



Building up operational risk management

Stronger program, more resilient business



Operational risk management is the imperative for organizations of all sizes, in every industry. While the need to address operational risk is straightforward, building a robust operational risk management function is a complex endeavor. Many organizations with new or emerging operational risk management programs struggle to determine the best size and composition of the function. Some aren't sure where to start, while others have a program in place but need to do more.

What's required now is a demonstrated approach for designing, developing, and transforming operational risk management programs into teams that support and enable business excellence for your organization. We can help.

Stronger, smarter, and more mature

Deloitte Risk and Financial Advisory works with organizations to build customized operational risk management functions that suit your organization. Leveraging our deep industry and risk management experience, we can assist you in developing a strategic roadmap for your organization, define the roles required, and craft a best-in-class operational risk management program that advances your business goals. We assist with:

- Program design and transformation
- Program development
- Program optimization
- Measuring program effectiveness

We help you look across your organization and your industry to build a "right-sized" operational risk program that works now and also takes you

into the future. For initiatives already in place, we work with you to assess programs and initiatives, identify gaps, and build strategies to fill those gaps and strengthen your overall risk management posture. We leverage our deep knowledge of technology transformation and can use our managed services capabilities to transform your operational risk program from its current state into a stronger smarter and more mature program.

Stronger governance and oversight

Deloitte Risk and Financial Advisory can assist your operational risk management program with staff and resources to support oversight and governance. Our areas of focus include:

- Risk and control self-assessment (RCSA) governance
- Policy and procedure management
- Program assurance
- Operational risk vigilance assessments

Operational risk management strategy and program snapshot



Who: C-suite and operational risk executives.



What: Deloitte Risk and Financial Advisory's strategy and program services help you develop an operational risk management function that enables business excellence.



Why: Operational risk management isn't about "ticking the box." We help your operational risk program keep you informed about risk, drive better risk decisions, and improve overall shareholder value.



When: Our services are custom and flexible—we work with you to tailor solutions to help meet your needs.

With our deep and demonstrated experience in operational risk management, we know that each operational risk program should start by understanding the organization's strategic, financial and operational goals. This allows our experienced professionals to devise a program strategy and roadmap providing effective "top of the house" governance. This is an imperative of each program and a key measure of success.

Custom build your operational risk management program

Deloitte can help you develop a tailored operational risk management program or identify and fill gaps across your operational risk management capabilities. Working with Deloitte includes benefits that bring together the leading methodologies and techniques to provide observations and recommendations based on our industry knowledge. Our services include:

• Program design and transformation:

- Whether you have an early stage operational risk management program or an existing program that could benefit from new advantages, this service helps determine that your program supports your business goals. Working together, we:
- Design a custom operational risk management program that helps your organization avoid common pitfalls and support business growth
 - Create a future state visualization of your program and make it real through an actionable road map
 - Provide recommendations on enhancements

to existing programs by pinpointing gaps, helping to remediate them, and aligning the program to key value proposition measures to drive additional business value

• Program development:

This service spans the lifecycle of an operational risk management program to transform the program or its specific components. We work with you to:

- Standardize, digitize, and build efficiencies into your program
- Take you from the design and visioning phase of your operational risk program to the transformation stage of the program
- Improve critical program enablers, such as your taxonomy, data collection, quality assurance, or risk control self-assessment processes
- Uncover redundancies in your program, identify process improvement opportunities, and develop standardized processes
- Adjust the program to accommodate new and emerging risks

• Program optimization:

With this service, we help you identify operational risk gaps in your program. We work

with you to:

- Balance program efficiency by leveraging cost reduction with control element optimization and rationalization
 - Digitize, standardize, and automate processes to improve the program
 - Use Process X-Ray—our priority intelligence tool—to map your business transactions, identify whether they meet minimum control standards, and identify control or program gaps
- ### • Measuring program success:
- This service defines what operational risk management success means for your organization. We work with you to:
- Align your operational risk management program with your organization's key performance criteria and business strategies
 - Define your goals and priorities—and translate these requirements into operational risk functionality
 - Realign your operational risk management efforts and investments to advance your goals
 - Develop quantifiable and objective metrics to measure success

Deloitte Risk and Financial Advisory's operational risk management solutions

We help organizations become more resilient by strengthening their operational risk programs. To that end, we offer solutions in four categories:



Design: Strategy and solutions to help clients build resilient operational risk programs.



Operate: Managed services to help boost performance and transform risk management into a core strategic enabling function.



Master: Mastering the Art workshops to help improve risk management governance and decisioning to drive effective and risk-based operational performance.



Transform: Technology transformation solutions designed to help change the way organizations experience risk management.

Contact us:

Krissy Davis
Global Operational Risk Leader
Partner | Deloitte Risk and Financial Advisory
Deloitte & Touche LLP
Email: kbdavis@deloitte.com
Tel: +1 617 437 2648

Christopher Thackray
Specialist Leader | Deloitte Risk and Financial Advisory
Deloitte & Touche LLP
Email: cthackray@deloitte.com
Tel: +1 585 238 3323

This publication contains general information only and Deloitte Risk and Financial Advisory is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor.

Deloitte Risk and Financial Advisory shall not be responsible for any loss sustained by any person who relies on this publication. As used in this document, "Deloitte" and "Deloitte Risk and Financial Advisory" means Deloitte & Touche LLP, which provides audit and enterprise risk services; Deloitte Financial Advisory Services LLP, which provides forensic, dispute, and other consulting services; and its affiliate, Deloitte Transactions and Business Analytics LLP, which provides a wide range of advisory and analytics services. These entities are separate subsidiaries of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries.