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ONE **ROOF**

How to Build a Bridge Between Risk and Compliance – and Why It Matters

Lisa Sheppard-Davenport and Wayne Johnson



Introductions



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Agenda

- Current State of Risk and Compliance
- Improved Communication and Information Sharing
- Impacts on Insurable Risk
- Questions



Current State of Risk and Compliance

- Many organizations like to say they have full information transparency between assurance groups.
- However, that information is mainly shared through Monthly or Quarterly presentations or reports which leads to reactionary measures regarding issues that already happened.
- Risk and Compliance related information can be closely guarded and only shared on a need-to-know basis



Current State of Risk and Compliance

- Risk and Compliance assessments happen regularly, yet the delay in providing real-time information can have serious impacts on
- New and Existing Products and Services
- Third Party and Contract Approvals
- Project and Implementation Timelines
- Policy Violations
- Insurance Renewals





Improving Communication and Information Sharing

- What can we do to ensure we're making the best decisions with the most relevant information?
- Establish lines of communication between assurance groups to talk about the current state of risk and compliance and alignment to risk appetite
- Prepare more frequent interim reports or provide restricted access to systems containing risk and compliance information
- Collaborate on cross-functional risk and compliance reports to ensure all parties have the most complete view of information when completing assessments



Improving Communication and Information Sharing

- Why is a cross-functional risk and compliance report important when reviewing areas?



- Viewed independently each area knows how to address their residual risk, but what story is being told when viewed side by side?



How AT&T is Connecting Risk and Compliance

Transparency:

- Understanding Risk Profiles
- Identifying areas of concern across assurance functions

Coordination:

- RMIS
- Audit
- Risk Measurement:
- Aligning on risk thresholds and descriptors





Impacts on Insurable Risk

- Most risk and compliance assessments cover insurable and non-insurable risk aspects, but is that information freely shared with the group responsible for managing the total cost of insurance?
- What is the risk appetite for insuring or retaining risk?
- What risk and compliance assessment information is currently being shared with that group?
- Does that group have a good understanding of the policies, procedures, control test results, unresolved issues, or other aspects that might impact insurable risk costs?
- Has the Insurable Risk group reviewed the Business Continuity Plan for the area and most recent readiness results? (Business Interruptions)



Impacts on Insurable Risk

Shared Risk and Compliance information could be beneficial for the following

- Reducing overall insurable risk costs
- Providing evidence for claims filed against or within the organization
- Adding new metrics for assessing Premium Allocations
- Potential to reduce claim volumes by reducing potential incidents that occur from lack of compliance





How AT&T is Connecting Risk, Compliance and RMIS

Loss Controls

- Process platform to ensure policy compliance
- Claims
 - Tracking / reporting
 - Root cause

Insurance renewals

- Legal & regulatory compliance vs operational initiatives

ERM / ESG / Privacy Coordination



Questions?



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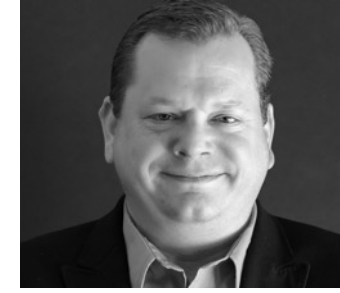
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