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## Webinar Schedule – Financial Services

Date	Topic	AEST	GMT
Thursday 2 April	1. A pragmatic analysis of COVID-19 risks including interconnections with other risks	8.00 p.m. – 9.30 p.m.	10.00 a.m. – 11.30 a.m.
Thursday 9 April	2. An analysis of COVID-19 risk treatments and controls	8.00 p.m. – 9.30 p.m.	11.00 a.m. – 12.30 p.m.
Thursday 16 April	<b>3. A practical approach for processes to manage COVID-19 risks (including decision making)</b>	<b>8.00 p.m. – 9.30 p.m.</b>	<b>11.00 a.m. – 12.30 p.m.</b>
Thursday 23 April	4. Effective COVID-19 risk governance, reporting and communication	8.00 p.m. – 9.30 p.m.	11.00 a.m. – 12.30 p.m.
Thursday 30 April ....	5. Participant preferences and feedback	8.00 p.m. – 9.30 p.m.	11.00 a.m. – 12.30 p.m.

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## Your Presenters



**Manoj Kulwal**

Co-Founder & CRO at  
RiskSpotlight



**David Tattam**

Director, Research and  
Training  
The Protecht Group



**Jason Smith**

CEO and Executive  
Director at Risk  
Management Institute of  
Australasia



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## Agenda

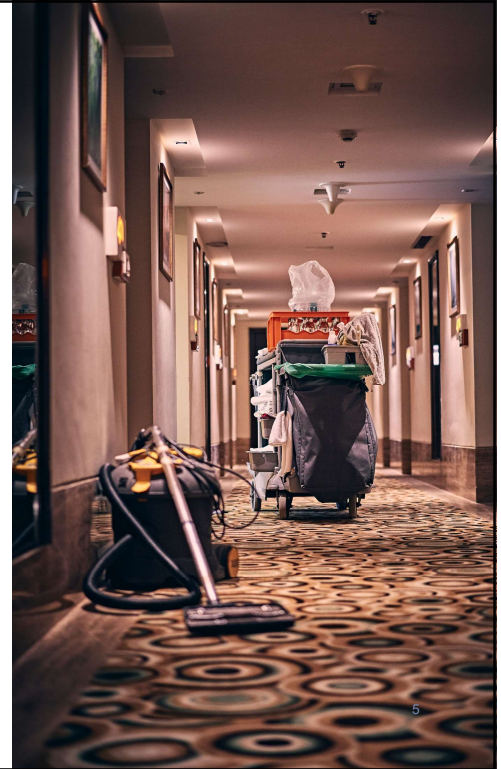
- 1** | Introduction and Housekeeping
- 2** | Presentation 1: Key Risk Management Processes to support COVID-19 Management
- 3** | Presentation 2: A focus on Risk Based decisions to manage COVID-19
- 4** | Q&A
- 5** | Conclusions and next Webinar

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## Housekeeping

1. The webinar will go for 90 minutes.
  - Introduction 10 mins
  - Presentations 40 mins
  - Q&A 35 mins
  - Concluding Remarks 5 mins
2. Ask questions as we go. Enter your question in the question section on the GOTO control panel. If the question input area is not visible, click on the orange arrow at the top of the panel to expand the viewing area.
3. Any questions we don't get to during the webinar:
  - Address any key questions at the beginning of the next Webinar
  - Consider writing a blog or a later topic for any theme questions
4. Please complete the post webinar feedback questions at the end of the webinar
5. You will be send a pdf copy of the slides and a recording of the webinar will be made available to registered participants on our websites:  
[www.protechtgroup.com](http://www.protechtgroup.com) [www.riskspotlight.com](http://www.riskspotlight.com)



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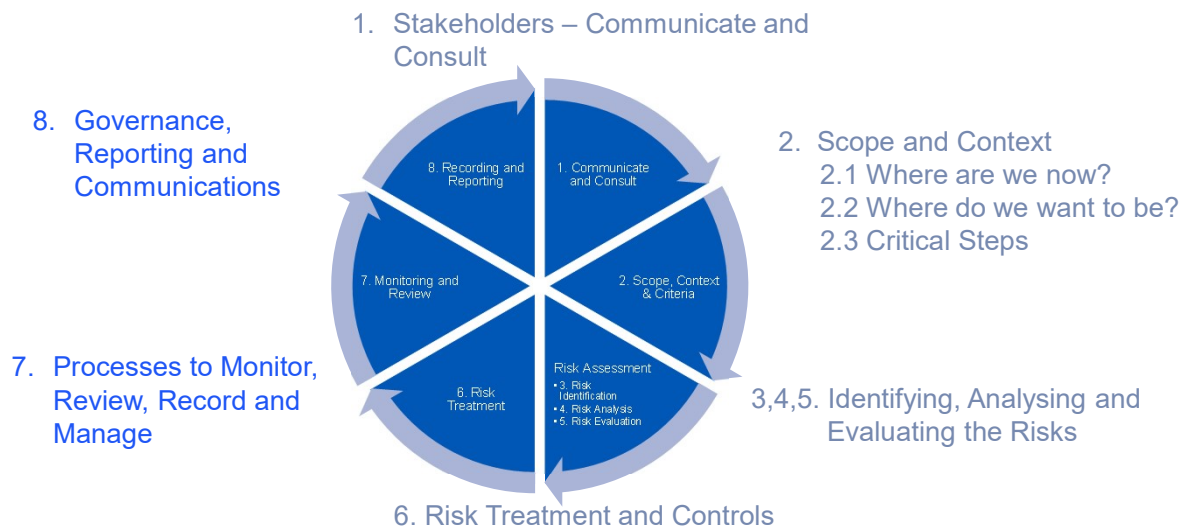
## Agenda

- 1 | Introduction and Housekeeping
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## Overview

