

Risk Control Responsibility Matrix

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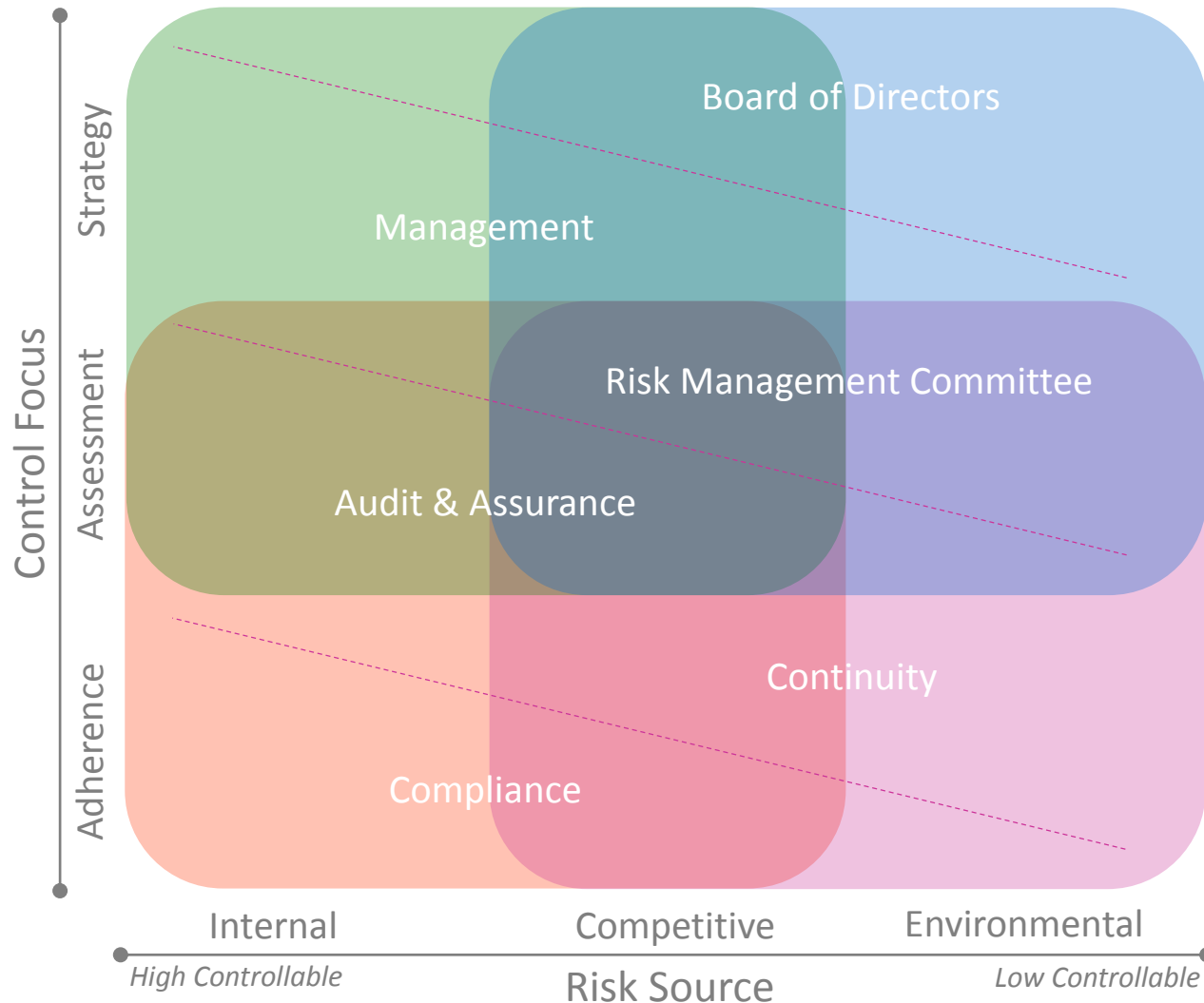
- Description
- Process Context



Risk Control Coverage Matrix

See next page for process context

Click Excel Icon to download complementary spreadsheet



Axis Elaboration

Control Focus

Strategy: Appetite, Design, Policy Guidelines, Reporting Requirements

Assessment: Design Effectiveness, Gap Remediation, Testing, Reporting

Adherence: Training, Supervision, Monitoring, Inspection, Discipline

Risk Sources

Organizational: Employee Fraud, Theft, Injury, Fire, Products, Rights, Obligations, Assets, Liabilities, etc.

