



CRITICAL CONVERSATIONS – CFO AT THE CENTER

PRESENTERS

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Housekeeping

- Download slides at <https://go.oceg.org/critical-conversations-cfo-at-the-center>
- Answer all 3 polls
- Certificates of completion
(only for OCEG All Access Pass holders)
- Evaluation survey at the close of the webinar
- Find the recording on the Resource tab of the OCEG site, under Archived Webinars

Learning Objectives

- Explain the role of the CFO in gaining Principled Performance
- Understand how and why the CFO should have a role in defining GRC architecture
- Outline the conversations the CFO should have with each key player



Poll 1

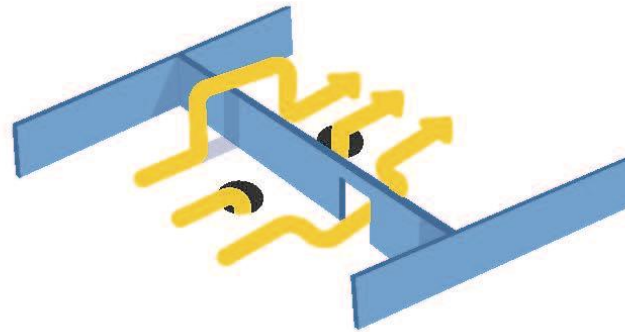
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- a. Yes, I have an All Access Pass and I would like to receive a Certificate of Completion for this event
- b. No, I do not have an All Access Pass but I would like to get one and receive CPE credit for this and future webcasts I attend
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The CFO's role in Organizational Objectives and Outcomes



The “Big Picture” we must keep in mind is the desire to achieve business objectives while overcoming obstacles and at the same time staying within the boundaries of mandatory legal requirements and the voluntary organizational values and limits that each organization establishes. We call this achieving Principled Performance.

Discussion Question

- What is the job of the CFO today and how does it compare to 10 years ago?
- Does the CFO have a defined role in risk management now?

The Role of the CFO

YOU NEED TO FIND THE ANSWERS TO THREE CRITICAL QUESTIONS:

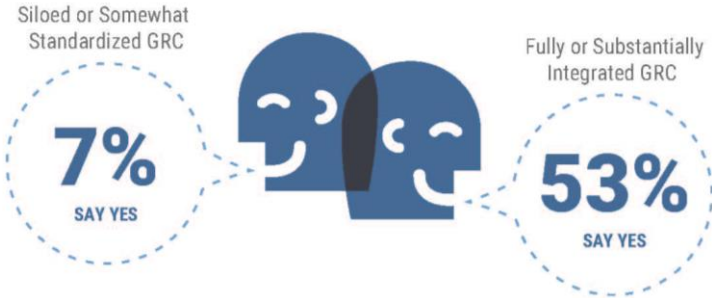
1. Do you have visibility into accurate risk information from operations and audits across the enterprise?
2. What steps can you take to better monitor, manage and quantify uncertainty?
3. How do you ensure that enterprise resources are aligned to preserve and create value?

Discussion Question

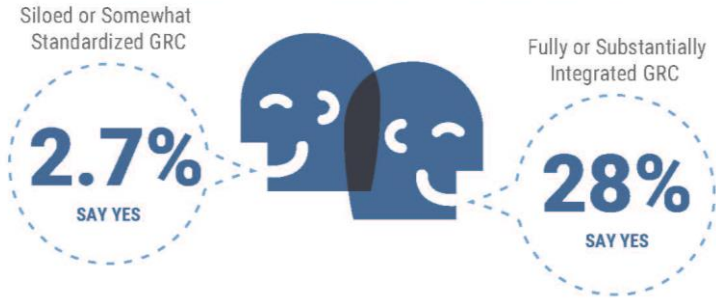
- What sort of visibility into risk and impact on performance are CFOs getting today?
- Are they confident that they and the board are getting enough risk and compliance information to make wise strategic decisions?

What are CFOs and other GRC peers saying?

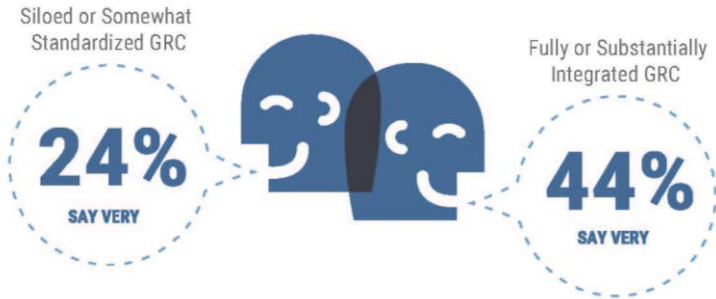
ARE YOU SUFFICIENTLY INTEGRATED TO SEE A TRUE ENTERPRISE-WIDE VIEW OF RISK?



ARE PERFORMANCE INDICATORS MAPPED TO RISK INDICATORS TO SHOW THE RISK AND BUSINESS PERFORMANCE RELATIONSHIP ENTERPRISE-WIDE?



HOW CONFIDENT ARE YOU THAT YOUR BOARD GETS ADEQUATE INFORMATION ABOUT RISK AND COMPLIANCE TO USE IN ESTABLISHING OBJECTIVES?



Source: OCEG 2017 GRC Metrics Survey

Discussion Question

- Are you seeing CFOs having a better understanding of the benefits of integrating and maturing GRC?
- Do they see their role in gaining improvements?

What do GRC executives see as benefits from better integration?