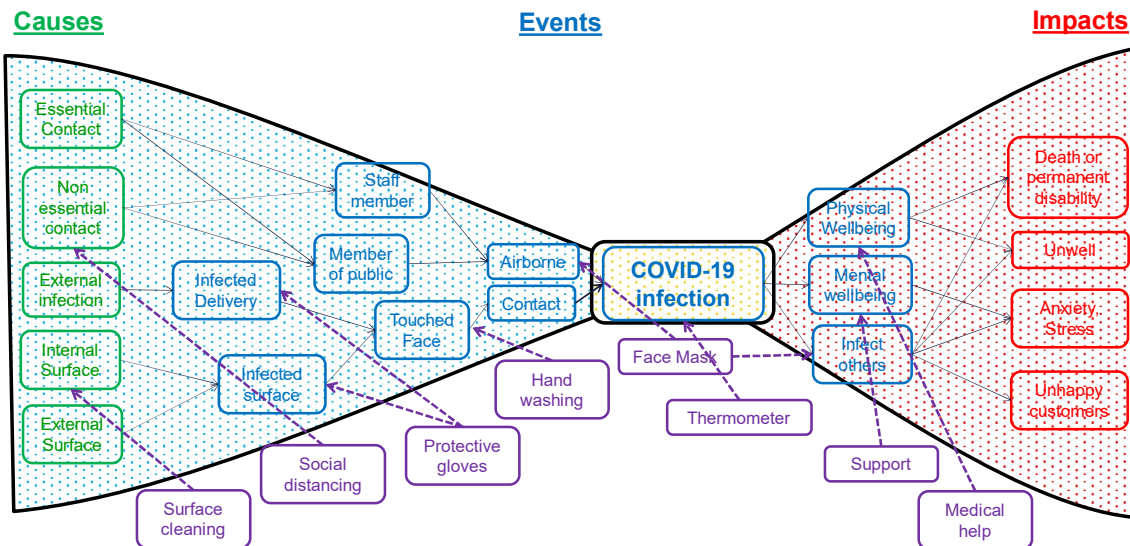


## Risk Management Processes

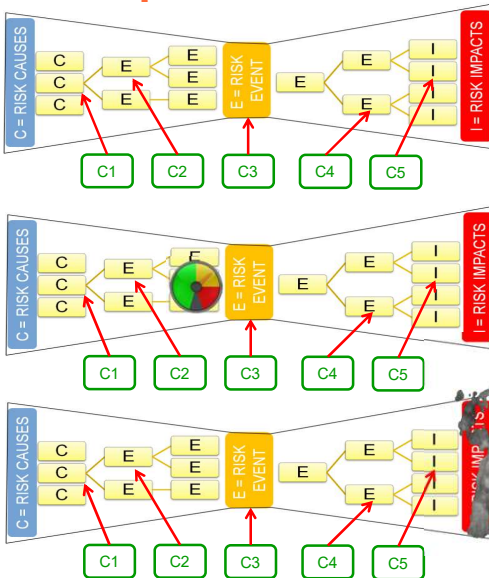
1. Key Risk Management Processes
2. COVID-19 Business Health Check
3. Risk based decision making



## 1. Risk Management Process - What are we managing?



## Core Operational Risk Management Processes



1. Risk and Control Self Assessment

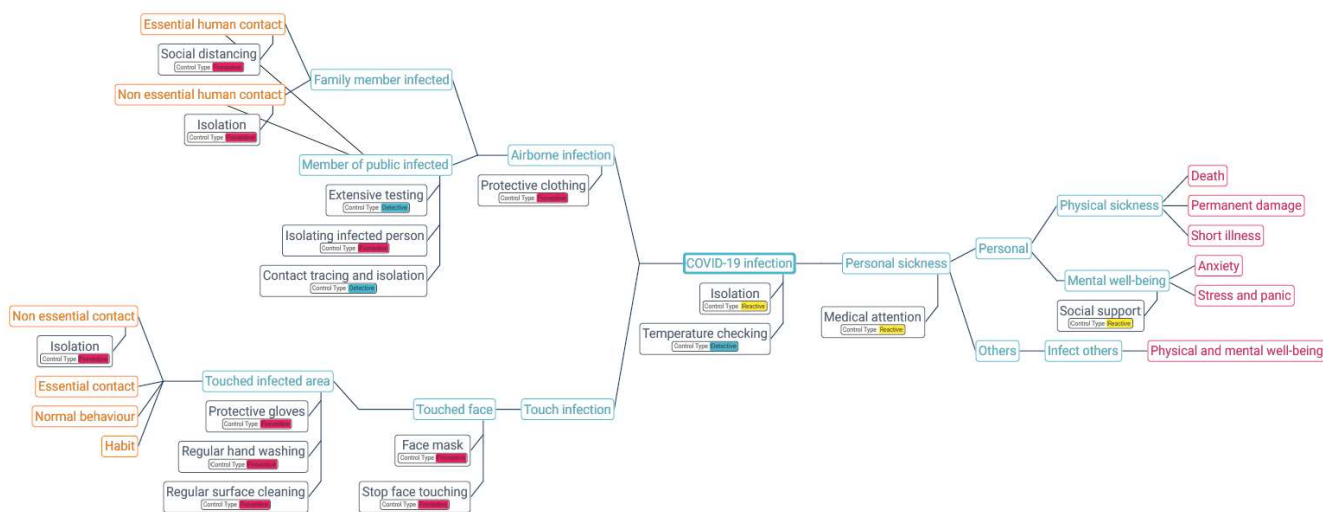
2. Controls Assurance

3. Key Risk Indicators

5. Issue and Action Mgt

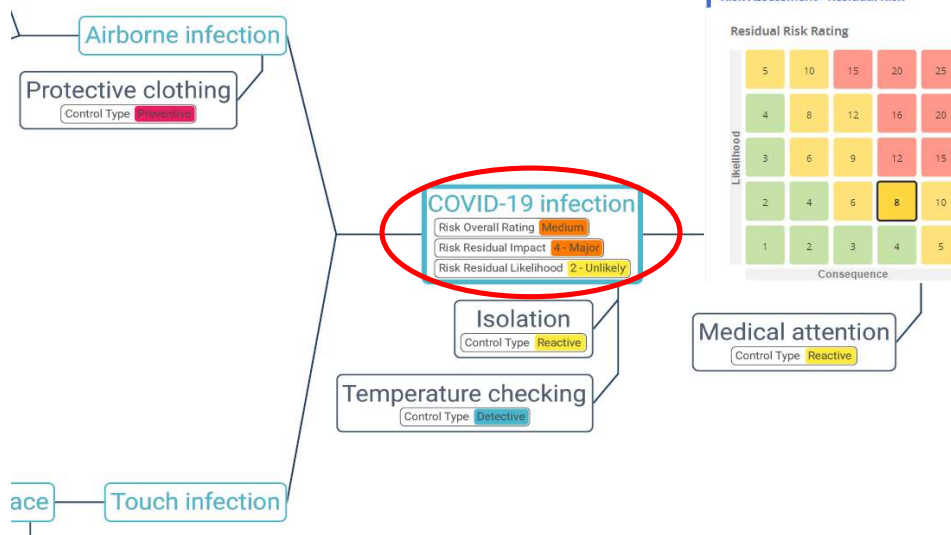
4. Incident Management

## COVID-19 Infection Risk



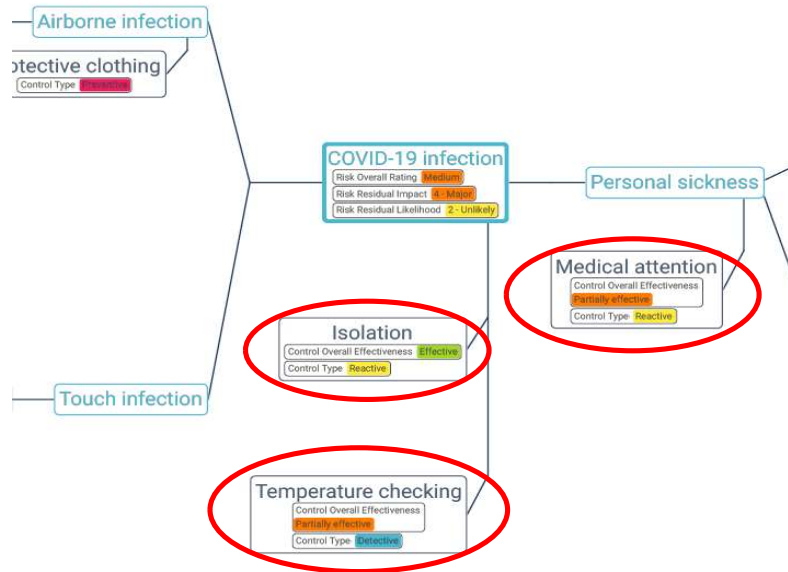
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## Risk and Control Self Assessment



