- 8 Instability in the Middle East
- 9 Increased competition from emerging market companies
- 10 Talent shortages
- 11 Climate change
- 12 Increased industrial pollution

### Tier Two Risks

- 13 Increased macroeconomic volatility
- 14 Pandemic (eg, H5N1)
- 15 Rise in anti-globalisation sentiment
- 16 Flooding in populated area
- 17 Drought/Lack of freshwater services
- 18 Dramatic increase in communicable diseases (eg, AIDS, malaria, tuberculosis)
- 19 Rising cost of raw materials
- 20 Downward pressure on prices
- 21 Failure to honour contracts
- 22 Recession in country in which you are based
- 23 Significant increase in interest rates
- 24 Disruptive technology forces change in business model
- 25 Rising labour costs
- 26 Decline in recognition of intellectual property rights
- 27 Poor levels of education and skills
- 28 Bribery and corruption
- 29 Cyberterrorism
- 30 Difficulty affording pension obligations
- 31 Dramatic increase in chronic diseases (eg, cancer, heart disease, diabetes)
- 32 Power outage
- 33 Talent/skills shortages in IT
- 34 Decline in customer loyalty
- 35 Increased competition in home market
- 36 Exposure of confidential data
- 37 Disruption to business from viruses, spyware and malware
- 38 Systems failure/downtime of essential IT services
- 39 Decline in customer base
- 40 Fiscal crisis caused by demographic change
- 41 Rise in environmental protests
- 42 Major hurricane
- 43 Nationalisation of assets (eg, in South America/Russia)
- 44 Trade embargo
- 45 Earthquake
- 46 Lack of skills due to ageing population

Source:  
Economist Intelligence Unit survey, 2008.



# Automating Risk Management



2

3

4

5

## Risk Identification Risk Assessment

Benchmark organizational risks against industry standards.



Assign responsible parties and consider risk appetite.

Easily configure a flexible risk taxonomy.

Pinpoint risks and compare via included reports.

# Automating Risk Management



## Risk Assessment

Link Business drivers

Risk Scoring factors

Risk Workshops

Risk Documentation

Approach	Useful for...	Information
Collaboratively assess risk using a Risk Workshop	companies that want to discuss and collaborate on risk scoring within the HighBond platform	<ul style="list-style-type: none"><li>Facilitating risk workshops</li><li>Participating in risk workshops</li></ul>
Individually assess risk in Risk Profile	companies that want to manually enter data into their Risk Profile after conducting discussions outside of the HighBond platform	Assessing inherent risk
Use assessment drivers to automate risk assessments	companies that want to automate risk assessments and notify key stakeholders when changes occur	Automating strategic risk assessments

# Automating Risk Management



3

4

5

## Risk Identification

## Risk Assessment

Benchmark organizational risks against industry standards.



Assign responsible parties and consider risk appetite.

Easily configure a flexible risk taxonomy.

Pinpoint risks and compare via included reports.

Configure specific scoring factors and calculations.

Inspire Executive collaboration through an intuitive voting platform.

Discuss and place voting rationale.



Review historical assessments and consider for future strategy.

# Automating Risk Management



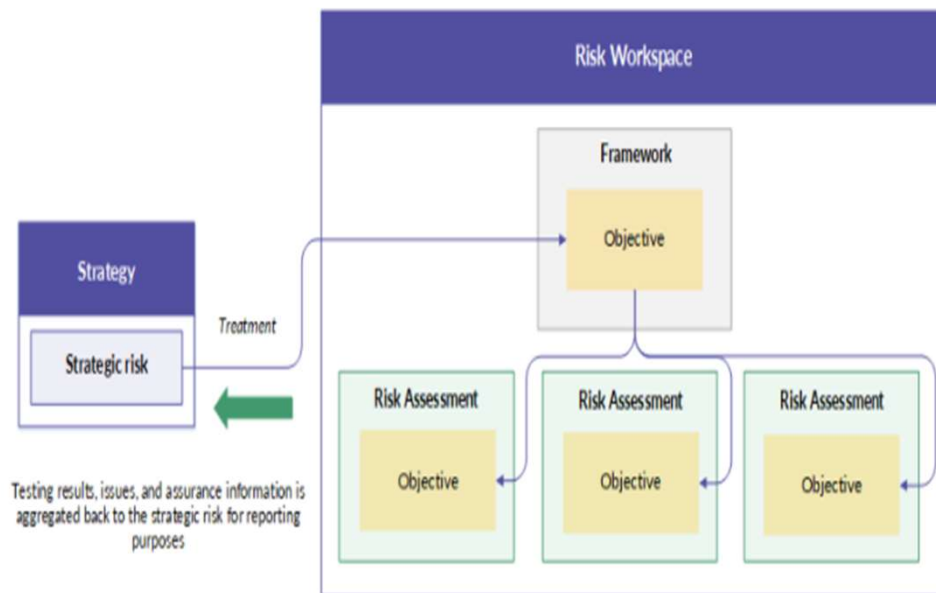
# Automating Risk Management



3

## Risk Treatment

Strategic risk linked to framework objective



Linking organizational objectives

Identifying underlying controls

Assess Inherent Risk

Residual Risk Calculation

# Automating Risk Management



4

5

## Risk Identification

Benchmark organizational risks against industry standards.



Assign responsible parties and consider risk appetite.

Easily configure a flexible risk taxonomy.

Pinpoint risks and compare via included reports.

## Risk Assessment

Configure specific scoring factors and calculations.

Inspire Executive collaboration through an intuitive voting platform.

Discuss and place voting rationale.



Review historical assessments and consider for future strategy.

## Risk Treatment



Create a multi-level risk and control relationship.

Assess all treatment areas and view residual and inherent risk differences.



Ensure complete coverage of all risks identified during ad-hoc & cyclical assessments.

# Automating Risk Management



4

5

## Risk Identification

Benchmark organizational risks against industry standards.



Assign responsible parties and consider risk appetite.

Easily configure a flexible risk taxonomy.

Pinpoint risks and compare via included reports.

## Risk Assessment

Configure specific scoring factors and calculations.

Inspire Executive collaboration through an intuitive voting platform.

Discuss and place voting rationale.



Review historical assessments and consider for future strategy.

## Risk Treatment



Create a multi-level risk and control relationship.

Assess all treatment areas and view residual and inherent risk differences.



Ensure complete coverage of all risks identified during ad-hoc & cyclical assessments.

## Risk Assurance

# Automating Risk Management



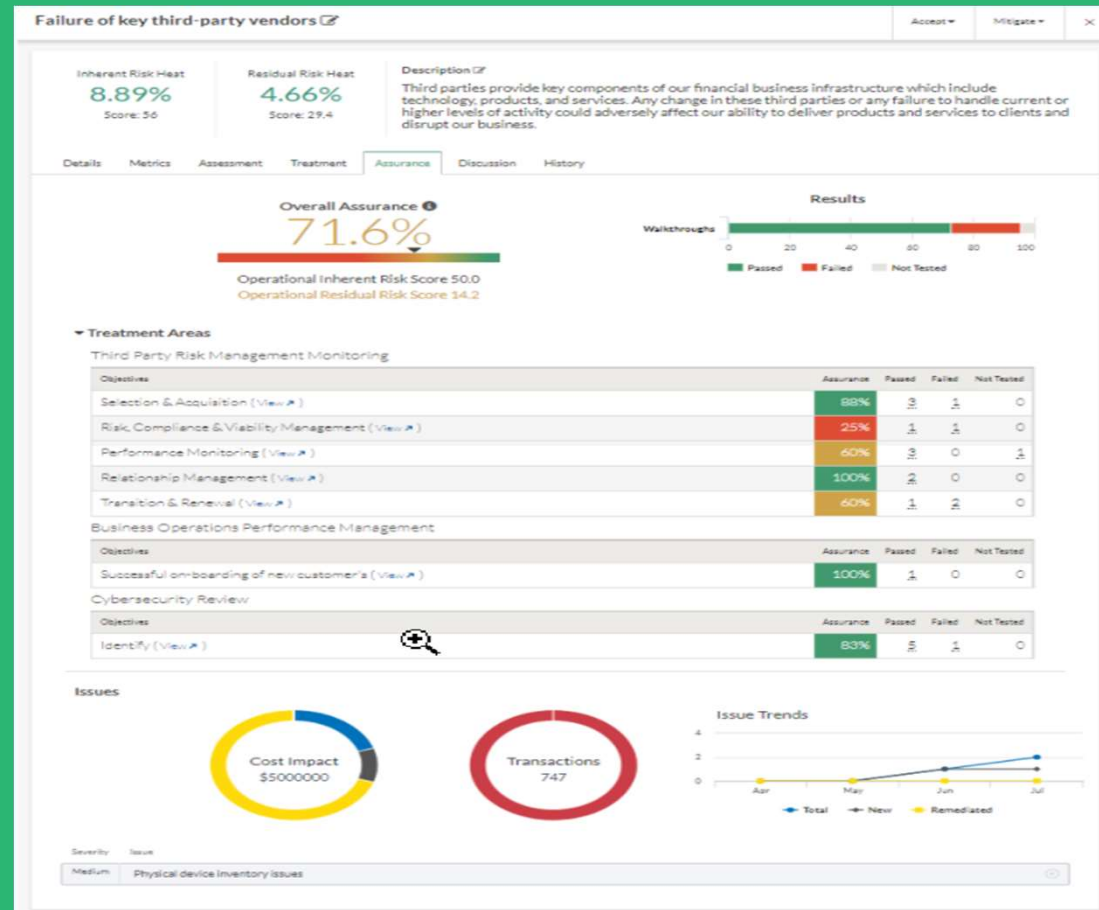
## Risk Assurance

Aggregate  
Treatment areas

Risk Assurance  
Calculations

Expanded control  
testing results

Risk events and  
Issues





# Automating Risk Management



## Risk Identification

Benchmark organizational risks against industry standards.



Assign responsible parties and consider risk appetite.

Easily configure a flexible risk taxonomy.

Pinpoint risks and compare via included reports.

## Risk Assessment

Configure specific scoring factors and calculations.

Inspire Executive collaboration through an intuitive voting platform.

Discuss and place voting rationale.



Review historical assessments and consider for future strategy.

## Risk Treatment



Create a multi-level risk and control relationship.

Assess all treatment areas and view residual and inherent risk differences.



Ensure complete coverage of all risks identified during ad-hoc & cyclical assessments.

## Risk Assurance

Calculate Actual Risk score from multiple treatment areas.



Find the root cause behind risk events/issues & consider risk tolerance.

Expand ERM view by showing the results of all related assurance groups.

