

Why Visage

Organized in 2003, focused entirely on risk management and regulatory compliance issues.

- Experience in all aspects of the compliance process from companies with a few million dollars of revenues to large multi-national organizations with several billion dollars of revenue,
- Provides senior level personnel with extensive business experience to provide effective business processes without introducing another level of compliance complexity
- Uses its proprietary **SingleVUE™** and **OpsAudit™** Methodology's that have been developed over numerous projects
- Decreases overall cost and risk of the compliance process as a result of people and process being utilized more effectively.



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Focus Events

Threat Scenario / Event	Comment	Force as Focus Event	Probability		Risk Score				Control Score				Remediation Results				
			Inherent Risk Probability Score	Residual Risk Probability Score	Weighted Inherent Impact	Inherent Risk Score	Weighted Residual Impact	Residual Risk Score	Total Score - Entity Level Controls	Total Score - Information & Communication	Total Score - Monitoring	Total Score - Risk Response	Total Control Score	Type of Response	Risk Removed (Residual=0)	Risk Score Reduced	Risk Probability Reduced
Improper Privacy Notice posted	Auditor indicated to focus here	Yes	1	1	21	21	21	5	12	7	17	41	7				
Unemployment			4	4	68	272	68	272	0	0	25	0	25	0			
Competition			2	2	94	292	94	188	14	0	25	30	69	4	Yes	Yes	
Earthquake			2	0	56	112	56	112	0	0	0	0	0	0			Yes
Data integrity			1	1	51	51	51	51	19	12	7	17	55	7			
Internet Banking / Online Bill Payment			1	0	46	46	46	46	19	12	0	6	37	0			Yes
Email			1	0	46	46	46	46	19	6	7	5	37	0			Yes
Employee Payroll / Benefits			1	0	44	44	44	40	4	12	7	5	28	0	Yes	Yes	Yes

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RISK ASSESSMENT

Risk Matrix in
Xcel using OpsAudit™



Mission Statement:

Building upon our ethical and value for service principles, we provide comprehensive compliance and risk management solutions, to allow our clients to focus on their core business.

Risk Matrix in Excel using OpsAudit™

New regulations now in effect, require non subjective Risk Assessments for any organization subject to an external audit. Organizations of all sizes are now needing to double their effort to build robust risk management programs.

These are the driving forces for a cost effective Risk Assessment solution for small and medium sized businesses. Visage Solutions has combined concepts of the COSO ERM (Enterprise Risk Management) framework with the regulatory requirements of the Federal Financial Institution Examination Council (FFIEC), Gramm-Leach-Bliley Act (GLBA) and its proprietary OpsAudit™ methodology to produce a cost effective approach to Risk Assessments.

Visage provides training and advisory services that makes this solution one of the most cost effective solutions while meeting the requirements of one of today's most demanding regulatory requirements.

- **Level 1** - Step by step instructions in use of the tool, example scoring system, one hour WebEx session on ERM (Enterprise Risk Management) concepts
- **Level 2** - One day "Getting started" session with training, customization of weighting and scoring system, email and phone support, assistance in final analysis and creation of Risk Assessment Report suitable for board and auditors
- **Level 3** - Same as Level 2, with additional support for questionnaires for the bottom-up support for your scoring scheme that will be needed for your auditors.
- **Level 4** - Customization of tool for industry specific / regulatory requirement / level of detail
- **Level 5** - An independent third party assessment of risk

Event Inventory

Events from COSO ERM Framework Plus Industry / Regulatory specific

Type	Category	Threat Scenario / Event	Internal Risk			Residual Risk		
			Probability	Severity	Impact	Probability	Severity	Impact
External	Economic	Access to Capital	3	4	6	2	3	4
External	Economic	Rates of Capital	3	3	3	4	4	4
External	Economic	Credit issuance, default	3	3	4	4	4	4
External	Economic	Liquidity	3	3	4	4	4	4
External	Economic	Financial markets	3	3	3	3	3	3
External	Economic	Cost of Funds	4	2	1	2	2	2
External	Economic	Strike/Labor disruption	6	5	4	1	5	5
External	Economic	Unemployment	1	3	2	6	1	1
External	Economic	Competition	1	3	2	6	1	1
External	Economic	Merger/acquisitions	4	4	4	5	3	3
External	Economic	Sustainable development	4	4	4	5	3	3
External	Economic	Spare						

Calculating Risk Scores

"Our initial assessment of the weaknesses at individual firms indicates that risk management systems and senior management oversight at some institutions were not sufficiently robust. As supervisors, we must redouble our efforts to ensure risk management practices and controls keep pace with changes in financial markets and business models, providing both positive incentives and clear consequences."

Donald Kohn in his report to the Committee on Banking, Housing, and Urban Affairs, US Senate, March 4, 2008

BENEFITS

- Identifies Focus Events that have a higher than average Risk score with a lower than average Control score.
- Provides cost effective approach for a formal Risk Assessment approach.
- Introduces executives to COSO ERM concepts.
- Reduces the time and effort required for you to build your own approach to Risk Assessment while being customizable to meet your individual business or regulatory needs.
- Uses a non subjective scoring mechanism.
- Addresses requirements of the most stringent regulatory bodies.
- Produces statistical information to be included in your report to the board and external auditor.
- Provides support for your scoring system required by the external auditors.

Type	Category	Threat Scenario / Event	Control Activity			Risk Response		
			Probability	Severity	Impact	Probability	Severity	Impact
External	Economic	Access to Capital	3	4	6	2	3	4
External	Economic	Rates of Capital	3	3	3	4	4	4
External	Economic	Credit issuance, default	3	3	4	4	4	4
External	Economic	Liquidity	3	3	4	4	4	4
External	Economic	Financial markets	3	3	3	3	3	3
External	Economic	Cost of Funds	4	2	1	2	2	2
External	Economic	Strike/Labor disruption	6	5	4	1	5	5
External	Economic	Unemployment	1	3	2	6	1	1
External	Economic	Competition	1	3	2	6	1	1
External	Economic	Merger/acquisitions	4	4	4	5	3	3
External	Economic	Sustainable development	4	4	4	5	3	3
External	Economic	Spare						

Calculating Control Activity and Risk Response Scores