

LEAVE NO STONE UNTURNED

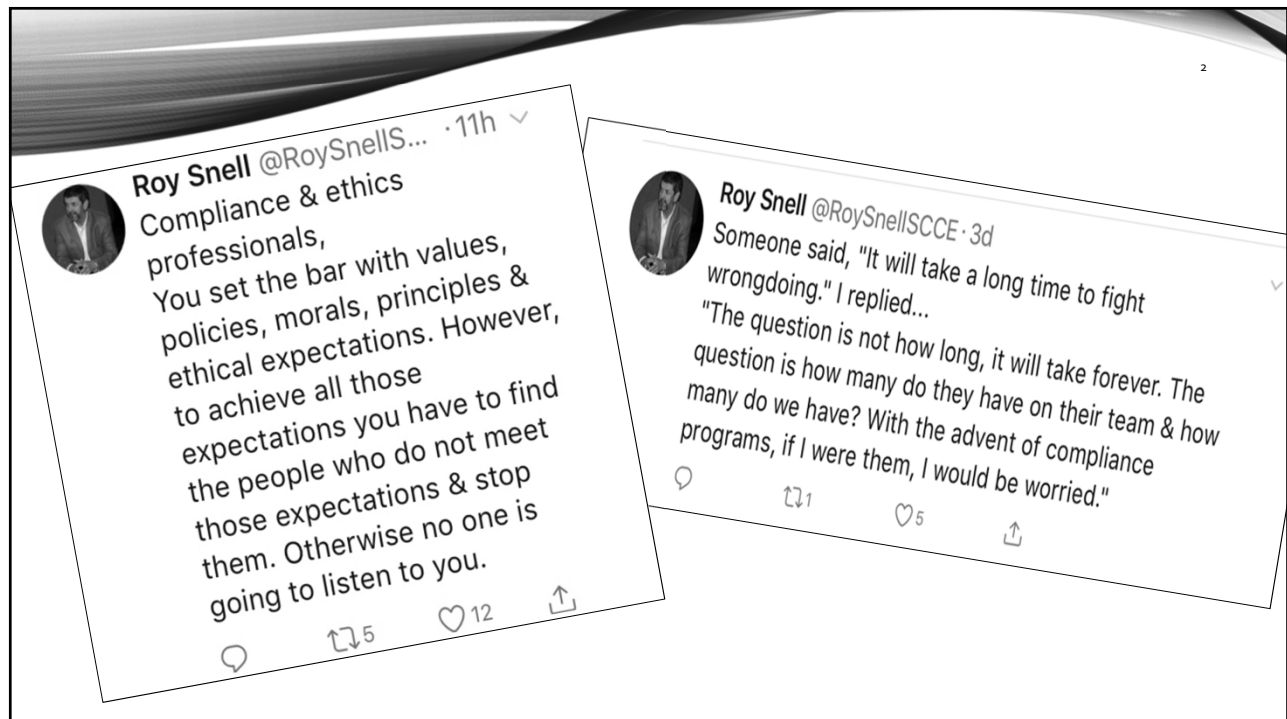
The Search for Hidden Risk

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AGENDA

Risky Business – Risk assessment overview and review of present day scenarios

Interactive scenario.

Best Practices for Risk Mitigation: How to stay vigilant for new vulnerabilities.



YOUR RISK ASSESSMENT

- A process through which **Compliance Risks** are:
 - **Identified** through various methods;
 - **Evaluated** based on impact and likelihood of the risk occurring;
 - **Mitigated** by implementing/enhancing controls;
 - **Reported** to management and the Board.

