

GRC SUMMIT 2017

November 6 - 7, 2017

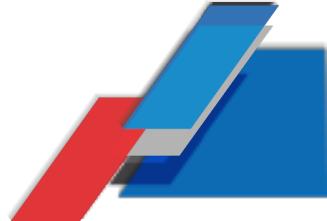
L O N D O N



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

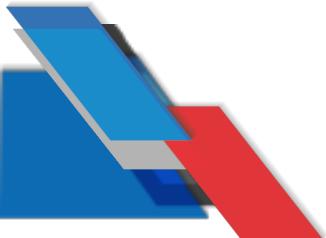
Marc Pharoah

Presenter Details



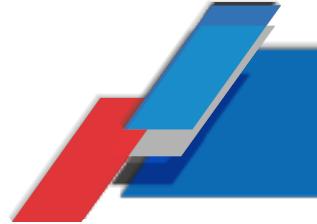
Marc Pharoah
Expert Business Analyst ,Project Manager





**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



Available?



Proven?



Fat free?

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

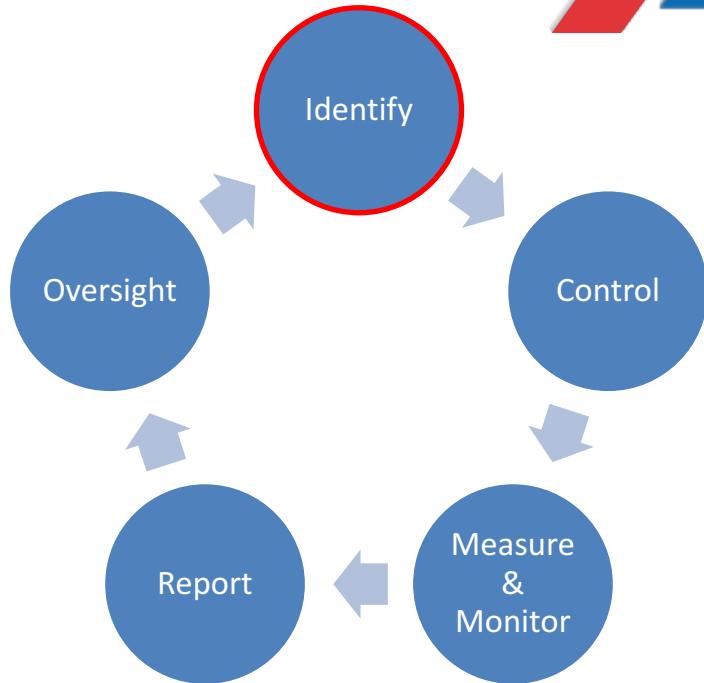


Source: Gartner (July 2017)

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'?

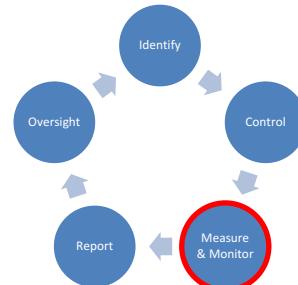
- Self validating Control Catalogue
 - are they unique? correct? etc
 - do they align to the risk appetite?
 - How many controls are suitable?
- Self identifying Control Catalogue
 - can external inputs identify missing controls?
- Self validating Self Assessments
 - Are processes, risk and controls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

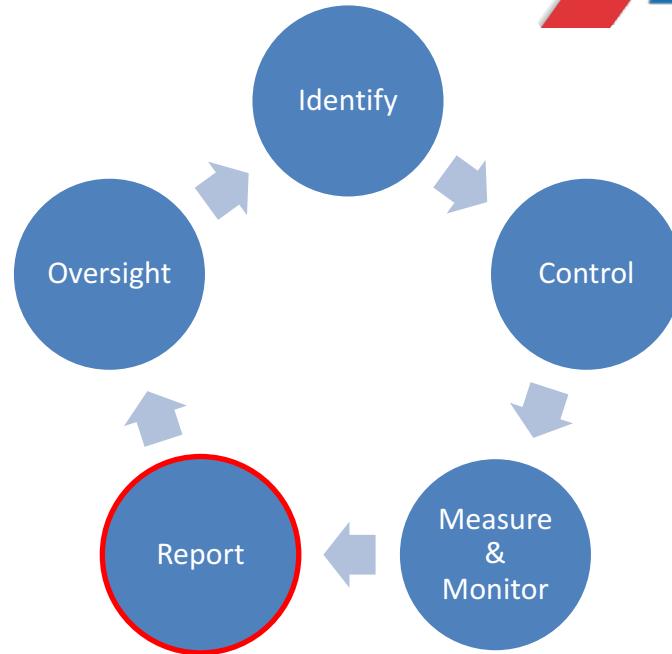
- Run Model/Quant Risk
 - are they reliable? correct? etc
 - think of comments from Lisa Nowell
- Challenge Risk Monitoring
 - What's at risk (changes to processes, apps, people), where is intervention needed?
 - Who, what & how to intervene?
 - Digital ethics of chatbots....
- Assess Residual Risk
 - 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'?

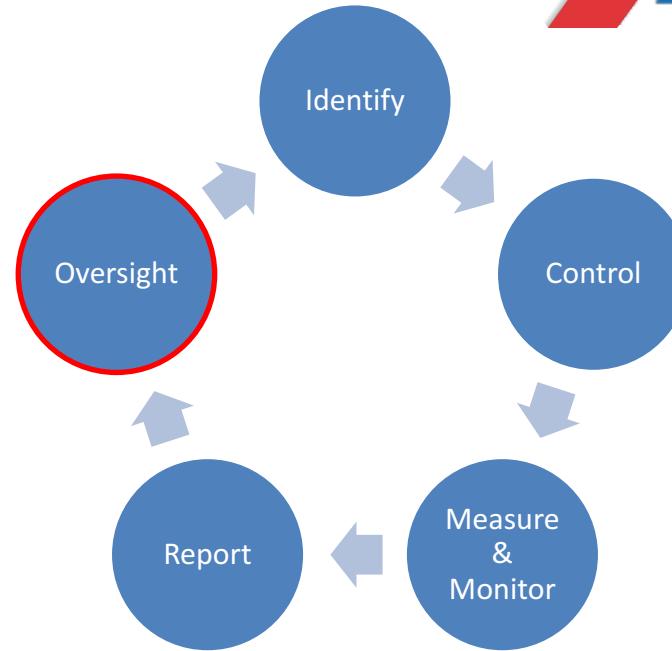
- Trends on Controls
 - who can we learn or teach?
 - how can we improve?
- Trends on Risk
- Trends on Self Assessments
- Trends on Issues
- Trends on Loss events
- Trends on Team effectiveness
 - #tag risk objects in your collaboration tool



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

Q&A

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Continue the conversation online

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Thank You!