Competitive: Customer Fraud, Default, Supplier Chain, Opportunities, Threats, etc.

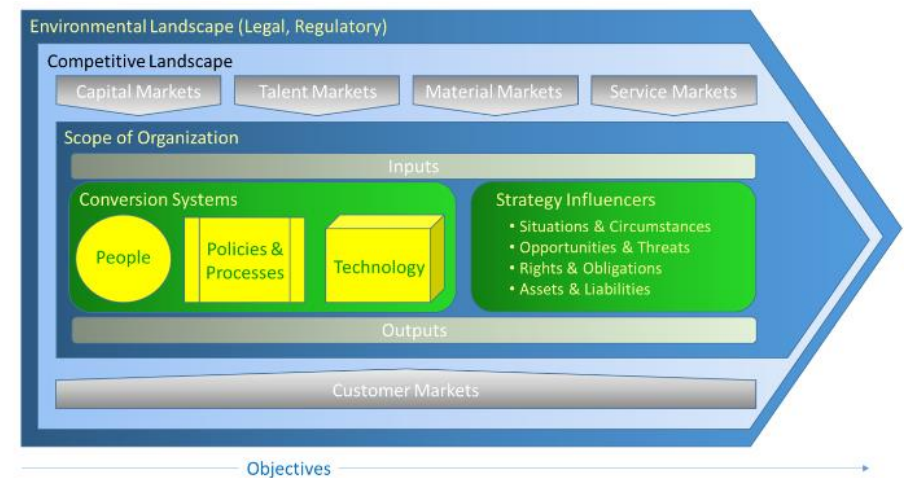
Environmental: Regulatory, Cyber, Natural, Country, Political, etc.

Application

Moving Forward

- Once risks to organizational objectives are fully identified (and vetted against the Value Chain Risk Universe Framework - below), the CRO can track the status of controls over each risk with this matrix, and keep things moving forward (see excel file).
- CROs can also use the matrix to organize priority action items for reporting ERM activities to the Board.
- Finally, this matrix can help the CRO manage relationships with business partners and solidify roles and responsibilities in the ERM ecosystem.

Value Chain Framework



An Intuitive Way for Risk Executives to Drive ERM Results

Value Chain Risk Universe Framework, Control Coverage Matrix, and RiskWaves (Click each for more information on each)



Objectives

Value Chain Framework



Risk Universe

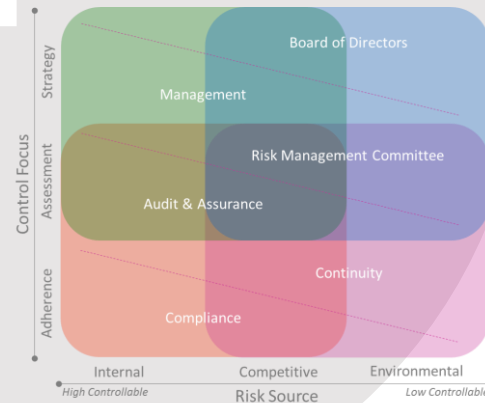
- > Controllable Controlled
- > **Controllable Uncontrolled**
- > Partially Controllable
- > **Uncontrollable**



Risk Waves

- > Uncontrolled Risk (See ERM)
- > Controlled Risks (see Audit)

Coverage Matrix



In RiskWaves

Manage Risks through ERM Process

- Record Objectives with Owners by Entity and Period
- Record Uncontrolled Risks by Objective with associated Controls and Assign Owners
- Record the Exposure(s) for the Risks
- Assess Exposures quantifiably if applicable
- Analyze Risk Levels and Model Treatments
 - Quantitative and/or Qualitative
 - Hedges, Indemnities, Surety, among others
 - Establish Project Plans as necessary
- Monitor Treatments and concerns through Follow Up and Risk-Watches, respectively
- Track KRIs in Risk Metrics and Alerts
- Report on ERM Activities
 - Exception Reporting for Process Steps (e.g., Untreated Exposures)
 - Treatment Impact Statements in P&L Format
 - Actual Treatment ROI reports
 - Gains and Losses by Event Class, Counterparty, and Treatment Vehicle
 - Geographic Exposure Reports
 - Pivot Tables, Financial Dashboards, Heatmaps
 - Treatment Results by Control
 - Other Reports
- Assign and e-mail Important Tasks
- Drive meeting agendas with Risk-Watch Reports
- Capture Lessons Learned from Strategies and make available by Keyword