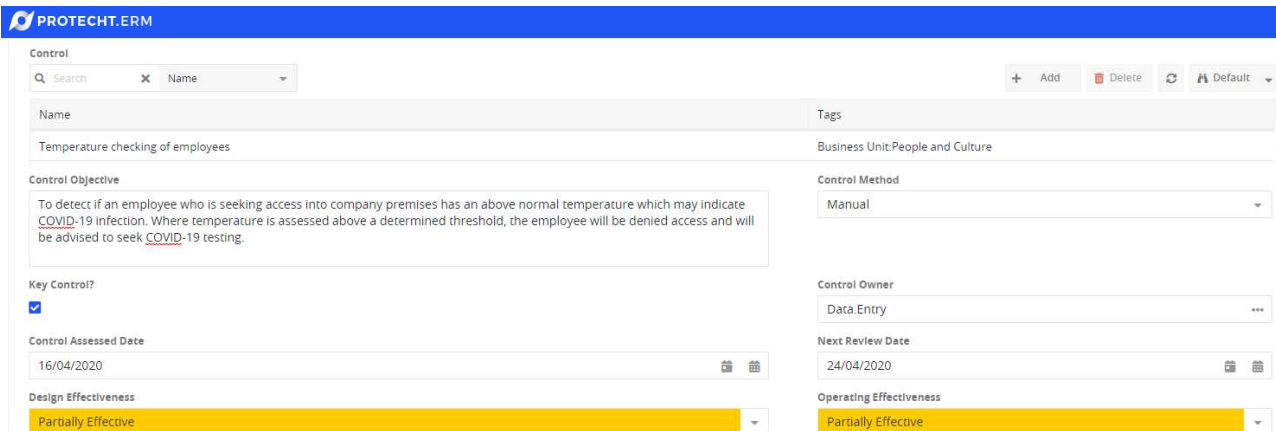
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## Controls Assurance



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## Controls Assurance



**PROTECHT.ERM**

Control:  X Name

Name: Temperature checking of employees

Tags: Business Unit: People and Culture

Control Objective: To detect if an employee who is seeking access into company premises has an above normal temperature which may indicate COVID-19 infection. Where temperature is assessed above a determined threshold, the employee will be denied access and will be advised to seek COVID-19 testing.

Control Method: Manual

Key Control? ☒

Control Assessed Date: 16/04/2020

Control Owner: Data Entry

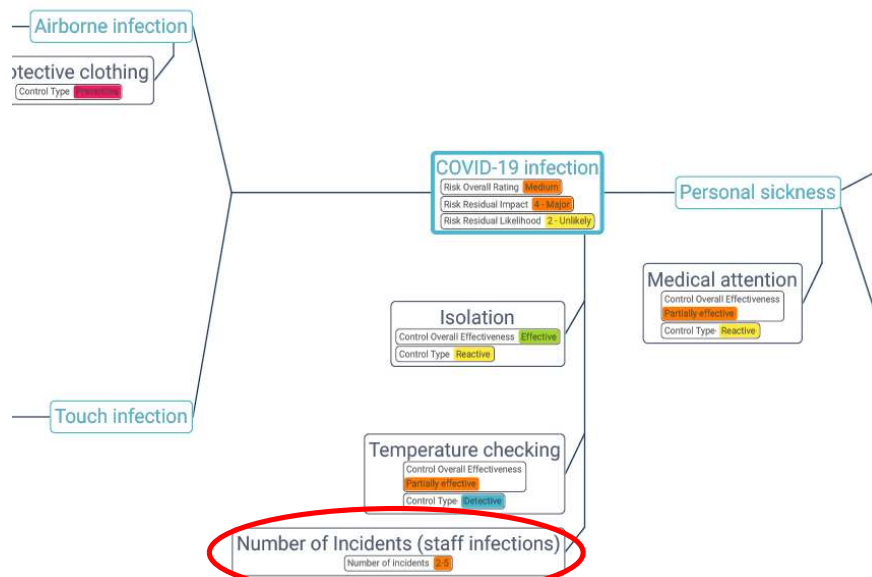
Next Review Date: 24/04/2020

Design Effectiveness: Partially Effective

Operating Effectiveness: Partially Effective

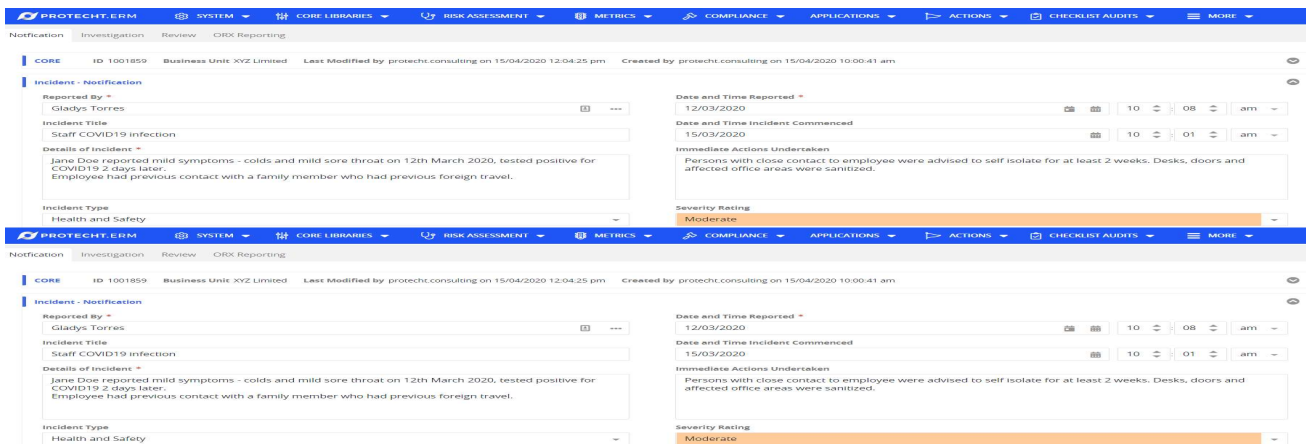
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## Incident Management



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## Incident Management



**PROTECHT ERM** | SYSTEM | CORE LIBRARIES | RISK ASSESSMENT | METRICS | COMPLIANCE | APPLICATIONS | ACTIONS | CHECKLIST AUDITS | MORE

Notification Investigation Review ORX Reporting

**CORE** ID 1001859 Business Unit XYZ Limited Last Modified by protecht.consulting on 15/04/2020 12:04:25 pm Created by protecht.consulting on 15/04/2020 10:00:41 am

**Incident - Notification**

Reported By \* Gladys Torres

Incident Title Staff COVID19 infection

Details of Incident \* Jane Doe reported mild symptoms - colds and mild sore throat on 12th March 2020, tested positive for COVID19 2 days later. Employee had previous contact with a family member who had previous foreign travel.

Incident Type Health and Safety

Date and Time Reported \* 12/03/2020 10:08 am

Date and Time Incident Commenced 15/03/2020 10:01 am

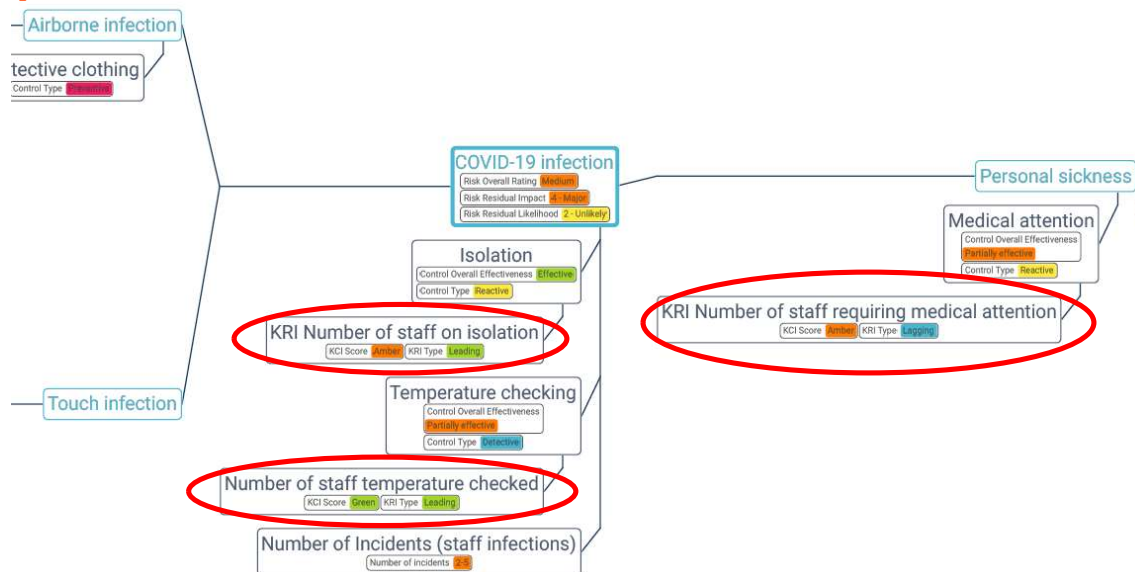
Immediate Actions Undertaken Persons with close contact to employee were advised to self isolate for at least 2 weeks. Desks, doors and affected office areas were sanitized.

Severity Rating Moderate

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## Key Risk and Control Indicators

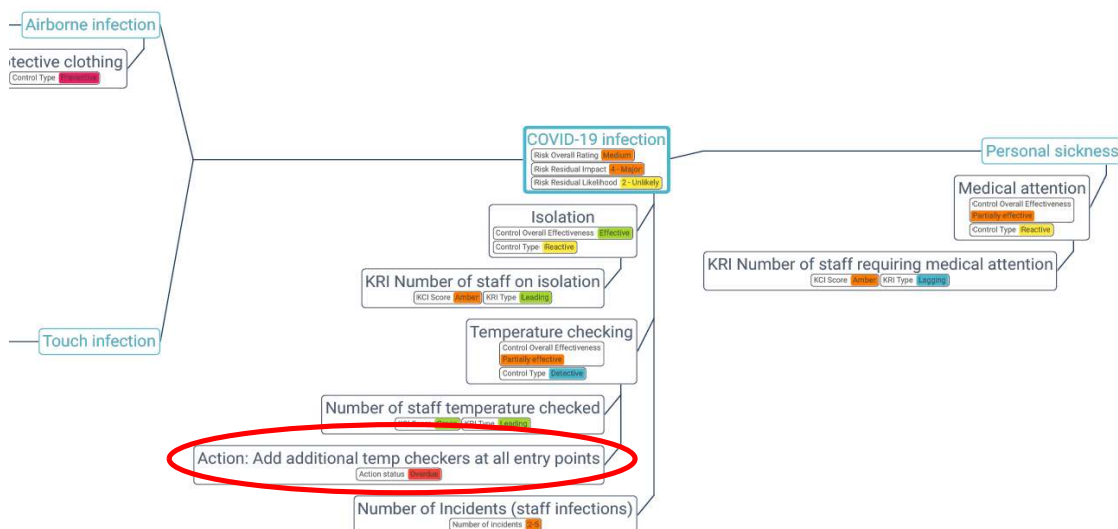


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## Key Risk / Control Indicators

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## Issues and Actions

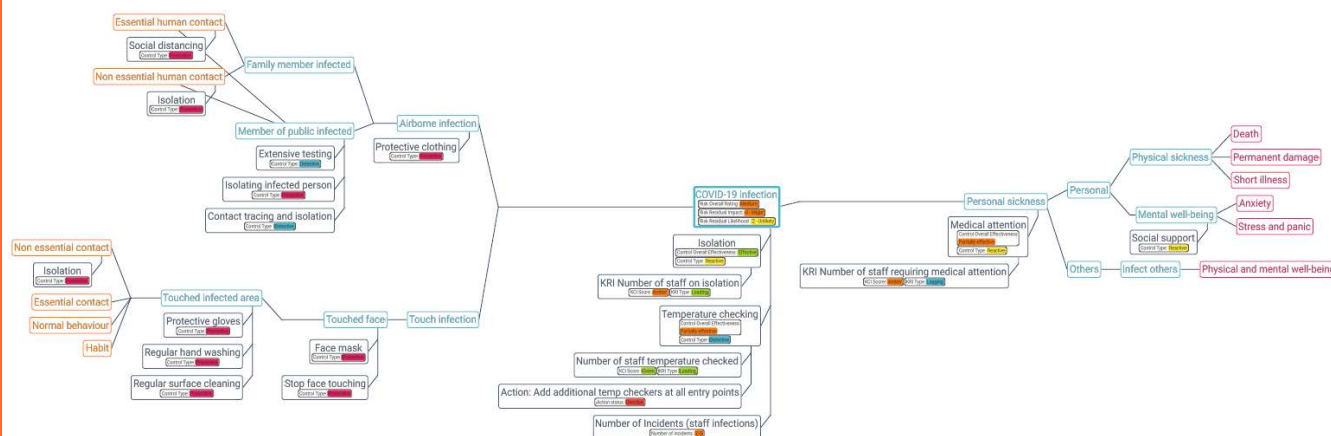


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## Actions


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## Dynamic Risk Profile



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## Dynamic Reporting



Business Unit

Risk Appetite Category

Date Range: Oct 2019 - Apr 2020

Business Unit: People & Culture, Finance, Information Technology, Treasury, Marketing

