PROTECHT

RiskSpotlight

WEEKLY WEBINAR SERIES - 3

Applying Operational Risk
Management thinking to COVID-19

**Risk Management
Processes to
manage COVID-19**

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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	**3. A practical approach for processes to manage COVID-19 risks (including decision making)**	**8.00 p.m. – 9.30 p.m.**	**11.00 a.m. – 12.30 p.m.**
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
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RiskSpotlight

David Tattam
Director, Research and
Training

The Protecht Group

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Jason Smith
CEO and Executive
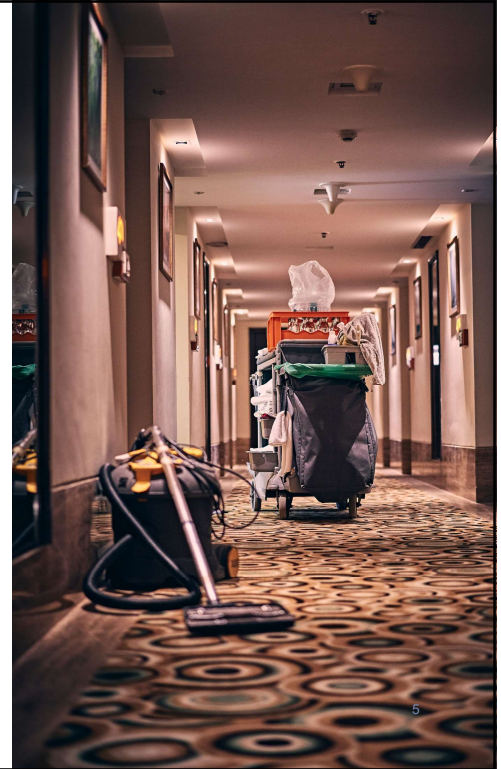Director at Risk
Management Institute of
Australasia

RMIA
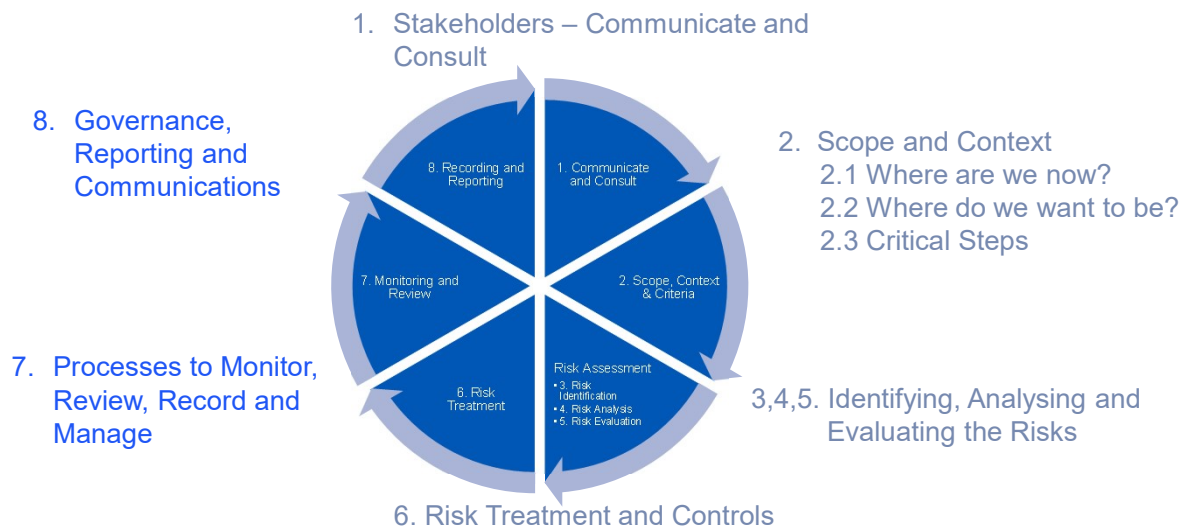RISK MANAGEMENT INSTITUTE OF AUSTRALASIA

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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   www.riskspotlight.com

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Overview

1. Stakeholders – Communicate and Consult

8. Governance, Reporting and Communications

2. Scope and Context
   2.1 Where are we now?
   2.2 Where do we want to be?
   2.3 Critical Steps

7. Processes to Monitor, Review, Record and Manage

3,4,5. Identifying, Analysing and Evaluating the Risks

6. Risk Treatment and Controls

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Source: ISO 31000:2018 Risk Management: Principles and guidelines

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Risk Management Processes

1. Key Risk Management Processes

2. COVID-19 Business Health Check

3. Risk based decision making

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1. Risk Management Process - What are me managing?

