Presenter Details

Leena Kallasvuo
Chief Audit Executive
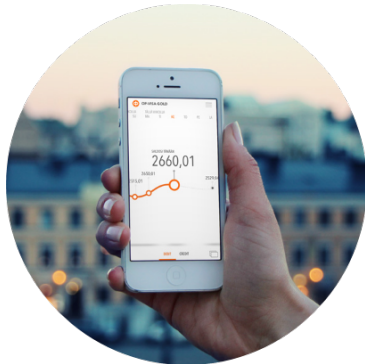OP Financial Group

Agenda

1. OP Organization Overview: Internal Audit Vision and Needs

2. OP Readiness and Roadmap

3. Our Project: Deployment tactics

4. Key Learnings and Best Practices

5. Business Value and Realized Benefits

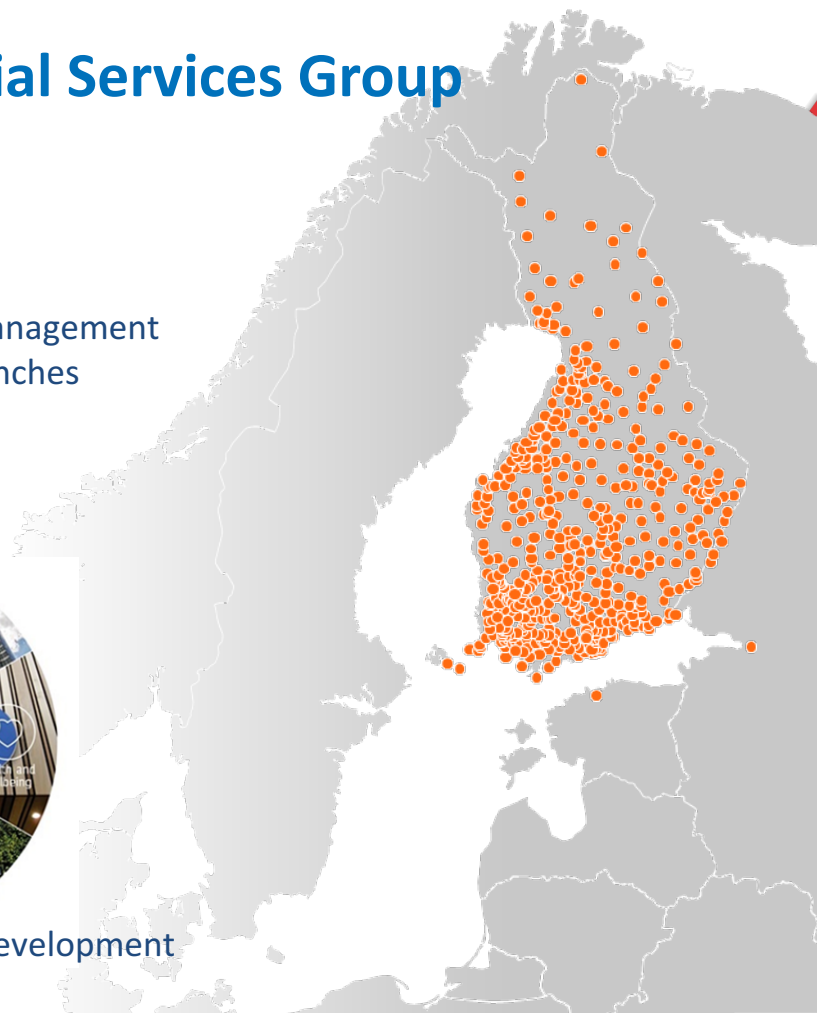6. Audience Questions and Discussion

OP – Hyperlocal digital Financial Services Group

- Active in Banking, Non-life insurance, Wealth Management
- Co-Operative basis, 170 member banks, 430 branches
- Balance sheet of 134 000m€
- 12 500 employees
- Solvency ratio 19,2%

- Diversified Service Company, Accelerated Digital Development

Financial Industry Risk Management Setting

Group Supervisory Committee

Group Executive Board

35 Internal auditors
120 Audit Engagements
800 Issues
170 ICAAP Reviews

Risk Management (operational)

1st line of Defense

- Manages and owns Risk
- Business and operations

Control (operational)

2nd line of Defense

Established Infrastructure and monitors risks
- Risk
- Compliance

Assessment (not operational)

3rd Line of Defense

Evaluates the work of
1st & 2nd line
Internal Audit

GRC for **High Performers**

OP Group Internal Audit: Vision and Needs

Toward Internal Audit Excellence – and beyond

Development of combined planning and assurance processes
IA integrates information from across the organization to improve governance, business processes and risk management

