

Breaking Through the Reporting Matrix: Connecting Compliance to Strategic Reality

SPEAKER

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CONNECTING RISKS THAT MATTER



Connecting and Interconnecting What Matters



scalation

eporting

Three Lines of Defense Model



Board of Director Committees

C-Suite / Sr. Leadership

Independent Reporting

Third Line of Defense – Risk Assurance

The third line is Internal Audit, which is responsible for **oversight of the first and second lines of defense**, with the primary purpose of ensuring that the first two lines are operating effectively and advising on how they could be improved.

Additionally, Internal Audit is accountable for **providing independent assurance on the effectiveness of governance, risk management, and internal controls to the Audit Committee** or the Board of Directors.

Second Line of Defense – Risk Governance & Oversight

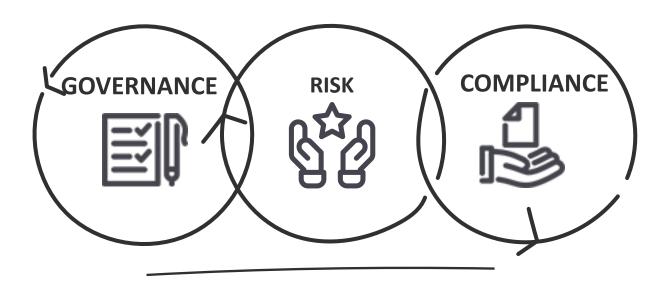
The second line is responsible for developing frameworks, policies, and process to assess and govern the risk-taking activities of the First Line, which includes advising the first line on key risk decisions and control effectiveness. The second line also identifies, measures, and monitors aggregate and emerging risks enterprise-wide, and monitors reporting of the first line's risk-taking activities.

First of Line Defense – Risk Ownership

First line functions are the primary risk takers. They're accountable for risks and responsible for implementing effective controls and maintaining processes that mitigate risk associated with their activities consistent with risk appetite and tolerance. This includes Operations, Information Technology, and Marketing, as well as Finance, Human Resources and other support functions.

A Quality GRC 2nd Line





A coordinated 2nd Line with a shared vision, approach, and methodology will deliver a product that:

- Ensures consistent tactics with focused initiatives, interactions, and coordinated 1st Line communications
- Reduces redundancy, duplication and inefficiency between 2nd Line functions
- Equips 2nd Line functions to operate from a common repository of information and knowledge
- Enables aggregation, compilation and credible enterprise reporting



GRC – Is It Really That Simple? Is it Really That Interrelated?

CONNECTING RISKS THAT MATTER

Fulfill Board and leadership obligations relative to prudence and oversight

- Strategy
- Vision

Define roles and responsibilities across the different programs and their remit

Framework(s)

Define accountability for program deliverables/outcomes

Enterprise Programs & Processes

Consultative Oversight & Control Review

Metrics, Reporting, and Escalation

Communication & Awareness





Interconnecting with Strategy





Strategic Compliance



- What it Is
- What it Does
- How it Does it
- Challenges In Fulfilling Remit
- Collaboration
- Reporting





Questions?

CONNECTING RISKS THAT MATTER

MATRIX

Thank You!



Connect with me.

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