



# Managing Risk

as an Information  
Governance  
Professional

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# Learning Objectives

Upon completing this session, you will be able to:

1. Apply the process a risk professional uses to conduct a risk assessment
2. Develop a risk matrix for your organization and identify risks
3. Rank risks and develop approaches for risk tracking, mitigation, and acceptance



# We must be risk managers

- Risk is inherent in all activities.
- Risk managers don't fear risk, they understand and manage risk.
- Managing risk supports good decision-making.



# What is risk?

- The possibility that an event will occur and adversely affect the achievement of an objective.



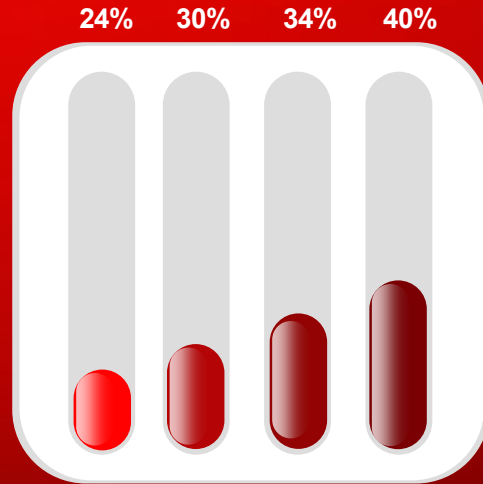
# What is risk management?

- Managing risk so that it does not materially impact the business objective in an adverse way.
- Balances risk exposure against mitigation costs.
- Implement appropriate controls and countermeasures.



# Leaders don't fear risk

Percent of respondents who say  
"I like taking risks."



- 1 Top Level Executive
- 2 Vice President
- 3 Middle Manager
- 4 Frontline Employee

**"In the average company, the CEO is 66% more likely to enjoy taking risks than the employees"**



# Leaders don't fear risk

- Have likely taken risks to rise to executive level.
- Usually see risk as positive.
- Well compensated for risk that pays off.
- Not likely to feel the change in work.



# But we are risk mitigators!

- We have been taught to remove all information risks.
- We use risk to create fear, support.
- But is some level of risk acceptable?
- Is all risk created equal?





# Opportunity Cost

- Resources spent on risk management could have been spent on more profitable activities
- Ideally will minimize spending while minimizing the negative effects of risks.

