



# Recovery Tips

## Managing Operational Risk

Operational risk management is often overlooked if the institution isn't under an auditor's microscope.

By Marc Riccio

A major issue in the financial industry is due to institutions maintaining a narrow scope on operational risk management programs resulting in miscommunication and gaps in the process. In the past, the biggest focus of operational risk management was on business continuity, which became a job task for one particular employee. As the market place evolved, vendor management regulations became more prevalent and another person was designated into the responsibility of maintaining the vendors.

More recently, incident response regulations due to an escalation of cyber security threats increased resulting in another person taking on the task of maintaining incident response. Instead of consolidating all operational risk management tasks and looking at it as a bigger picture, the different areas of risk were delegated amongst a large span of people. Because of this, people don't communicate and products don't communicate with each other. As a result, these individuals rarely maintain a large focus on these operational risk management tasks and when they do they only focus on a small aspect of the larger picture.

Another issue in the financial industry is that operational risk management is often overlooked if the institution isn't under an auditor's microscope. Their approach to operational risk management is reactive and defensive rather than proactive and going on the offensive to auditors and regulations. They look for systems after it is too late and they don't have the

resources to devote someone entirely to managing all areas of risk. They often panic and purchase one system covering a small part of the bigger problem. They devote the time and money into the system and then never use it to its full capabilities. The minimal amount of information input is just good enough to get that check mark from the auditor but will leave them scrambling when an actual event occurs due to an inefficient process.

RemoteComply is the solution for these industry frustrations. Our suite allows the financial industry to easily manage all areas of op-

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erational risk management under one platform. Instead of spreading the job tasks across departments, the suite allows complete communication throughout the risk management process. The suite will put institutions ahead of the game due to best practices and complete compliance built into the system. RemoteComply is cost effective and will eliminate the need to delegate different job tasks based on each area of operational risk management. These functionalities save valuable time and resources. ❖

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Marc Riccio, President of Specialized Data Systems, Inc., has over thirty years of experience providing software solutions to the financial industry. Marc is known for his forward thinking and vision of introducing new and innovative technologies including "rules-based" Loan Origination software, COLD/Document Image Systems, Internet Security Services on Demand, Cloud Computing and now Operational Risk Management software. Prior to founding Specialized Data Systems in 1989, Marc worked for several technology companies as a Systems Analyst, Account Manager and Sales Manager. Among his significant previous positions, Marc served as Senior Marketing Representative for FiServ-Connecticut and worked in the Retail Banking and Systems group for Bank of America.