RISK IDENTIFICATION

- Know the business
- Prioritize your focus and resources
- Implement Controls
- Consistency to identify progress and success or failure
- Provide direction for planning Compliance Audits
- Provide direction for Compliance Training

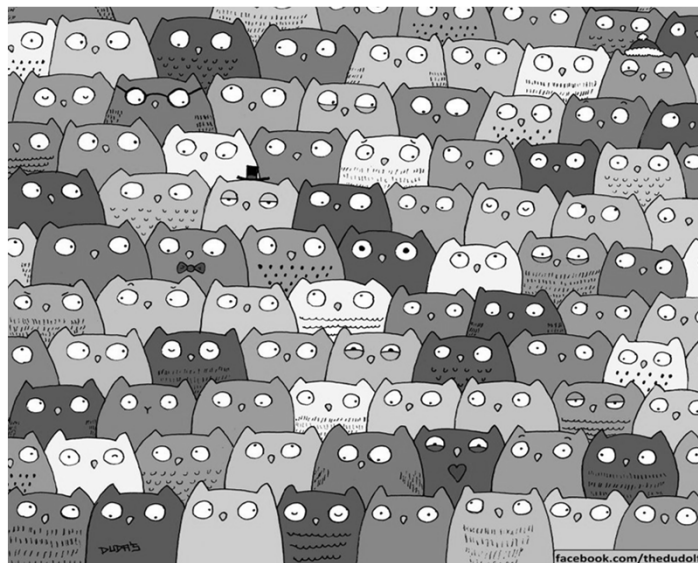
RISK IDENTIFICATION

- What is your “**Risk Universe**”?
- Identify the **laws** that are applicable to you.
- Align with your **business objectives**.

LOOKING FOR RISKS ...

COULD
BE LIKE
SEARCHING
FOR THE
CAT
AMONG ALL
THE
OWLS

(DUDOLF.COM)



RISK INVENTORY

Accounting Fraud/Earnings management
Antitrust/competition law
Bribery and Corruption
Confidential information
Conflicts of interest
Consumer protection
Document Management/Retention
Employment/Labor
Environmental
Government Contracting
Harassment
Insider Trading
Licensing

Money Laundering
Political contributions/lobbying
Privacy
Intellectual property
Product/service safety
Purchasing
Sales & marketing
Securities
Taxes
Third Party Risk
Wages
Workplace safety and health
Workplace violence and security

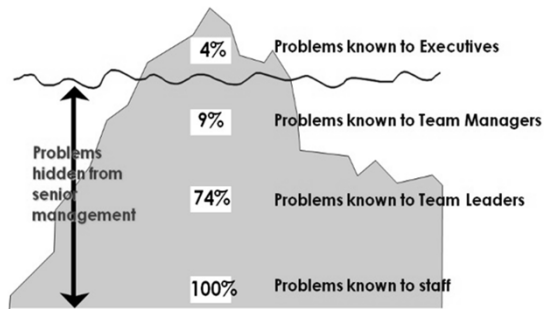
RISK EVALUATION

Impact & Likelihood

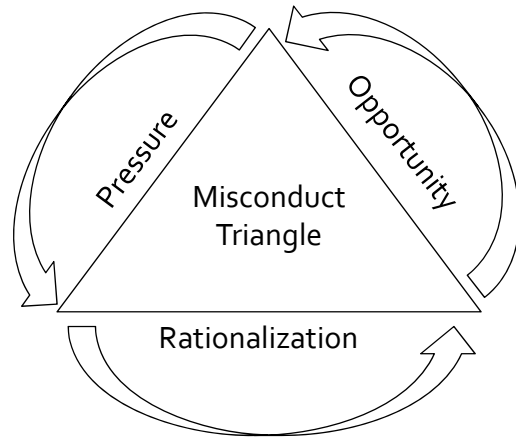
You must consider the external factors

- Local customs and culture
- Level of enforcement
- Regulatory complexity

The Iceberg Of Ignorance



Adapted from
"Quality Improvement and TQC Management of Calsonic in Japan and Overseas"
Sydney Yoshida



RISK MITIGATION

- What, When, How & Who?
- Technology, Procedures & People
- Preventative & Detective
- Adequate
- Controls v. Culture

RISK REPORTING



- Complete
- Specific
- Context
- Mitigation
- Frequency
- Distribution

Ethical Hacking: Compliance Style



CONCLUSION

- Identify the risks but consider outliers.
- Direct focus and resources toward consistent, repeatable test steps.
- Implement controls and monitor progress, looking for gaps.
- Don't underestimate the power of relationships. Both the kind that can help you as a Compliance professional and can hurt you if you aren't vigilant.