Causes

Events

Impacts
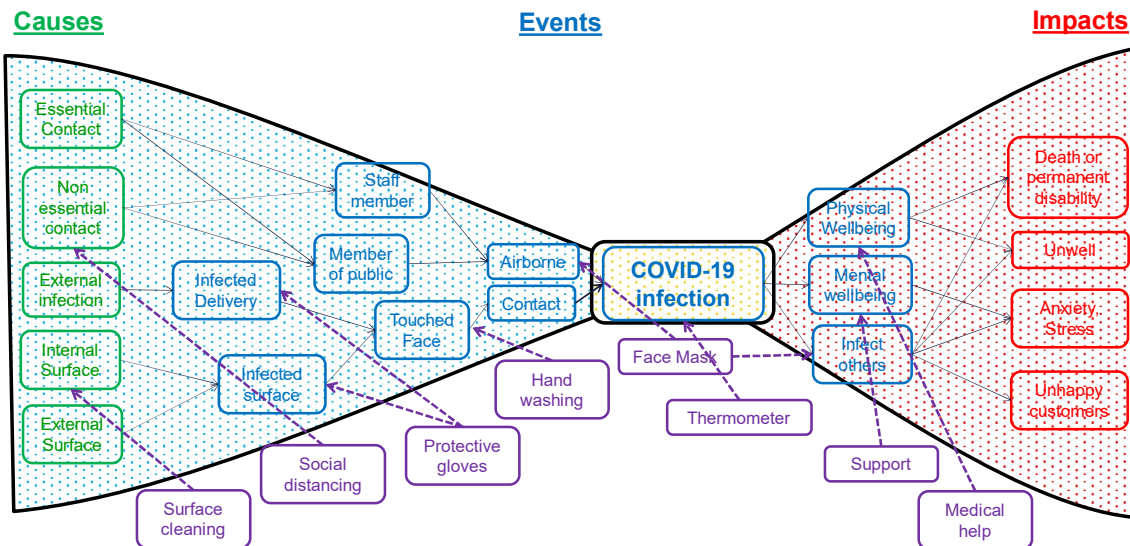
Core Operational Risk Management Processes
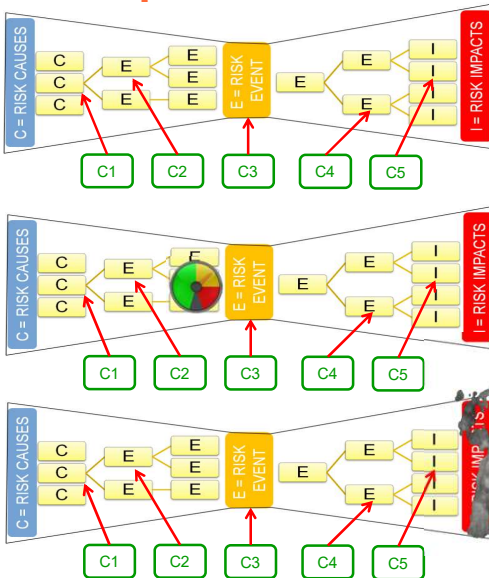
1. Risk and Control Self Assessment

2. Controls Assurance

3. Key Risk Indicators

5. Issue and Action Mgt

4. Incident Management

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COVID-19 Infection Risk

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Risk and Control Self Assessment