Increasing focus on performance
Increasing emphasis on Auditee and Stakeholder perspective

Initial focus on development of Group Internal Audit Infrastructure
Sustainable and repeatable IA practices and procedures
IA Management and Professional practices uniformly applied

- Optimize Efficiency
- Improve Effectiveness
- Focus on Customer perspective

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OP GIA: Readiness and Roadmap

- **MetricStream Solution Areas:**
  - Internal Audit Management
  - Issues Management
  - Operational Risk Management (separate initiative)
  - Compliance (separate initiative)
- **Internal Audit Roadmap:**
  - Under development:
    - Management Reporting
    - Risk libraries
    - Auditable entities
    - Resource Management
- **GRC Roadmap:**
  - Bridging the initiatives

GRC for **High Performers**
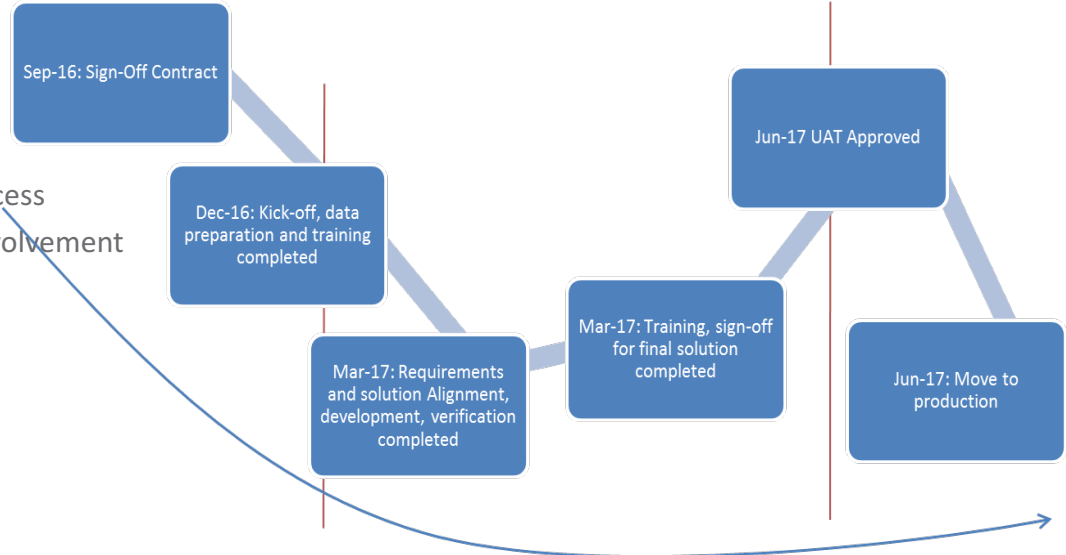
Our Project : Deployment tactics

1

- Implementation Team of 7 Internal Auditors
- Full-Time Project Manager (IA)
- MSI GRC platform already deployed at OP

2

- Firm commitment to adapt our business process
- Management sponsorship and day-to-day involvement
- Manage change, dont' fall back on old ways
- Secure the buy-in of the users
- MSI Project Team support is vital.
- Shout if you need to!

3

- Start simple, build on as you go along
- Create your own IA manual and instructions
- Secure the application champions in your team
- Manage continuous Improvement

Sep-16: Sign-Off Contract

Dec-16: Kick-off, data preparation and training completed

Mar-17: Requirements and solution Alignment, development, verification completed

Mar-17: Training, sign-off for final solution completed

Jun-17 UAT Approved

Jun-17: Move to production

Key Learnings and Best Practices

Key Learnings:

- Don't underestimate the testing effort – both the application and new business process

- Be prepared to rethink your process – make sure that everyone makes the change

- Language: Cross English- Finnish works!

- Avoid organizational complexity and too many levels - steer away from organization-minded thinking, think in terms of processes and auditable entities

- Risk taxonomy is important – but think in terms of true insight and assurance ➔ what's added value to stakeholders

  - # Auditable entities

Business Value and Realized Benefits

Key Process Improvements and Efficiencies Gained:

- Resource Management: more flexible planning

- Better support on individual audit engagements through the use of Risk –Control- Test libraries

- More visibility on audit schedules and lead times – full audit trail on workflow

- Improved efficiencies and visibility on Audit issues Management

- **True insight and assurance to the Senior Management (and other stakeholders)**

Success Metrics and KPIs are yet to be proved.

Q&A

MetricStream

GRC
SUMMIT 2017
November 6 - 7, 2017
L O N D O N

Continue the conversation online
#GRCSummit

Thank You!

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