

Non-Financial Risk Management (NFRM)

Firms are heightening their focus on identifying, assessing and managing their non-financial risks given the increasing severity and frequency of risk events that stem from non-financial threats. Now more than ever, firms need assurance that their NFRM frameworks will enable them to manage non-financial risks effectively. However, this comes with its own challenges as firms look to:

- Maximise, and evidence, the value from risk management in the face of cost reduction pressures.
- Digitise their risk management processes to improve consistency, efficiency and enable people to focus on specialist risk management activities.
- Become more dynamic at identifying and managing emerging risks in areas such as ESG, disruptive technologies and access to talent.

Enterprise-Wide Risk Management Framework



Risk Management Framework Dimensions

Protiviti can support clients to develop, mature and assure their NFRM frameworks. Our support can be focused across any of the following Risk Management Framework dimensions:



Governance, framework and strategy



Risk culture and stakeholder



Risk organisation



Risk assessment and response process



Risk and enabling technologies

- Process mining
- Data analytics
- Process automation



Risk and control indicators, monitoring and reporting



Risk and controls assurance, including controls testing

Continuous Improvement

Non-Financial Risk Management

Use cases into Non-Financial Risk Management

UK Digital Bank – controls optimisation

Challenge:

- Protiviti was engaged to uplift outdated and duplicate risk and controls to enable more effective mitigation of risks.

Response:

 We helped our client to:

- Identify, rationalise and standardise key processes, risks and controls.
- Identify control gaps with define action plans to control owners for remediation.

Value added:

 Our work resulted in:

- Over 50% reduction in risks.
- Over 60% reduction in controls across the First Line of Defence processes.
- Increased risk awareness through more comprehensive RCSAs.

Digital Payments Firm – risk reporting framework

Challenge:

- Our client's Board and Executive Committees were not receiving relevant and timely information to enable them to make informed decisions.

Response:

 We helped our client to:

- Develop Risk Appetite Statements and Key Risk Indicators for all Level-2 Non-Financial Risk categories.
- Design and implement a risk reporting dashboard which enabled the client to report the effectiveness of non-financial risk management at various level.

Value added:

- More comprehensive risk assessment of non-financial risks by understanding impacts and mitigants.
- Reduced risk of operational losses by enabling more proactive and accurate identification of risks.

How can we help you optimise your NFR Framework?



Design and Develop

- Provide you with access to industry insights and technical expertise
- Give you access to accelerators and templates to help you meet good practice
- Support you with the design and development of an end-to-end NFRM Framework or more focused support across specific Risk Dimensions



Mature and Embed

- Enable better use of technology and data e.g., by implementing automated process monitoring and continuous controls testing
- Address your capability and capacity issues through flexible resourcing options
- Identify opportunities for improvement and help you implement these changes



Review and Assure

- Review your existing NFRM processes against good practice
- Benchmark you against industry peers and identify areas for improvement
- Understand your assurance needs and deliver these by working alongside each Line of Defence

Contacts



Justin Pang
Managing Director
Risk and Compliance
Direct: +44 7500.837.467
E-Mail: justin.pang@protiviti.co.uk



Hafsa Jada
Associate Director
Risk and Compliance
Direct: +44 7977 915899
E-Mail: hafsa.jada@protiviti.co.uk



Tarandeep Tatla
Senior Manager
Risk and Compliance
Direct: +07890 434611
E-Mail: taran.tatla@protiviti.co.uk