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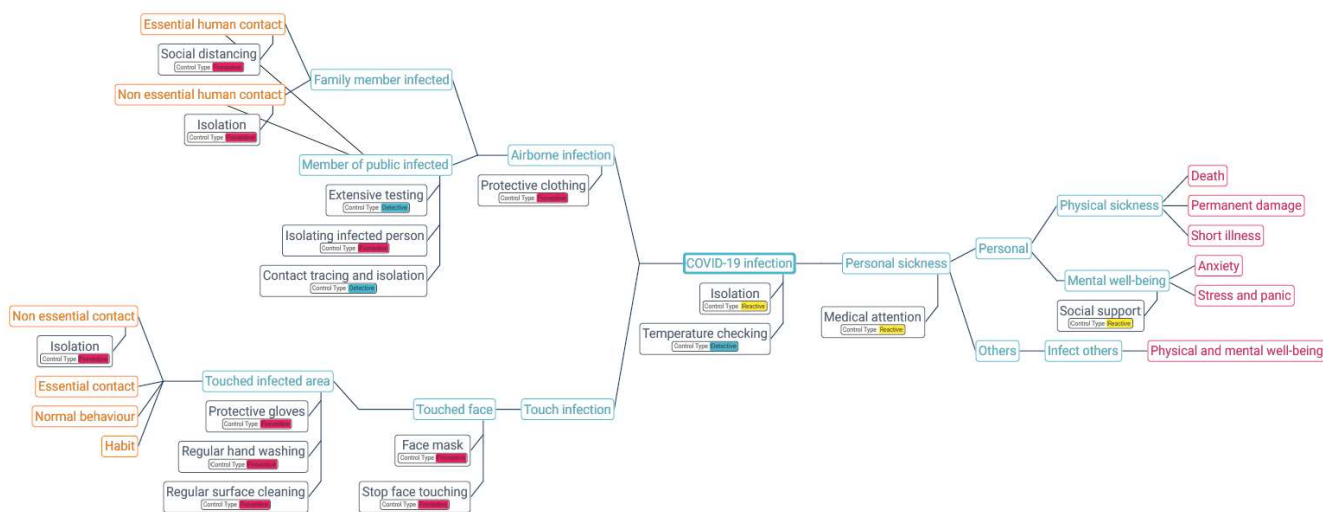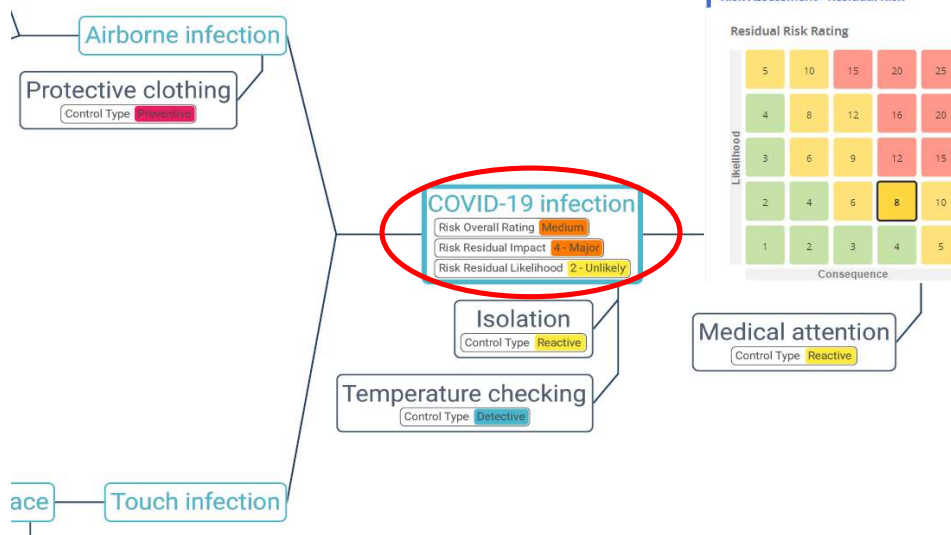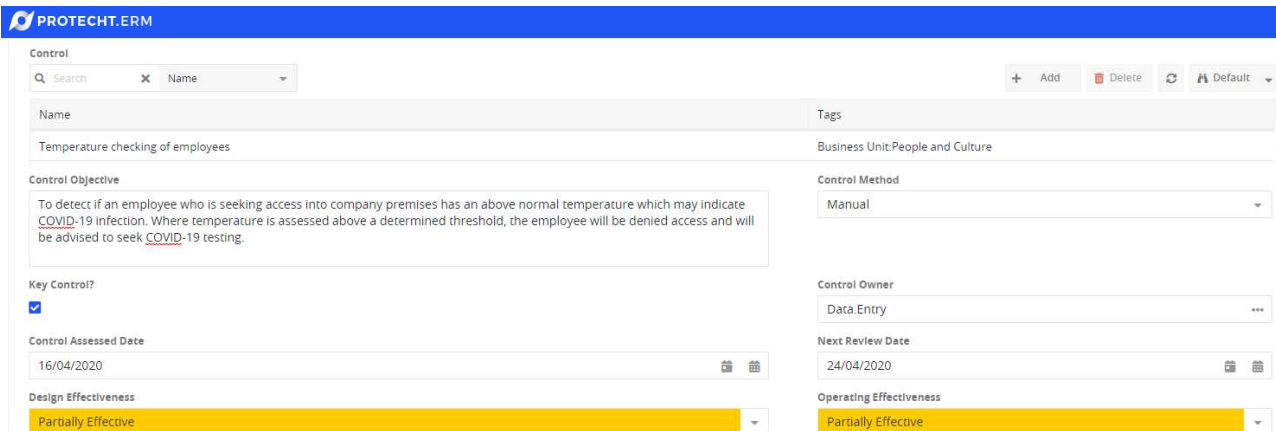
Controls Assurance