Risk Event	Grouping													
	Business Unit						Risk Appetite Category							
	Date Range: Oct 2019 - Apr 2020 Business Unit: People & Culture, Finance, Information Technology, Treasury, Marketing													
Risk Assessment	Risk Assessment		Control Testing		Compliance		Key Risk Indicators		Actions		Internal Audit Finding		Incidents	
	Inherent Rating	Residual Rating	Tests Performed	Tests Failed	Total Questions	Non Compliance	KRI Count	Red KRI	Open	Overdue	Findings	Overdue	Number of Incidents	Estimated Direct Loss
People & Culture														
Breach of employment legislation / regulations	High	Low			2		6							
COVID-19 Infection	Moderate	Moderate	1	0	6	1	3	1	1				1	\$20,000
Discriminatory, sexist, moderate and behaviours	High	Moderate					6							
Information Technology														
Data compromise	High	Moderate					12	1						
External cyber attacks, virus, malware and denial of service	High	Moderate	1	0	8	2	12	1						
Failure of third party service providers	High	Low					18	7						
Internet, telecommunications and other public utility outage	High	Low					6							
IT change management failure	High	Moderate					12							
Unauthorized access to sensitive and employee data	High	Low			14	2	12	2						
Unavailability of IT systems, services or data	High	Moderate					36	3						
Marketing														
Misleading marketing material	High	Moderate					6							
Negative social media exposure	High	Moderate					6	1						
Unauthorised disclosure to media	High	Low					6	1						

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## Polling Question

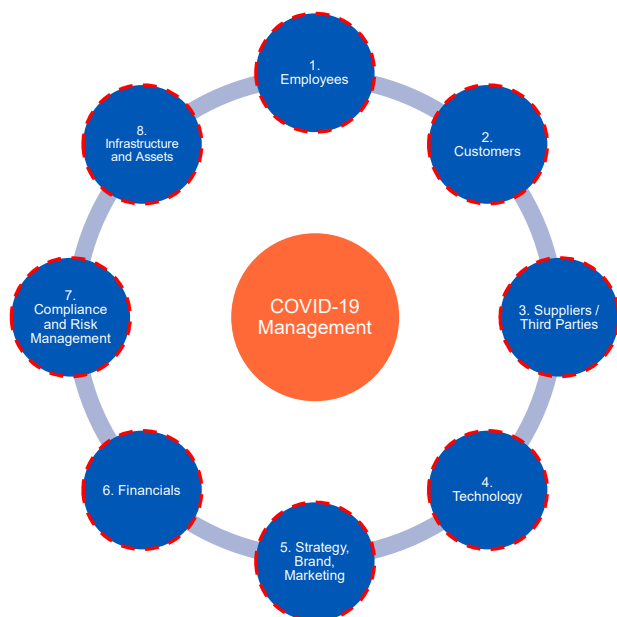
To what degree have your formal risk management processes been disrupted due to COVID-19?

- A. No disruption
- B. Some disruption
- C. Major disruption



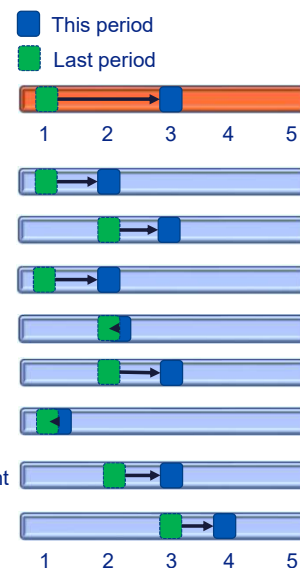
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## 2. COVID-19 Business Health Check



### COVID-19 Management

1. Employees
2. Customers
3. Suppliers / Third Parties
4. Technology
5. Strategy, Brand, Marketing
6. Financials
7. Compliance Risk Management
8. Infrastructure and Assets



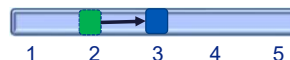
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## 1. Employees



### Assessment



### Comments

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## Employees Sample Questions

Business Area	Category	Question	Yes / No
Employees	Physical Wellbeing	1Have you provided clear guidance / policy to employees regarding social distancing?	
		Travel policy	
		Travelling to and from work	
		Non essential travel	
		Distancing	
		2Have you provided clear guidance to employees regarding hygiene practices?	
		Hand washing	
		Surface cleaning	
		Face Masks	
		Protective Gloves	
		3Have you provided adequate cleaning materials for physical locations (hand sanitiser, alcohol wipes etc.)?	
		4Have you provided appropriate Personal Protective Equipment (PPE) for staff (Face masks, gloves, protective uniforms / gowns etc.)?	
		5Have you a process for managing stock levels of PPE to ensure continuous supply?	
		6Have you provided clear guidance to employees regarding symptom checking and required response?	
		7Have you provided an ability for employees to log any incidents and issues remotely?	
		8Have you provided the ability to log COVID-19 infection or exposure incidents?	
		9Have you provided required guidance / policy on what is required if employee is diagnosed / in contact with infected person / flown in from overseas (14 day quarantine etc.)?	
		10Have you provided guidance on relevant information sources that employees should be using?	
		11Have you provided emergency contact information for all staff during COVID-19?	
		12Are you monitoring staff working remotely to identify any physical or mental health issues?	
	Mental Wellbeing	13Have you provided your employees with guidance on best proactive and tips for working from home?	
		14Have you determined policy regarding sick leave / reduced working week, holiday leave etc and clearly communicated that to staff?	
		15Have you determined and communicated preferred / required communication channels internally? (Skype, Zoom, GoTo, Slack, etc.)	
	Conduct	16Have you provided employees guidance on maintaining mental wellbeing (good practice for WFH)?	
		17Do you have a confidential helpline to discuss mental health related matters and concerns?	
		18Have you put in place regular meetings, catch ups, communication sessions covering all staff while Working from Home?	
		19Have you provided guidance on the expected behaviour and conduct of staff with a) each other and b) with customers, suppliers and third parties?	
		20Have you provided staff with specific guidance on required conduct arising from specific Government directives (e.g. Loan repayment holidays, arrears management, contract enforcement etc.)?	

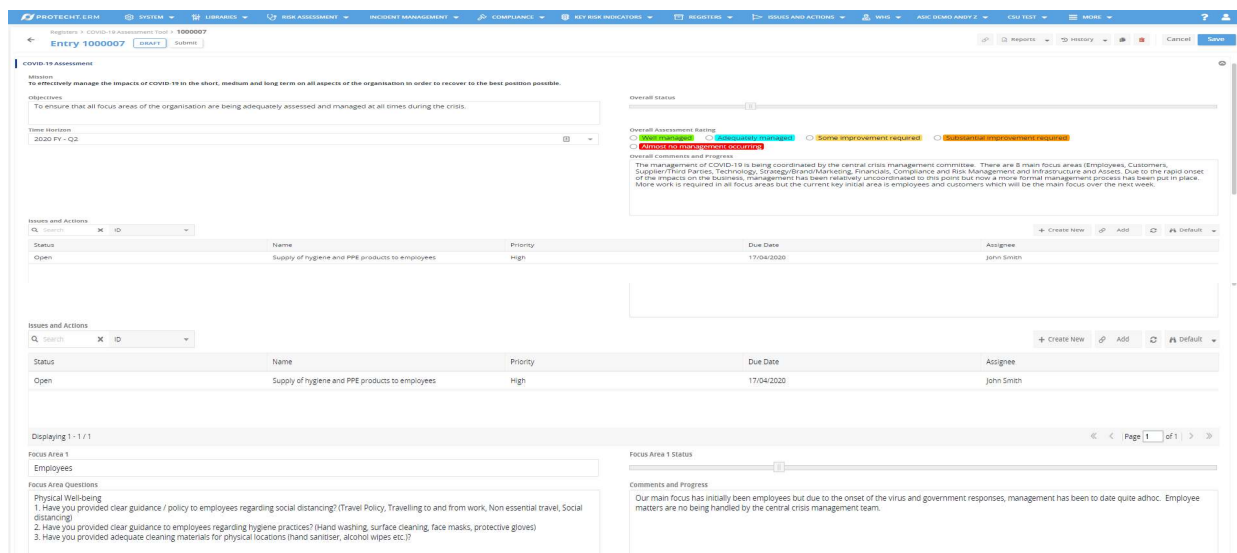
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## COVID-19 Business Health Check