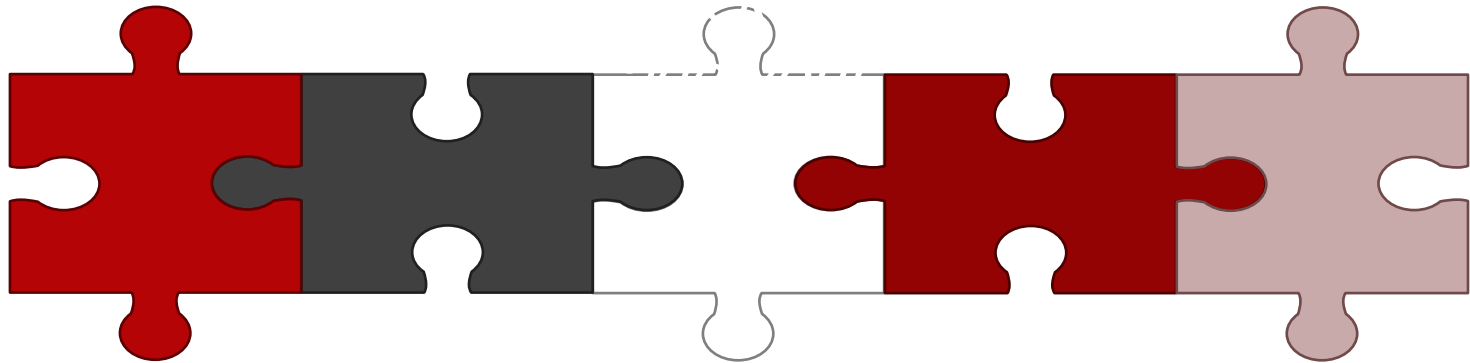


# Principles of Risk Management

*Create  
Value*

*Responsive  
to Change*

*Continued  
Improvement*

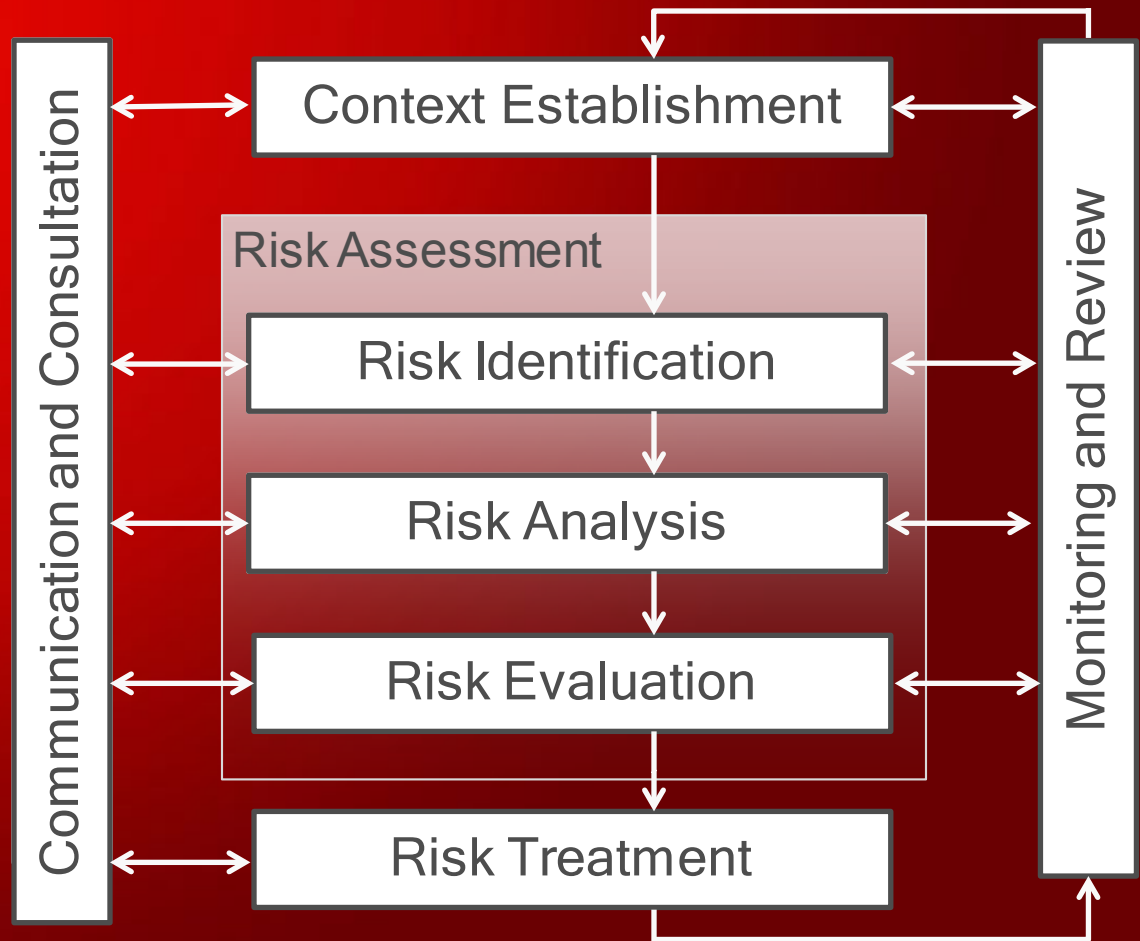


*Systematic  
and  
Structured*

*Transparent  
and  
Inclusive*



# Risk Management Process



# Context Establishment

- Corporate culture, accepting of change.
- Mission and objectives.
- Ability to absorb losses.
- Management and operational processes.
- Litigation and regulatory landscape.