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Controls Assurance

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Dynamic Risk Profile

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Dynamic Reporting

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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

■ This period
■ Last period
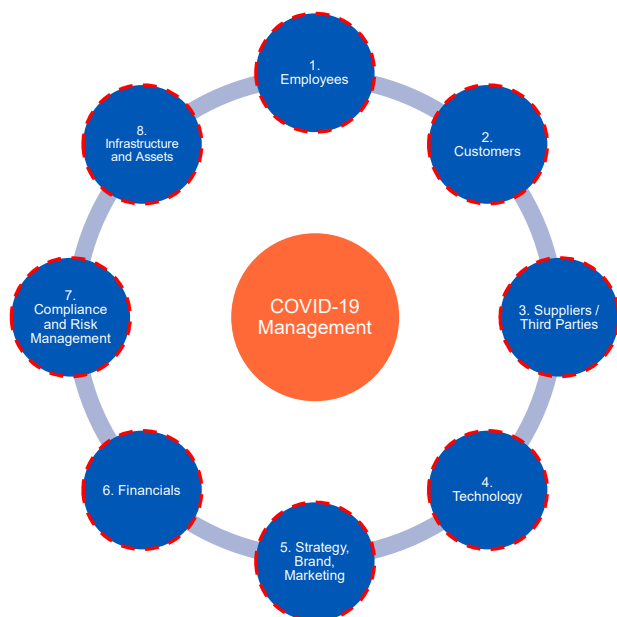
COVID-19 Management