## Risk Monitoring

# Automating Risk Management

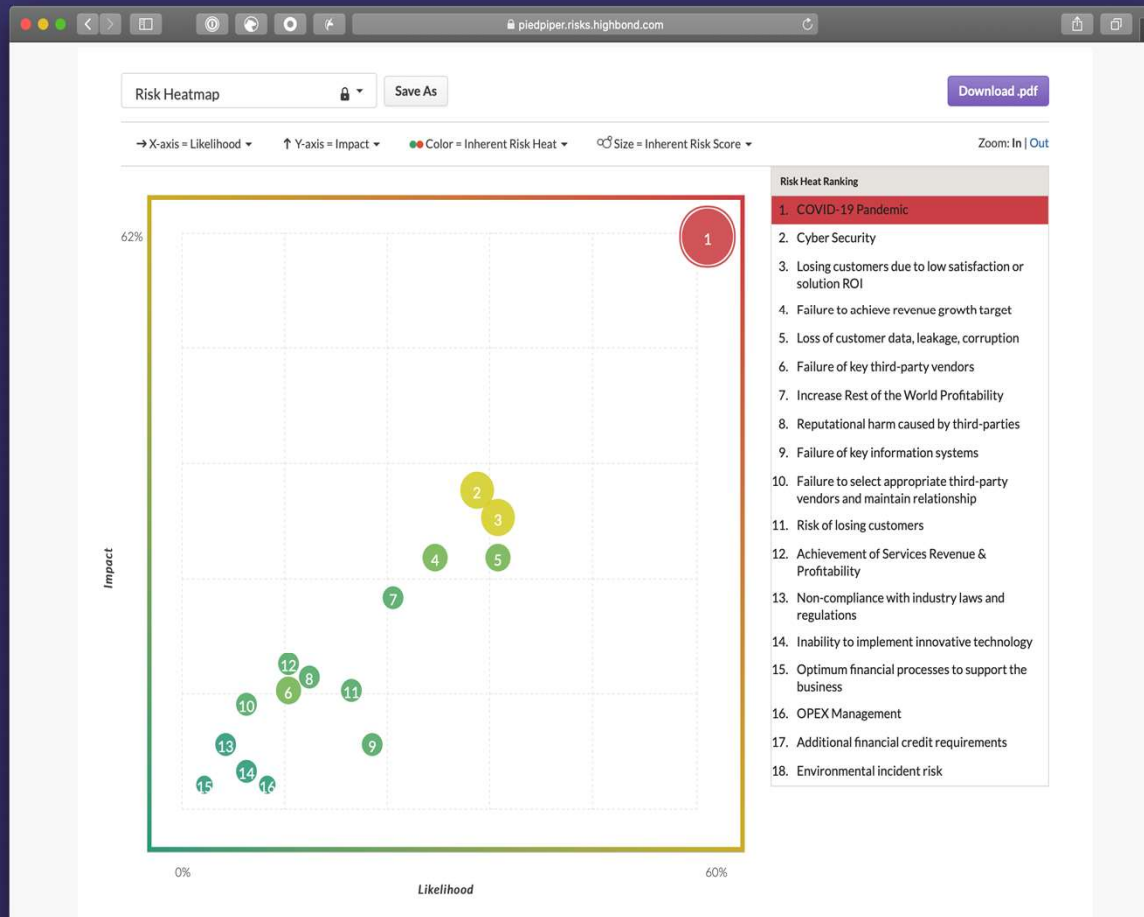


## Risk Monitoring

KPIs/KRIs

Thresholds and Notifications

Risk Time Machine



3,691.26 ↓ 8.5%



Issues



Issue Trends



Severity Issue

Medium Physical device inventory issues

# Automating Risk Management



## Risk Identification

Benchmark organizational risks against industry standards.



Assign responsible parties and consider risk appetite.

Easily configure a flexible risk taxonomy.

Pinpoint risks and compare via included reports.

## Risk Assessment

Configure specific scoring factors and calculations.

Inspire Executive collaboration through an intuitive voting platform.

Discuss and place voting rationale.



Review historical assessments and consider for future strategy.

## Risk Treatment



Create a multi-level risk and control relationship.

Assess all treatment areas and view residual and inherent risk differences.



Ensure complete coverage of all risks identified during ad-hoc & cyclical assessments.

## Risk Assurance

Calculate Actual Risk score from multiple treatment areas.



Find the root cause behind risk events/issues & consider risk tolerance.

Expand ERM view by showing the results of all related assurance groups.

