

MetricStream

GRC

SUMMIT 2017

November 6 - 7, 2017

L O N D O N

# A.I. – Fat free Op Risk, whilst keeping the calories

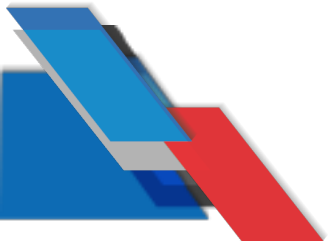
Marc Pharoah

# Presenter Details



**Marc Pharoah**  
Expert Business Analyst ,Project Manager





**A.I. “either the best, or the  
worst thing, ever to happen  
to humanity”**

**Professor Stephen Hawking**

**Takeaway : You should picture your best mentor, rather than your worst nightmare**

# GRC & AI Today



Takeaway : Do A.I. & you'll be a first mover, plus no one has the answer..... yet



# What do the experts think?

A **‘transformational’** opportunity, though at least 5 years away

DRM – Management of risks with digital business components e.g. social, big data, A.I.....

Digital Ethics – the conduct of electronic interactions

Figure 2. Priority Matrix for Risk Management, 2017

benefit	years to mainstream adoption			
	less than 2 years	2 to 5 years	5 to 10 years	more than 10 years
transformational		BCM Program Solutions Bimodal IT Operations Cloud Access Security Brokers Crisis/Emergency Management Platforms Database Audit and Protection Enterprise Mobility Management Suites Integrated Risk Management Operational Risk Management Operational Technology Security Predictive Analytics User and Entity Behavior Analytics	Blockchain for Data Security Corporate Social Responsibility Design Thinking Digital Ethics Digital Risk Management E-Discovery Software End-to-End Risk Management Enterprise Fraud and Misuse Management Hazard Risk Analysis and Communication Services Information Governance IoT Security Privacy Impact Assessments	
moderate	Disaster Recovery as a Service (DRaaS) SIEM	Cloud Application Discovery Enterprise Legal Management IT Risk Management Solutions IT Vendor Risk Management Privacy Management Tools Security Rating Services Social Media Risk Management User Authentication Technologies		COBIT
low		Corporate Compliance and Oversight		

As of July 2017

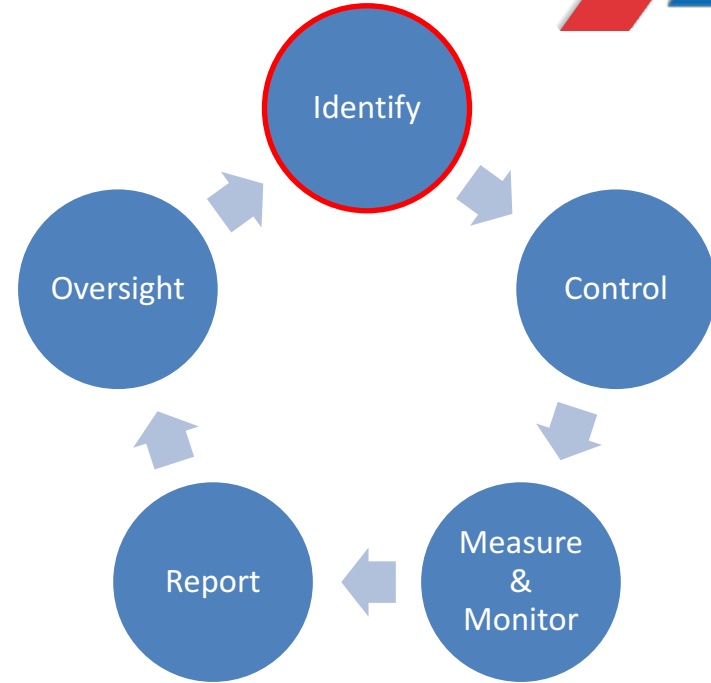
© 2017 Gartner, Inc.

Source: Gartner (July 2017)

Takeaway : Start to ‘plan, act, do’ now for DRM and don’t forgot your **digital ethics**

# How can A.I. help 'Identify'?

- Predict Risks on value Chain changes
  - are the risks appropriate for the value chain?
- Self validating Risk Register
  - are they unique? correct? etc
  - do they align to the risk appetite?
  - How many risks are suitable?
- Self identifying Risk Register
  - can external inputs identify missing risks?



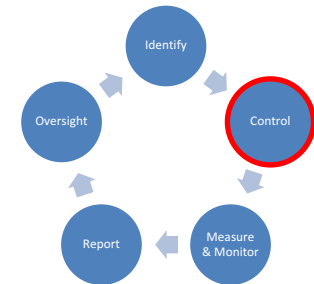
**Takeaway : Align to appetite & be the NEW 'secret sauce'**

# How can A.I. help 'Control'?



- Self validating Control Catalogue
  - are they unique? correct? etc
  - do they align to the risk appetite?
  - How many controls are suitable?
- Self identifying Control Catalogue
  - can external inputs identify missing controls?
- Self validating Self Assessments
  - Are processes, risk and controls up to date?
  - How is the assessment team performing?