BENEFITS OF INTEGRATED GRC

The more integrated, the more consistently GRC needs are addressed in different areas of concern
The more integrated, the more confident about the management of risk and compliance
The more integrated, the more confident about performance and ability to audit performance risk and compliance
The more integrated, the more confident about getting clear views about performance, risk and compliance
The more integrated, the more business units feel they give the right info to strategic makers and the board
The more integrated, the more positive respondents feel about the metrics they use

Source: OCEG 2017 GRC Metrics Survey

Discussion Question

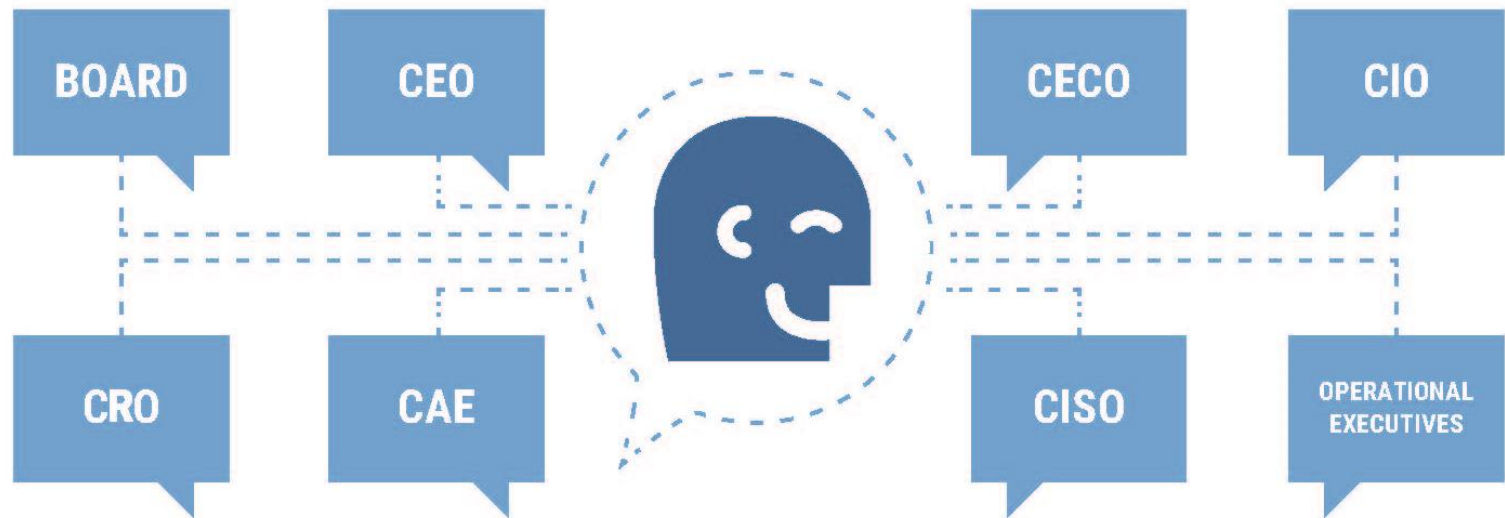
- Who should the CFO be involving in conversations about GRC plans and improvements?
- What should the CFO raise with each of these roles?
- What sort of reports should the CFO be seeking?

Poll 2

Is your CFO involved in GRC discussions or planning?

- a. Yes
- b. No
- c. I don't know

Key GRC Conversations for the CFO



Start with the Board and the CEO

TOP THREE CONVERSATIONS TOPICS PER ROLE

BOARD

- ▶ Provide transparency into effect of risks on objectives
- ▶ Quantify the risks of not being within mandatory and voluntary boundaries
- ▶ Protect the organization and the board with Principled Performance

CEO

- ▶ Use company knowledge to make decisions that drive Principled Performance
- ▶ Demonstrate the value of integrated GRC systems to support strategic planning
- ▶ Encourage institutionalizing a GRC structure as a foundation of good governance

Involve the CRO and Chief Audit Executive

CRO

- ▶ Recognize value creation and enterprise risk relationship
- ▶ Support use of unified risk vocabulary, taxonomy and assessment methods
- ▶ Devise overall risk management strategy and reporting structure that supports Principled Performance

CAE

- ▶ Communicate goal and structures of GRC strategy
- ▶ Define need for both design and operational effectiveness assurance
- ▶ Assist GRC leaders in selection of appropriate metrics to assure Principled Performance

Involve the CECO and CIO

CECO

- ▶ Support a robust controls infrastructure and compliance culture essential to Principled Performance
- ▶ Assure needed resources and help to reduce control gaps and redundancies
- ▶ Review upcoming business plans and impact on compliance requirements

CIO

- ▶ Demonstrate the critical value of well-planned IT for GRC efforts that support Principled Performance
- ▶ Define the “enterprise-wide” technology vision that supports the GRC strategy
- ▶ Identify the enterprise’s ongoing GRC requirements and assess technology architecture and solutions sets

Engage Operations Managers

OPERATIONAL EXECUTIVES

- ▶ Outline how Principled Performance impacts all critical extended enterprise processes, specifically enterprise strategic objective setting, operational planning, and budgeting
- ▶ Identify cross-functional and siloed operational processes that are inadequate or incompatible with GRC objectives
- ▶ Highlight critical GRC issues of the extended enterprise such as external business risk, reporting and transparency

Poll 3

Do you present reports on risk or compliance impacts on performance to your CFO?

a. Yes

b. No



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Questions?