

CastleHill Managed Risk Solutions

CastleHill offers advisory, implementation, and managed services for Regulatory Change Management, Enterprise Risk Management, Third Party Risk Management, Compliance and additional Operational risk disciplines. Our structured approach to implementation and onboarding (Prototype-Iterate-Enhance) leverages best practice risk management process design, prototyping and iterative enhancement techniques that delivers rapid value. In addition, our GRC as a Service (GRCaaS) managed service helps simplify your risk management processes by providing options for outsourcing the costly administrative activities and technology support that distract risk managers from their primary job of managing risk. CastleHill team members average over 17 years of professional experience and act as Subject Matter Experts in two or more risk domains. We have a proven track record of departmental and enterprise GRC implementations using the RSA Archer and ProcessUnity platforms.

Case Study – Regulatory Change Management

Background

Regulatory Change Management is an enterprise initiative that encompasses managing evolving requirements impacting risks inherent to a company's products, services, processes and systems. Key challenges facing regulated industries today include:

- Ensuring and demonstrating compliance with current requirements
- Monitoring and detecting material changes to requirements impacting your business
- Identify impacts to requirements driven by the evolution of your business environment

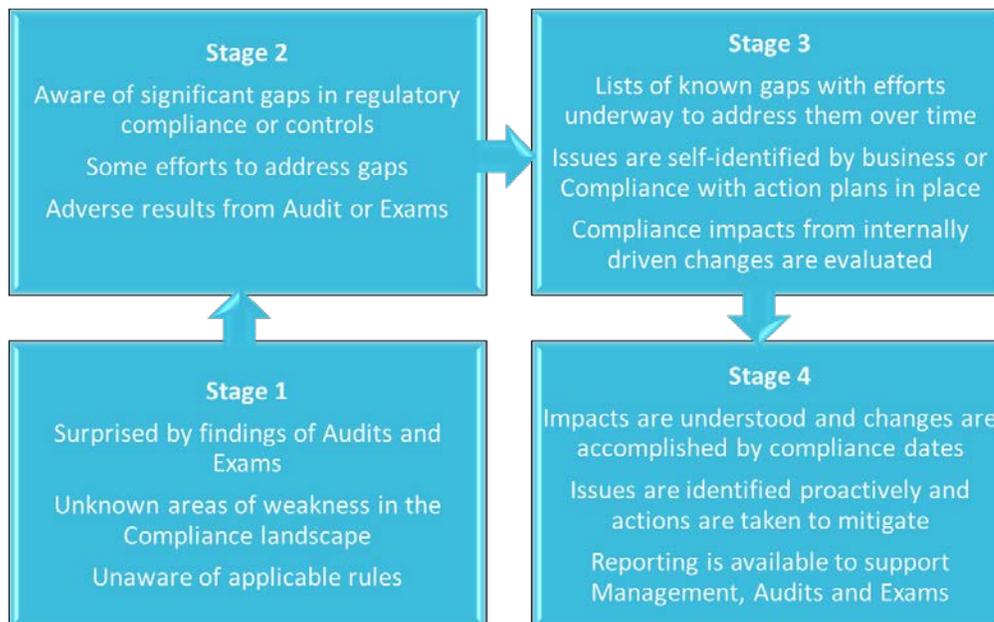
Companies need to have a firm understanding of their regulatory requirements and how they are structurally tied to primary components of their business model. Just as changes to the requirements can impact the business, changes to the business (e.g., products, processes, systems, geographies, customers) can impact the inventory of material requirements. Managing outside/in, changes in regulations impacting business and inside/out, changes to business needing to be evaluated against requirements in a repeatable manner is key to success.

Effective management of Regulatory Change entails dedicated focus on:

- Changes in operational processes that execute controls to ensure compliance.
- Changes in Geographic footprint that may expand regulatory requirements.
- New or enhanced product offerings that change or add compliance requirements.
- Ensuring a consistent and effective approach to compliance across silos and the enterprise.
- Establishing processes and managing tools to assist with impact assessment, data capture, data quality, reporting, and action plan management.

Goals and Priorities

When setting goals for the target state of regulatory compliance and within or across business areas, it is very helpful to thoughtfully assess your organization using a maturity model for handling Regulatory Change:



For example, if most of your notification or information of evolving regulatory requirements comes from staff members searching the Internet on a regular basis, this may be a sign of low maturity. Approaches that rely on individuals performing the change management function can be prone to failure or

misinterpretation. There are better approaches, such as sourcing your regulatory information from one or more industry content providers. This information can then be decomposed into actionable portions and fed into a risk management platform. Within this platform, the applicable business areas can be identified, and workflow tracking can be leveraged to systematically ensure compliance assessments occur to identify vulnerable risk areas. Finally, effective reporting can be used to demonstrate compliance to auditors and targeted regulators.

Challenges

Another common challenge is trying to understand if a new requirement has a material impact to your company. Companies can be described as a collection of interlinked processes and products. The ability to manage and respond to changes in your regulatory environment will significantly improve once you have a repeatable process in place for clearly linking key attributes of your business (e.g., products, processes, systems, geographies) and the associated requirements. In addition, you will be able to more proactively identify when changes to your business environment (e.g., new products, new processes, new systems, new geographies) will impact the requirements that you have to comply with. By creating this structured model of your business, you will be empowered to react to external change as well as manage internal changes more effectively.

The Ultimate Objective

Finally, as illustrated in the maturity model, the ultimate objective is to get to the point where your team identifies and logs key issues long before any auditor, policy owner or regulator. This will allow you to manage the impact of changes in a much more deliberate manner without the chaos and urgency often associated with externally driven issues.