1 2 3 4 5

1. Employees

2. Customers

3. Suppliers / Third Parties

4. Technology

5. Strategy, Brand, Marketing

6. Financials

7. Compliance Risk Management

8. Infrastructure and Assets

1 2 3 4 5

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1. Employees

Physical Wellbeing

Conduct

1. Employees

Mental Wellbeing

Sample Questions

Assessment

1 2 3 4 5
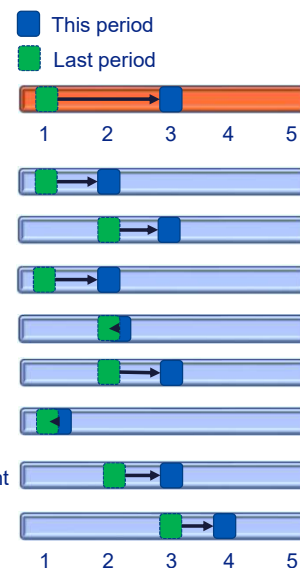
Comments

Back to Summary

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Employees Sample Questions

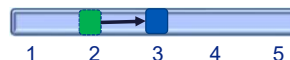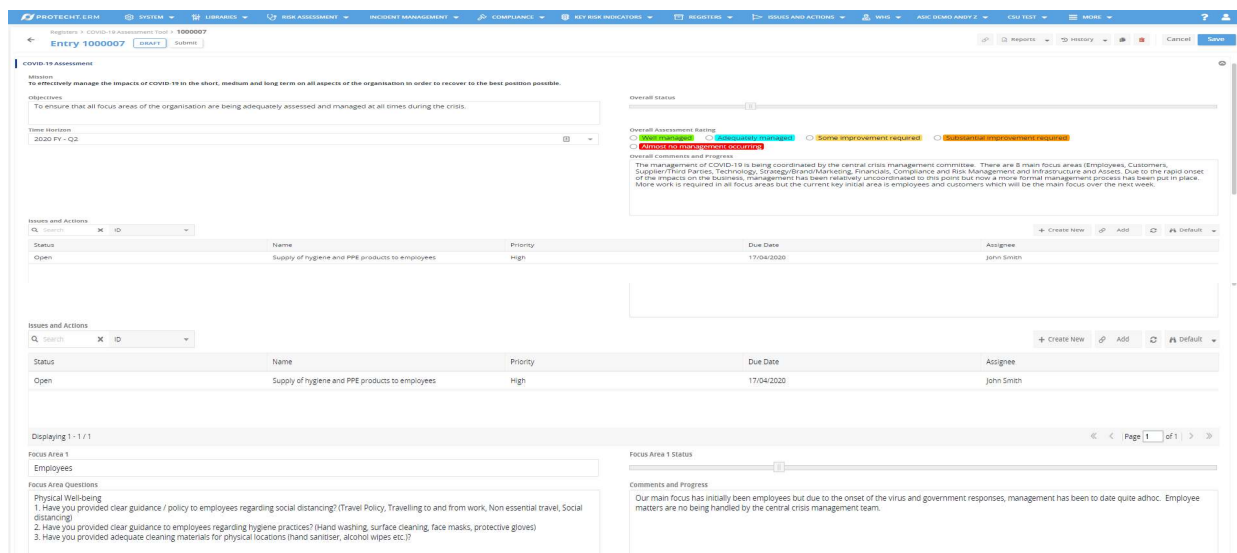| Business Area	Category		Question	Yes / No
Employees	Physical Wellbeing	1	Have you provided clear guidance / policy to employees regarding social distancing?	
			Travel policy	
			Travelling to and from work	
			Non essential travel	
			Distancing	
		2	Have you provided clear guidance to employees regarding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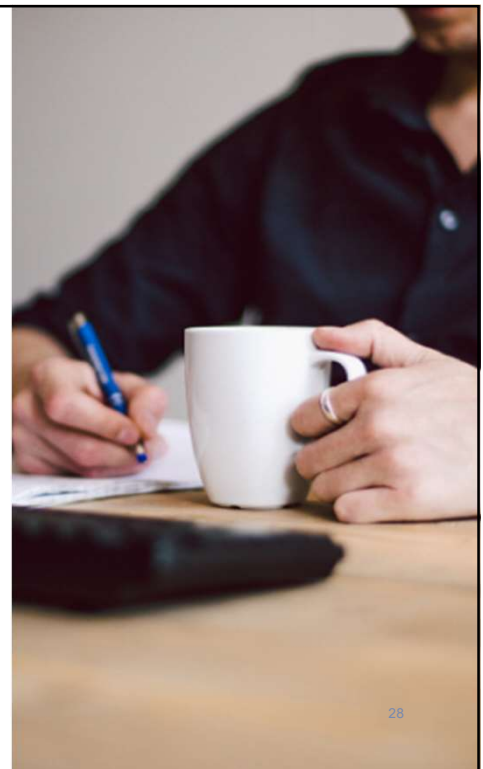
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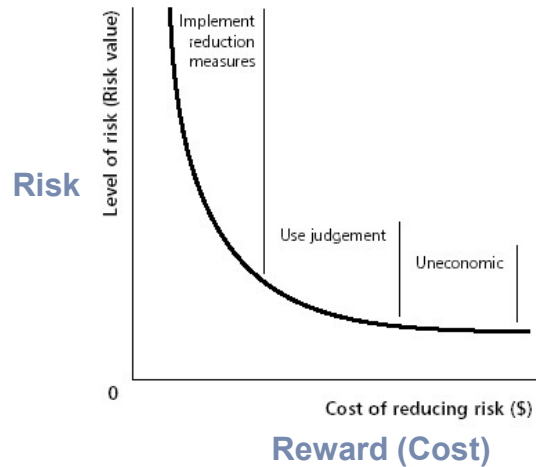## COVID-19 Business Health Check

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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

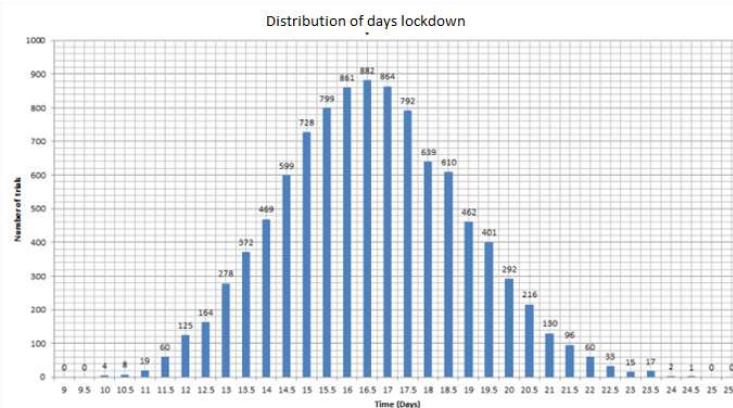C. Comprehensive assessment carried out and updated regularly

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3. Decision Making - which treatment method?
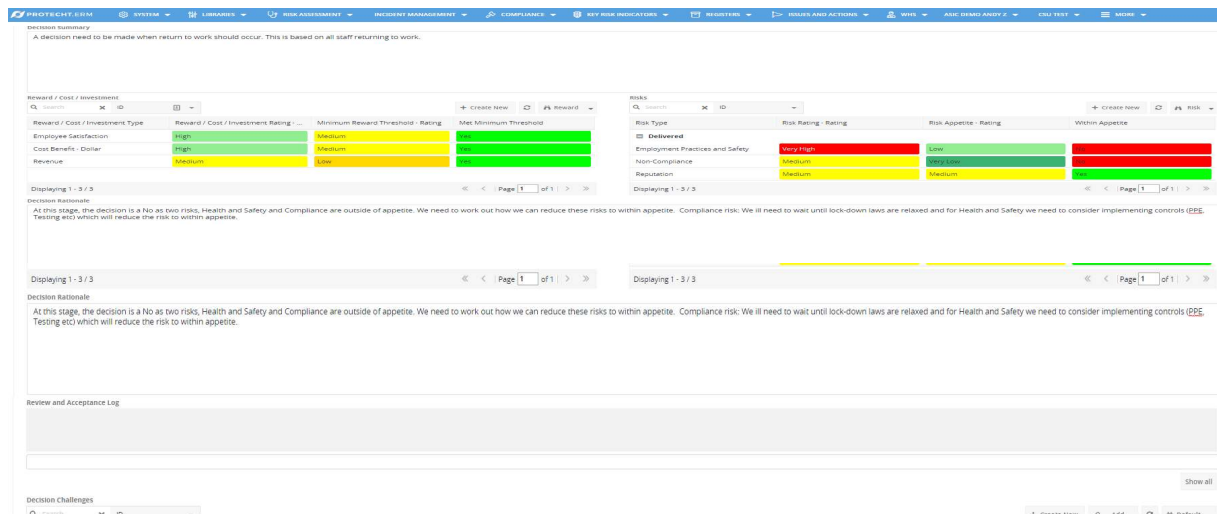

Risk

Reward (Cost)

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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

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Inter-relationship between decisions and risk

Every key business decision

Can introduce new operational risks
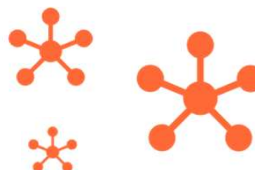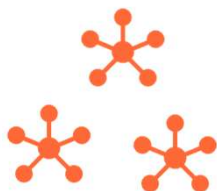
Can change the exposure of existing operational risks

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

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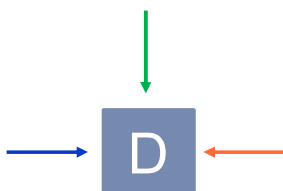
Risks
• Inherent e.g. theft of data from employee laptops while working from home
• Optional e.g. employees getting infected in the work environment

➢ 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

Low Quality
Decisions

Risk informed
decisions

Inadequate
consideration
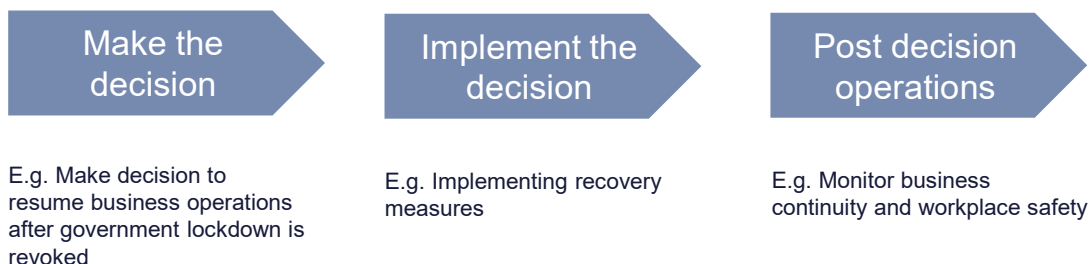of risks

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Importance of decision making