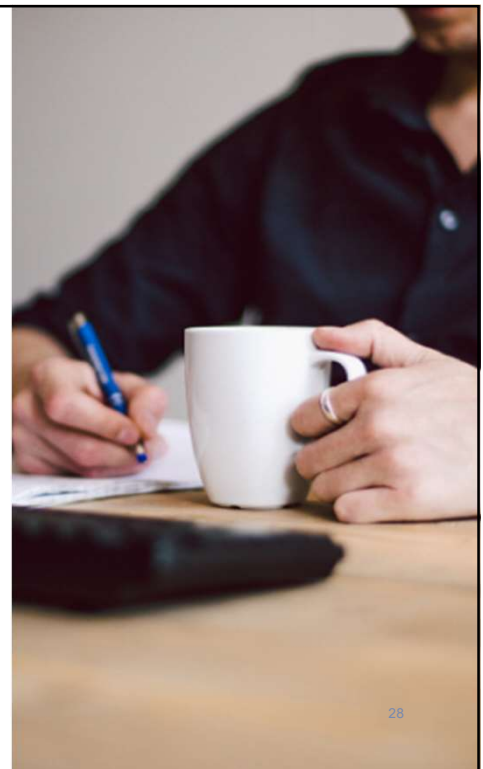


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## Polling Question

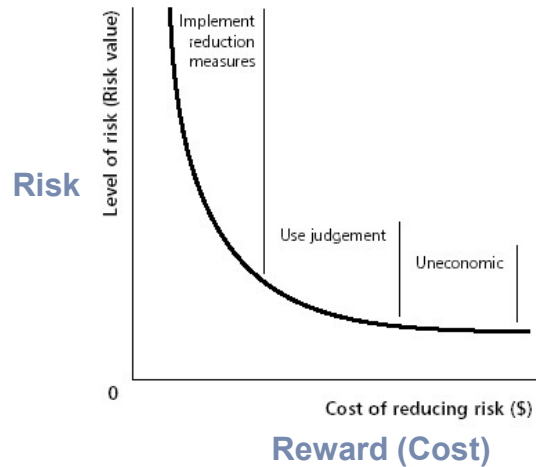
To what degree have you conducted a formal ongoing health check of the business through the COVID-19 crisis?

- A. No formal process in place
- B. Some ad hoc assessment and reporting in place
- C. Comprehensive assessment carried out and updated regularly



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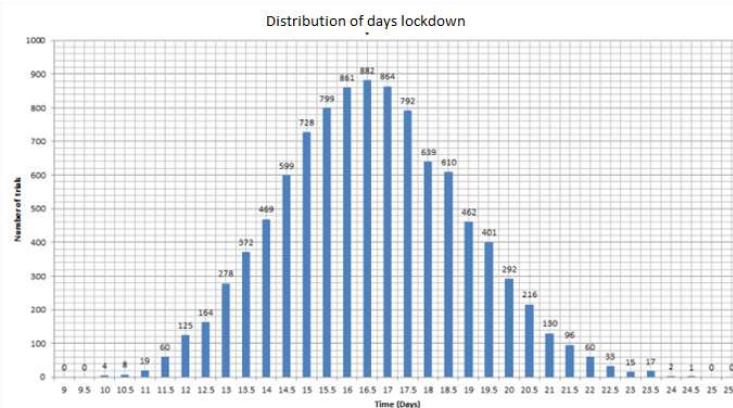
### 3. Decision Making - which treatment method?



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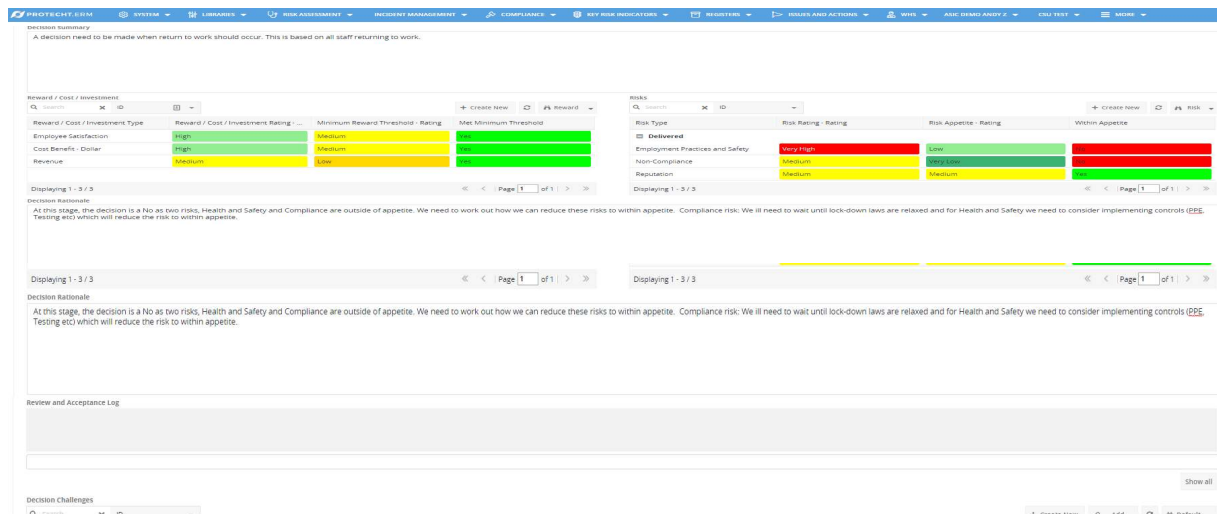
### Decision Making

1. Monte Carlo
2. Decision Trees
3. Scoring / subjective judgement. Balancing Risk and Reward



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## Risk / Reward Decision Making Example



**Decision Summary**  
A decision needs to be made when return to work should occur. This is based on all staff returning to work.

