GRC Journey at State Street
Audit and Compliance in a Global Enterprise

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MetricStream

GRC
SUMMIT 2015

May 11-13, 2015
ARLINGTON, VA
WASHINGTON, DC AREA

STATE STREET.

Maximize Business Performance Through GRC Journey

Agenda

1. State Street Corporation

2. Program Objectives & Strategies

3. State Street Project Goals

4. Business Challenges

5. Technology as an Enabler

6. Successes and Benefits

7. Key Learnings and Best Practices

8. Audience Questions and Discussion

State Street Corporation

- State Street Corporation is a US-based international financial services holding company.
- Founded in 1792 and is the second oldest financial institution in the United States.

- Key Business Units
  - State Street Global Advisors
  - State Street Global Markets
  - State Street Global Services
  - State Street Global Exchange

- Key Stakeholder in the GRC Program
  - Corporate Audit –1st implementation
  - SOX Finance – 2nd implementation

STATE STREET.

Program Objectives & Strategies

- Build a solution that delivers an end to end Audit process
  - Automate risk assessment and audit universe process
  - Allow for reporting on risk and issues within the Audit solution
  - Establish clear accountability and demonstrate transparency through end-to-end process automation for audit
- Build a solution to support SOX Finance
- Select a GRC tool set that could be leveraged by other Risk and Compliance areas
- Provide advice and support in the development and implementation of GRC Strategy
- Role of Technology in Program:
  - GRC Platform provides a common organization, product, people and assets view
  - GRC Libraries provide a basis for common metrics and risk analysis

State Street Project Goals

- Replace the current tools used to manage the audit and SOX process with a single vendor application
- Improve Efficiency
  - Where possible, house all reference information within the application
  - Formalize and standardize the approval process
  - Increase standardization
- Improve Effectiveness
  - Improve data integrity by importing regular data feeds or files
  - Design with flexibility in mind
  - Provide comprehensive, self-service reporting
- Improved data integrity through the use of automated feeds of referential data
- Ease of reporting to help facilitate greater 'self service' for reports

Business Challenges

- Challenges related to People
  - Getting Executive Sponsors in place for each solution
  - Governance Model for the GRC program
    - o Active PMO managing the platform level releases and administration for all business areas
  - Building strong Stakeholder Relationships (Audit, Legal, Finance, IT, Security)
- Challenges related to Processes
  - Replacing multiple systems in use for Audit process
  - Committed Subject Matter Experts and IT staff able to view end goal
  - Agreement on Risk definition to allow streamlining of GRC reporting in the future
- Challenges related to Resources
  - Building a sustainable team for a multi-year initiative
  - Getting access to SMEs at the right time in the process
  - Defining common infrastructure and data sources

Technology as an Enabler

- MetricStream Solution Areas:
  - Audit Risk Assessment, Planning, Execution, Issue Management and Time Keeping
  - SOX Controls Testing and Attestation
- Implementation Strategy and Tactics:
  - Stay as close to baseline app functionality as possible
  - Use the app walkthrough to get a glimpse into deliverables and adjust accordingly
  - Pay attention to requirements especially the ones requiring customization
  - Consider need to change a process to fit the solution
  - Data migration needs hands on support

Successes and Benefits

- Success Metrics:
  - Automate a risk based audit planning process
  - Deliver one solution for all Audit processes
  - Automate flow of audit planning to audit execution
  - Define audit execution methodology in tool
  - Improve reporting of issues and risks
  - Automated SOX Control processes
- Key Process Improvements and Efficiencies Gained:
  - Audit Planning process has been streamlined and allows for multi –year view
  - Issue management reporting improved for business areas for SOX and Audit
  - Data is consistent and flows to each process within the tool
  - Consistent reporting across all processes in the solution

Key Learnings and Best Practices

- Key Learnings:
  - Governance – Get the right executive sponsors and stakeholders involved and onboard early on
  - People – Make sure you have the right people involved at the right time in the process and change them if needed
  - Speak the same language across solution sets in the GRC -define what is common in taxonomy, what is unique within business units
  - Technology – it is a GRC solution and the end goal needs to be defined
- Best Practices:
  - Get buy in from stakeholders – it is their system
  - Understand tool to minimize changes - Limit customization
  - Train end user so they understand goal
  - Be thoughtful of workflow complexity
  - Implement in a phased approach to deliver value sooner
  - Streamline processes to fit solution if possible
- The Road Ahead
  - Enhance reporting capabilities for business
  - Streamline process and simplify where ever possible
  - Define new roles to allow better reporting and continue to adjust to new reporting needs
  - Adjustments need to be made to support changing Risk focus in corporation

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QUESTIONS AND DISCUSSION

2015 - Case Study