



ENTERPRISE RISK MANAGEMENT

MBA's Legal Issues and Regulatory Compliance Conference

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ENTERPRISE RISK MANAGEMENT – TRACKING TOOL

	<u><i>Negligible Risk</i></u>	<u><i>Some Risk</i></u>	<u><i>Significant Risk</i></u>	<u><i>Substantial Risk</i></u>
LEGAL	Little question as to legality/Unlikely to be challenged	Close questions/Could be challenged/Could be adverse outcome	Likely to be challenged/Adverse outcome very possible	Challenge probable/Adverse outcome probable
REGULATORY/ LEGISLATIVE	Little chance of interest	Chance of inquiry: Others contacted; inquiries in related area	Inquiry made Hearings held	Investigation or enforcement proceeding imminent or begun Legislation proposed
PUBLIC RELATIONS	No news story	Press coverage expected local vs. national	Occasional coverage Local, national, trade	Sustained coverage All media
REPUTATIONAL	No likely impact	May raise questions about company or management	Questions raised about company or management	Strong criticism of company or management
BUSINESS	No likely impact	May need to adjust practices/May impact customers	May require adopting new practices/Likely negative impact on customers	Likely major adjustments to practices/Likely major negative impact on customers

QUESTIONS TO ASK

- » What is the risk tolerance?
- » Who decides?
- » Who should be involved in risk assessment?
 - Legal / Compliance / Audit / External Affairs / Regulatory / Government Relations / Risk Management / Business Units
- » Who needs to be informed?
- » How often is the assessment revisited?
- » How do you capture a changed environment?
- » How do you assure the assessment is enterprise-wide?

ADDITIONAL ISSUES TO CONSIDER

- » Paper
- » Privilege
- » Tipping Points