# Risk Assessment

- Process to identify and prioritize risk.
- Includes:
  - Risk Identification
  - Risk Analysis
  - Risk Evaluation



# Risk Identification

- Common processes
  - Team-based brainstorming
  - Flow charts
  - “What if” scenarios
- Alignment to “The Principles”
- Output is a list of gaps or scenarios with their consequences



# Risk Analysis

- Involves assigning risk ranking on a “low” to “very high” scale
- Use accepted industry estimates where available
- Likely qualitative or semi-qualitative analysis
- Based on judgment, intuition and experience



# Risk Matrix

		Consequence of Impact				
		Not Significant	Minor	Moderate	Major	Severe
Likelihood of Negative Impact	Almost Certain	Medium	High	Very High	Very High	Very High
	Likely	Medium	High	High	Very High	Very High
	Possible	Low	Medium	High	High	Very High
	Unlikely	Low	Low	Medium	Medium	High
	Rare	Low	Low	Low	Low	Medium

Objective: *IG Program Maturity Level = 4.5*





# Risk Evaluation

- List the risks according to risk levels.
- Compare to the acceptable risk appetite of the organization.
- Consider controls and countermeasures.



# Controls & Countermeasures

- Countermeasure:
  - An action that will directly reduce a gap or negative effect.
- Control:
  - An alternative action that reduces a gap or negative effect.
- Example: No executive sponsor for IG
  - Countermeasure: Move IG organizationally to a key executive
  - Control: Support from an executive cheerleader



# Risk Treatment

- Avoid the Risk
- Transfer the Risk
- Mitigate the Risk
- Accept the Risk



# Communicate & Consult

- Communication should involve all stakeholders
- Make sure they agree with your assessments
- Allows consideration of various needs/opinions
- Don't ask, tell – then gain approval, buy-in



# Monitor & Review

- Establish cadence of monitoring and reviewing
- Identify changes in the context of the organization
- Identify changes to controls/countermeasures
- Measures performance and identifies a road map for maturity



# Benefits for IG

- Alignment of IG strategy to core organization strategy
- Accountability and transparency
- Improved decision making
- Control of IG costs
- Reduction of operational disruptions
- Ease of knowledge sharing



# Risk Register Form

- Details of risk
- All inputs to risk rankings
- Management of risk over time



Summary Data			
Risk statement			
Risk owner			
Date of last assessment			
Due date for update of risk assessment			
Risk Category	<input type="checkbox"/> Accountability	<input type="checkbox"/> Transparency	<input type="checkbox"/> Integrity
	<input type="checkbox"/> Compliance	<input type="checkbox"/> Availability	<input type="checkbox"/> Retention
	<input type="checkbox"/> Protection	<input type="checkbox"/> Disposition	
Risk Description			
Title			
Detailed description			
Risk Assessment			
Consequences			
Controls			
Countermeasures			
Risk Analysis	<input type="checkbox"/> Low	<input type="checkbox"/> Medium	<input type="checkbox"/> High
	<input type="checkbox"/> Very High		
Risk Treatment			
Risk Response	<input type="checkbox"/> Accept	<input type="checkbox"/> Transfer	<input type="checkbox"/> Mitigate
	<input type="checkbox"/> Avoid		
Detailed description of response (NOT in case of ACCEPT)	Response Action	Completed	Action Plan
	1.	<input type="checkbox"/>	<input type="checkbox"/>
	2.	<input type="checkbox"/>	<input type="checkbox"/>
	3.	<input type="checkbox"/>	<input type="checkbox"/>
	4.	<input type="checkbox"/>	<input type="checkbox"/>
	5.	<input type="checkbox"/>	<input type="checkbox"/>
	6.	<input type="checkbox"/>	<input type="checkbox"/>
Overall status of risk action plan			
Major issues with risk action plan			
Date of last assessment			
Due date for update of risk assessment			
Risk Indicators			
Key risk indicators for this risk	1.		
	2.		
	3.		
	4.		

# Summary Data

Summary Data				
Risk statement	No senior executive is responsible for the IG program			
Risk owner	XYZ Corporation			
Date of last assessment	10/15/2017			
Due date for update of risk assessment	If Low : 10/15/2020 Medium: 10/15/2019 High: 10/15/2018 Very High: 1/15/2018			
Risk Category	<input checked="" type="checkbox"/> Accountability	<input type="checkbox"/> Transparency	<input type="checkbox"/> Integrity	<input type="checkbox"/> Protection
	<input type="checkbox"/> Compliance	<input type="checkbox"/> Availability	<input type="checkbox"/> Retention	<input type="checkbox"/> Disposition

## Review schedule:

Low – 3 year review

Med – 2 year review

High – 1 year review

Very High – Quarterly review

**Category:** Align to “The Principles”





# Risk Description

Risk Description	
Title	IG Program Lacks Executive Sponsorship
Detailed description	The IG program does not have an executive champion to evangelize for the program at the highest levels, no oversight exists for the strategic direction of the program.