Past
decisions

Outcomes of
past decisions

Current state of
the business

Current
decisions

Outcomes of
current
decisions

Future state of
the business

D

D

D

D

D

D

Timeline

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Decision making phases

| Make the decision | Implement the decision | Post decision operations |

E.g. Make decision to resume business operations after government lockdown is revoked

E.g. Implementing recovery measures

E.g. Monitor business continuity and workplace safety

> ➢ 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

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Decision Making

Demo of COVID-19 Decision

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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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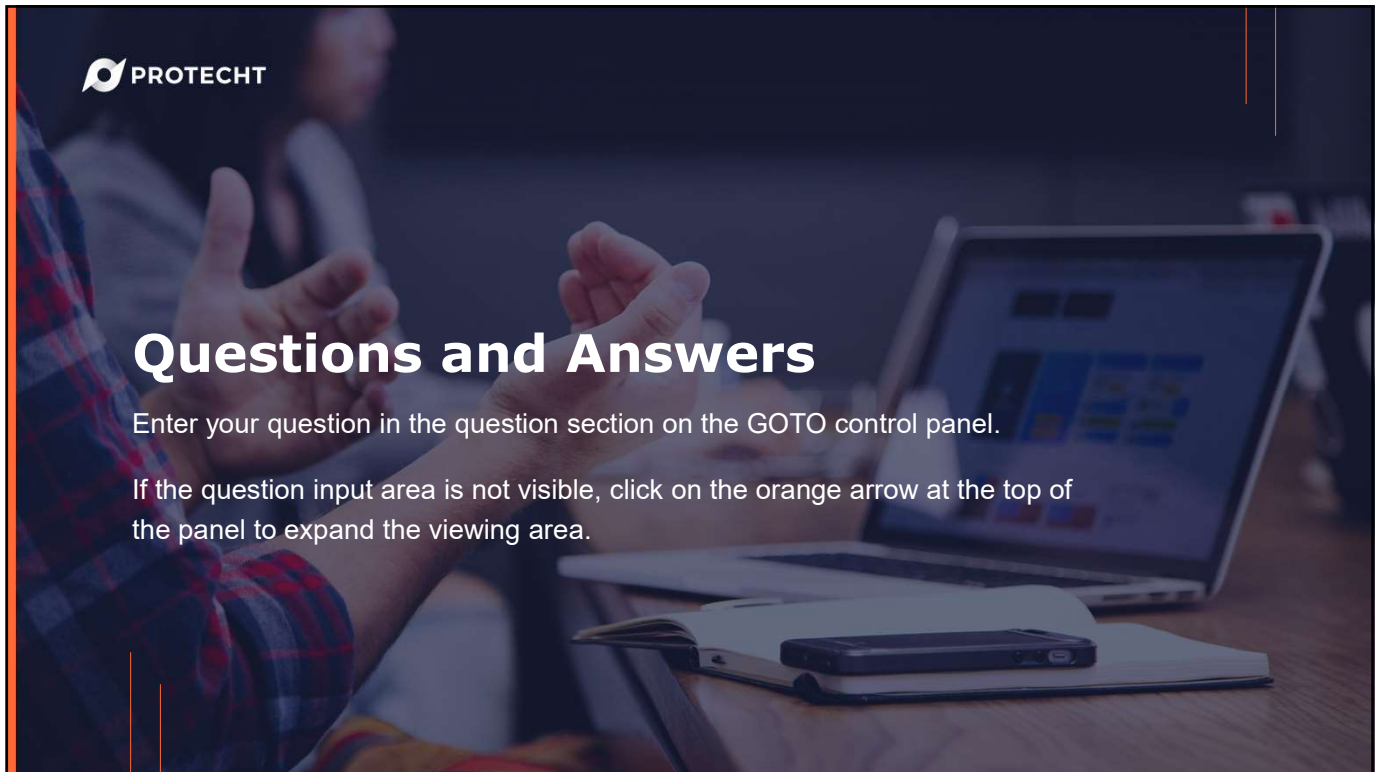
Questions and Answers

Enter your question in the question section on the GOTO control panel.