- Avoiding Issues
  - Which processes, risks & controls are under evaluation?
- Minimising Losses
  - Automated action items
- Consume other control elements
  - Cyber, Fraud etc

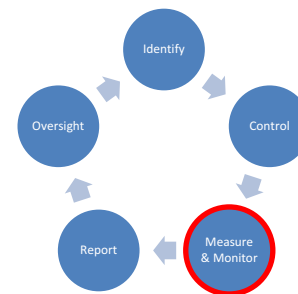


**Takeaway : Real time evaluation of controls, evidence, frequency, performer etc**



# How can A.I. help 'Measure & Monitor'?

- Run Model/Quant Risk
  - are they reliable? correct? etc
  - think of comments from Lisa Nowell
- Challenge Risk Monitoring
  - What's at risk (changes to processes, apps, people), where is intervention needed?
  - Who, what & how to intervene?
    - Digital ethics of chatbots....
- Assess Residual Risk
  - Highlight opportunities across the group, business units etc
- Support the teams to monitor
  - Bring in knowledge from everywhere and anywhere
  - Learn from peers
    - perfect control monitoring
    - quick issue resolution
    - minimising loss events

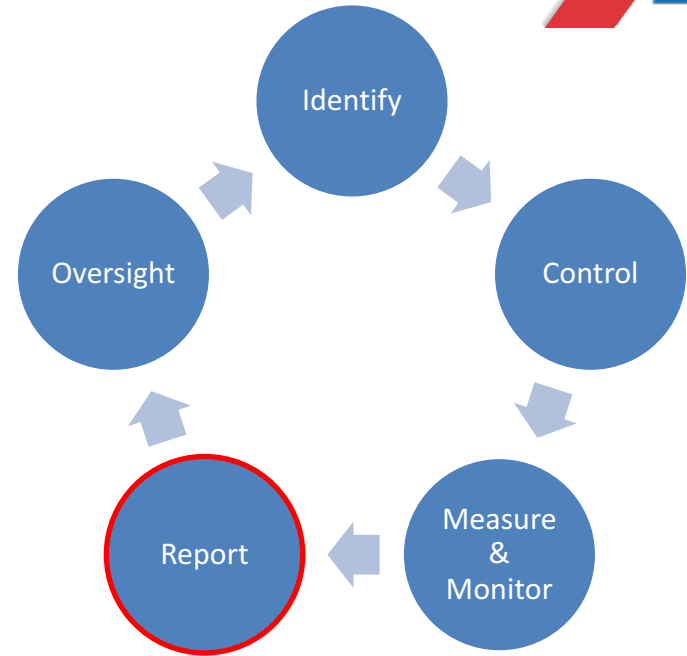


**Takeaway : A.I. could be the best mentor you've ever had**



# How can A.I. help 'Report'?

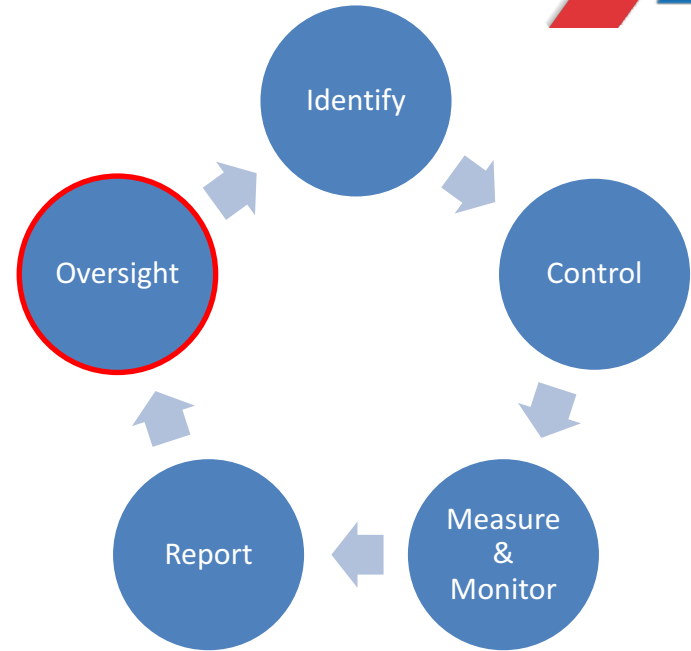
- Trends on Controls
  - who can we learn or teach?
  - how can we improve?
- Trends on Risk
- Trends on Self Assessments
- Trends on Issues
- Trends on Loss events
- Trends on Team effectiveness
  - #tag risk objects in your collaboration tool



**Takeaway : Learn from the best, trim the fat & keep the calories**

# How can A.I. help 'Oversight'?

- A.I. Risk Reviews
  - expand and contract RR & CC irrelevant of size
  - Automated action items based upon group review of content
    - based upon what's worked elsewhere
  - provide content specific awareness/training material
  - Mentor business on issues & actions



**Takeaway : Count the calories of your methodology**

The background is a solid blue color. In the corners, there are abstract geometric shapes made of overlapping parallelograms in red, white, and light blue. These shapes are arranged in a way that suggests movement or a stylized 'G' or 'H' shape.

# Q&A

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Continue the conversation online

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Thank You!



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