Reward / Cost / Investment	Reward / Cost / Investment Rating	Minimum Reward Threshold - Rating	Met Minimum Threshold
Employee Satisfaction	High	Medium	Yes
Cost Benefits - Dollar	High	Medium	Yes
Revenue	Medium	Low	Yes

Risk	Risk Rating - Rating	Risk Appetite - Rating	Within Appetite
Delivered	Very High	Low	No
Employment Practices and Safety	Very High	Low	No
Non-Compliance	Medium	Medium	Yes
Reputation	Medium	Medium	Yes

**Decision Rationale**  
At this stage, the decision is a No as two risks, Health and Safety and Compliance are outside of appetite. We need to work out how we can reduce these risks to within appetite. Compliance risk: We will need to wait until lock-down laws are relaxed and for Health and Safety we need to consider implementing controls (PPE, Testing etc) which will reduce the risk to within appetite.

**Review and Acceptance Log**

**Decision Challenges**

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## Agenda

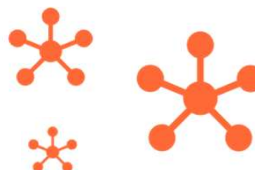
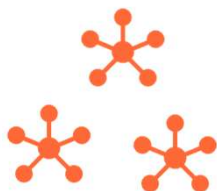
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## Inter-relationship between decisions and risk

Every key business decision

Can introduce new operational risks



Can change the exposure of existing operational risks

**Examples** of business decisions that can impact operational risk exposures: -

- Which critical functions/processes/services should be fully operational during the government lockdown?
- When should the offices be reopened after the government lockdown is revoked?
- Which employees should be allowed to continue to work from home after the government lockdown is revoked?

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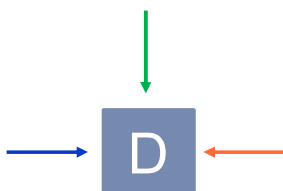
## Inter-relationship between decisions and risk

### Desired Outcomes

- Create value e.g. Restore revenue levels to the pre-crisis level
- Protect value e.g. Minimise the level of COVID-19 infections in work environment

### Planned Inputs

- Investment e.g. invest £5 mln to upgrade a legacy system
- Costs e.g. cost of deep cleaning offices to reduce COVID-19 infections
- Intangibles e.g. management time to deal with COVID-19 crisis



### Risks

- Inherent e.g. theft of data from employee laptops while working from home
- Optional e.g. employees getting infected in the work environment

- Three aspects are typically inter-related
- Typically, desired outcomes and inputs are considered in detail during decision making but risks are not
- Risks introduce uncertainties on achieving the desired outcomes and planned inputs

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## Inter-relationship between decisions and risk

High Quality  
Decisions



Risk informed  
decisions

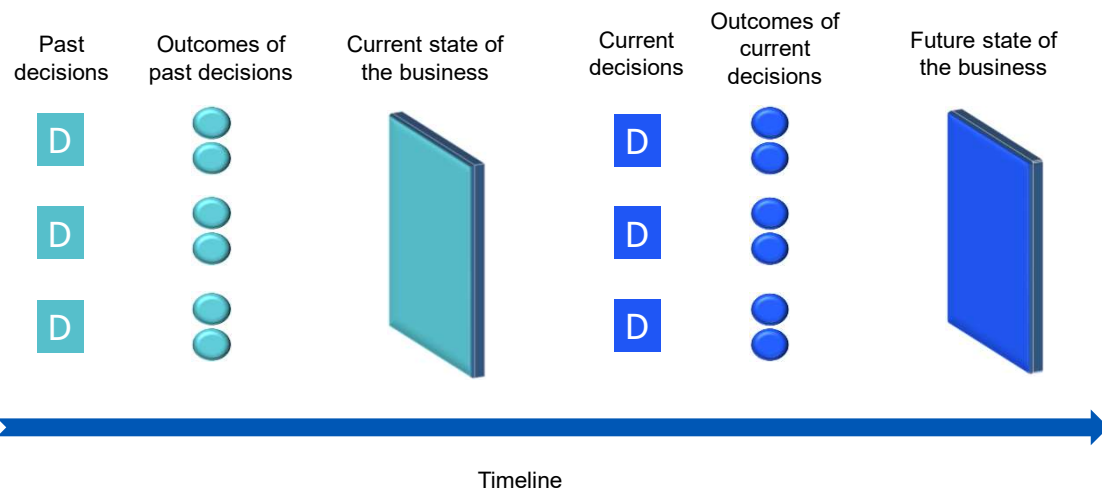
Low Quality  
Decisions



Inadequate  
consideration  
of risks

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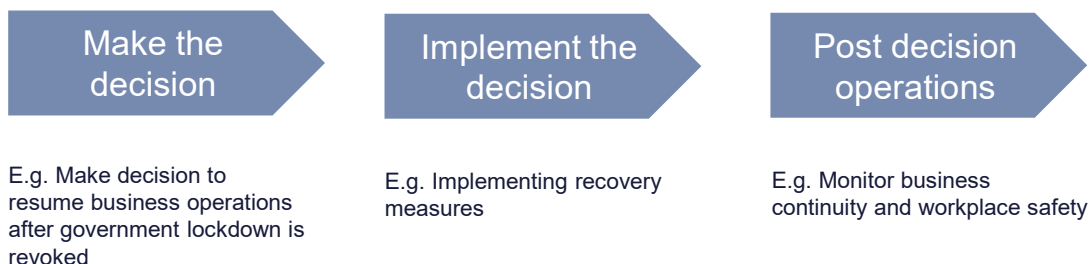
## Importance of decision making



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## Decision making phases



- In all three phases, consideration of relevant risks and managing these is important in order to achieve the desired outcomes
- Some risks may remain relevant across all phases e.g. Theft of data from key IT systems
- Some risks may only be relevant for specific phases e.g. The risk "Disruption to business processes during the recovery phase" is only relevant for the second phase