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Final Comments

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Jason Smith
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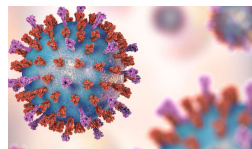
RMIA
RISK MANAGEMENT INSTITUTE OF AUSTRALASIA

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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,
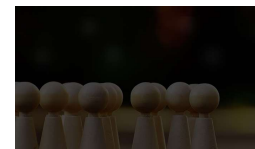reporting and
communication

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
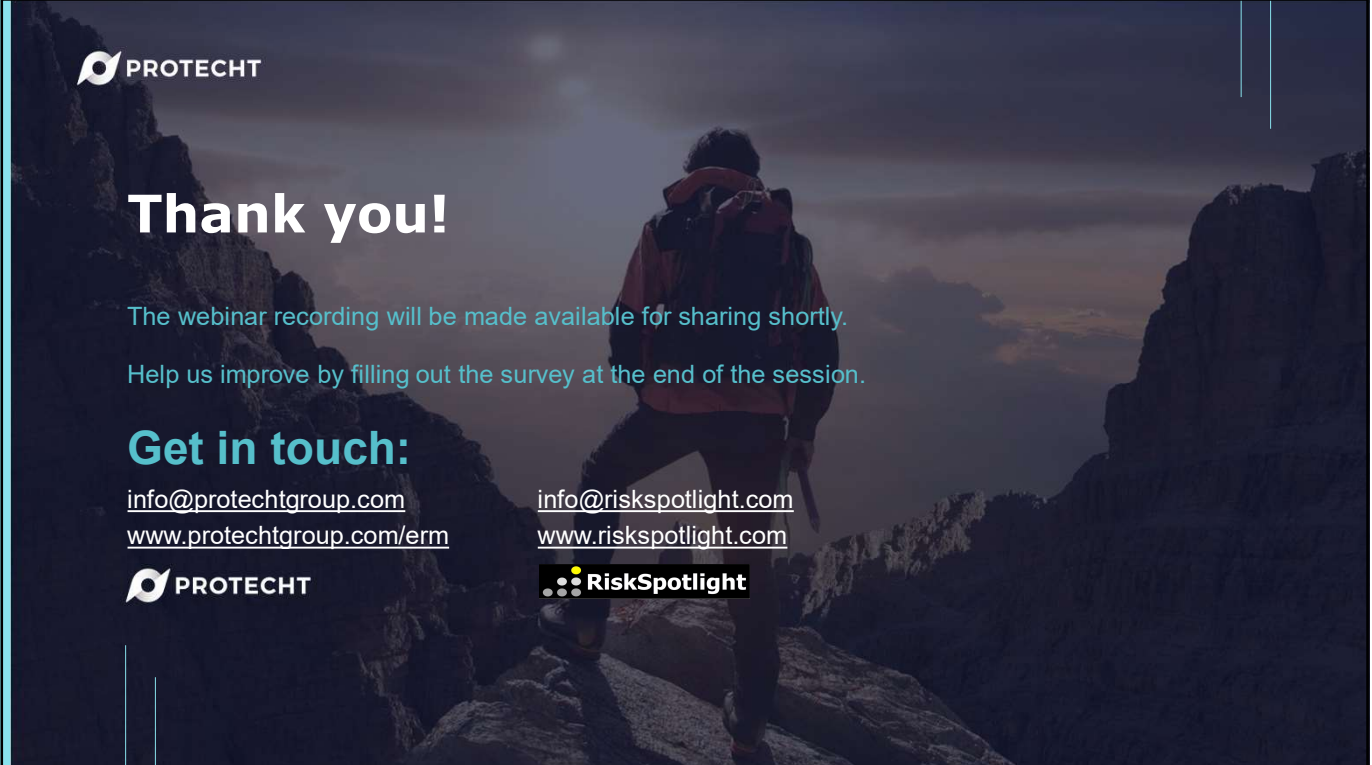
**Managing COVID-19
OpRisks**

COVID-19
Resources from
RiskSpotlight

riskspotlight.com/covid19

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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 www.riskspotlight.com

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