# Risk Assessment



Risk Assessment				
Consequences	The IG program may not be able to reach its goals and objectives without the proper support for budget and resource needs.			
Controls	IG budget is a separate line item in facilities			
Countermeasures	Records Manager has a strong relationship with General Counsel and calls upon her for guidance – hope to build a champion in her and other stakeholders.			
Risk Analysis	<input type="checkbox"/> Low	<input type="checkbox"/> Medium	<input type="checkbox"/> High	<input type="checkbox"/> Very High

How badly will this risk negatively impact the ability to be a 4.5?

Likelihood that this risk will negatively impact the ability to be a 4.5.

		Consequence of Impact				
		Not Significant	Minor	Moderate	Major	Severe
Likelihood of Negative Impact	Almost Certain	Medium	High	Very High	Very High	Very High
	Likely	Medium	High	High	Very High	Very High
	Possible	Low	Medium	High	High	Very High
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	Rare	Low	Low	Low	Low	Medium

Objective: *IG Program Maturity Level = 4.5*



# Risk Assessment



Risk Assessment				
Consequences	The IG program may not be able to reach its goals and objectives without the proper support for budget and resource needs.			
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Risk Analysis	<input type="checkbox"/> Low	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> High	<input type="checkbox"/> Very High

# Risk Treatment

Risk Treatment				
Risk Response	<input type="checkbox"/> Accept	<input type="checkbox"/> Transfer	<input checked="" type="checkbox"/> Mitigate	<input type="checkbox"/> Avoid
Detailed description of response (NOT in case of ACCEPT)	Response Action		Completed	Action Plan
	1. Facilities mgr suggested org restructure to GC		<input checked="" type="checkbox"/>	<input type="checkbox"/>
	2. GC would onboard an IG Director		<input type="checkbox"/>	<input checked="" type="checkbox"/>
	3.		<input type="checkbox"/>	<input type="checkbox"/>
	4.		<input type="checkbox"/>	<input type="checkbox"/>
	5.		<input type="checkbox"/>	<input type="checkbox"/>
	6.		<input type="checkbox"/>	<input type="checkbox"/>
Overall status of risk action plan	In progress.			
Major issues with risk action plan	CEO has not approved.			
Dependencies for risk action plan	CEO & HR approval.			
Expected completion date	Q1 - 2018			



# Risk Indicators

## Risk Indicators

Key risk indicators for this risk

1. IG budget not represented at annual budget meeting for last 5 years.
2. IG org is buried in facilities and not reported, represented individually.
- 3.
- 4.

- Should be measurable



# Risk Register

- Could result in risk analysis changes

Information Governance Risk Register						
Risk Title	Risk Category	Risk Analysis	Risk Response	Last Assessment	Next Assessment	Open Response Actions
Lacks Executive Sponsorship	Accountability	High	Mitigate	10/15/2017	10/15/2018	1
Organization Cannot Respond to Litigation Requests	Transparency	Very High	Mitigate	8/5/2017	11/5/2017	3
Metadata Standards Do Not Exist	Integrity	Low	Accept	9/16/2017	9/16/2020	0
Access Controls not Centrally Managed	Protection	High	Mitigate	2/8/2017	2/8/2018	4
Legal Hold Process is not Well-Defined	Compliance	Medium	Accept	7/15/2017	7/15/2019	0
Physical Records are not Centrally Managed	Availability	Medium	Transfer	5/24/2017	5/24/2019	1
No Retention Schedule	Retention	Very High	Mitigate	9/29/2017	12/29/2017	3
No Documented Destruction Process	Disposition	High	Mitigate	3/21/2017	3/21/2018	2



# Questions?