## Risk Monitoring

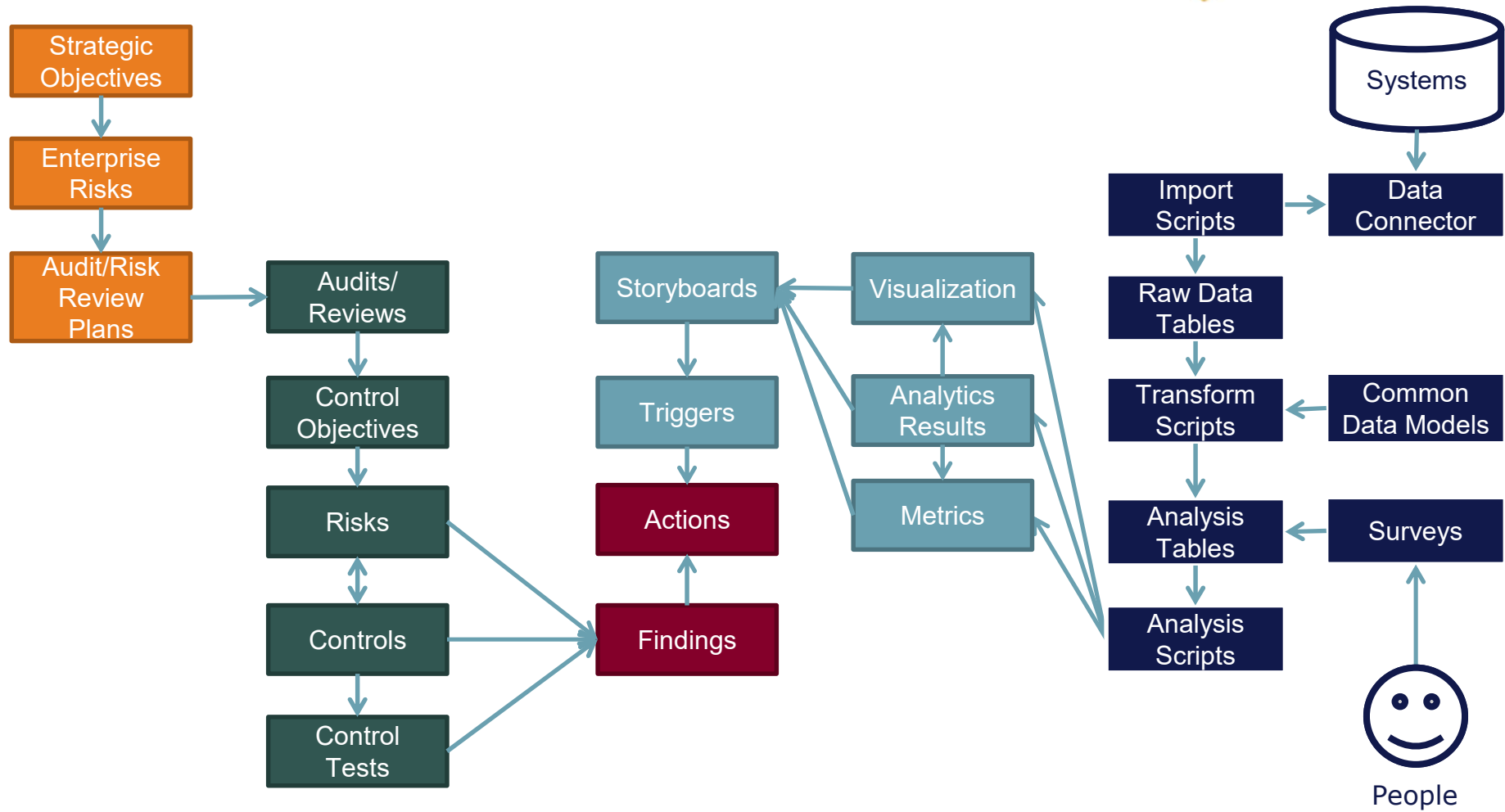
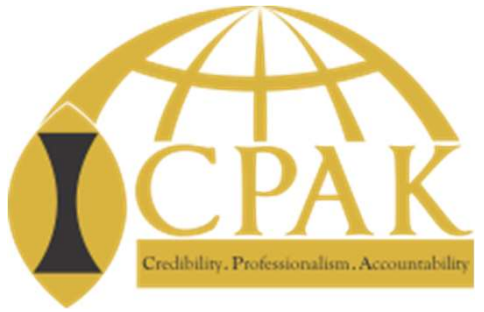
Build KPIs off of Surveys, Investigations & Data Analytics.

Present KRIs with value, trend line and defined thresholds.



Improve ERM efforts by measuring overall Risk Performance.

# Integrated DD GRC





Thank You