## Decision Making

Demo of COVID-19 Decision

## Polling Question

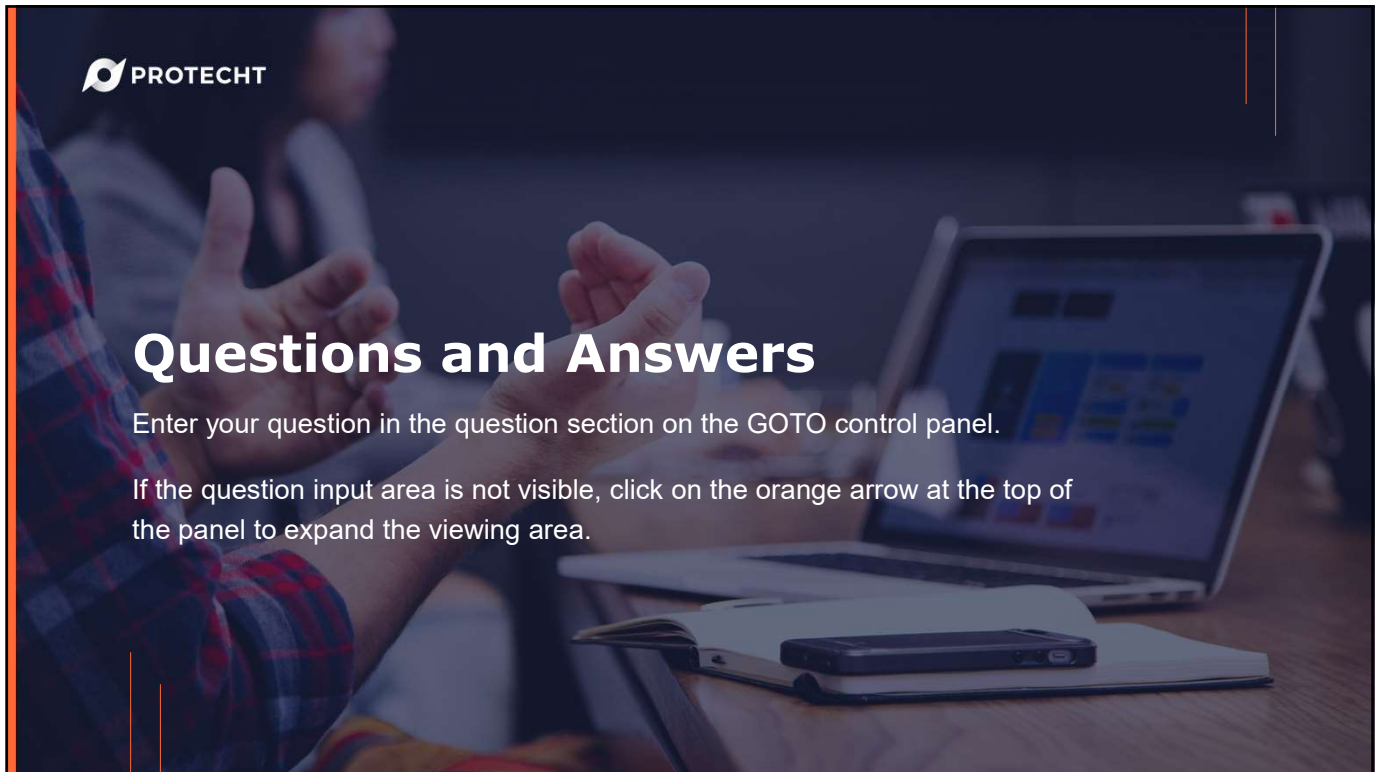
What formal decision making process do you use for managing and documenting material business decisions?

- A. No formal process in place
- B. Subjective scoring
- C. Monte Carlo simulation
- D. Decision Trees
- E. Other



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## Questions and Answers

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## Final Comments



**Manoj Kulwal**

Co-Founder & CRO at RiskSpotlight



**David Tattam**

Director, Research and Training  
The Protecht Group



**Jason Smith**

CEO and Executive Director at Risk Management Institute of Australasia



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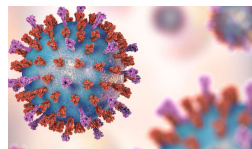
## Coming Up



### Compliance Webinar

Leveraging your ERM Framework to painlessly manage Regulatory and Ethical Compliance

Tue 21 April  
10-10.40am BST  
12-12:40pm AEST



### Next Week's Topic

Effective COVID-19 risk governance, reporting and communication

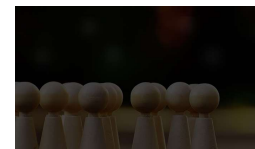
Thu 23 April  
10-11.30am BST  
8-9.30pm AEST



### Risk in a Covid-19 World

Key insights on risk and compliance in a Covid-19 world

[protechtgroup.com/covid-19](https://protechtgroup.com/covid-19)



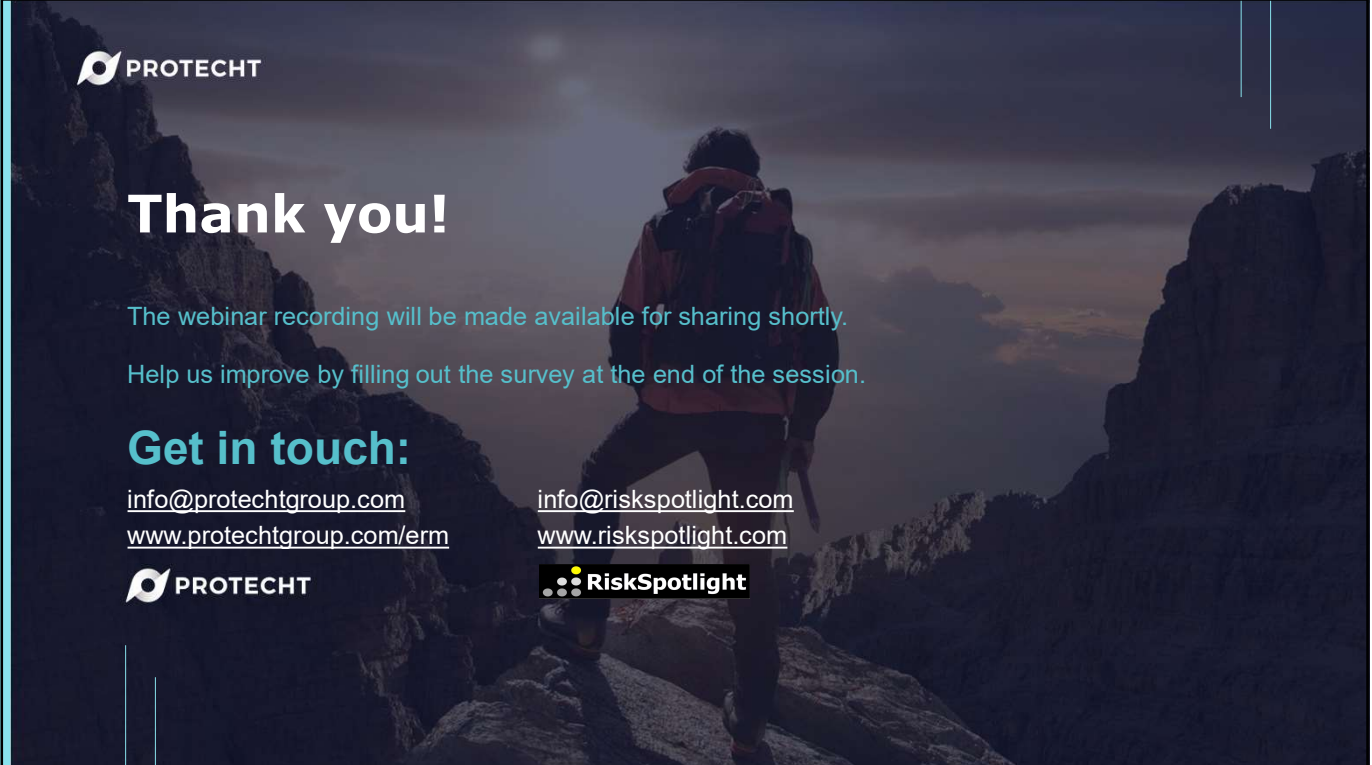
### Managing COVID-19 OpRisks


COVID-19 Resources from RiskSpotlight

[riskspotlight.com/covid19](https://riskspotlight.com/covid19)

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 **PROTECHT**


# Thank you!

The webinar recording will be made available for sharing shortly.


Help us improve by filling out the survey at the end of the session.

## Get in touch:

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[www.protechtgroup.com/erm](http://www.protechtgroup.com/erm)

 **PROTECHT**

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