



Many risk managers view the “strings” of the bow-tie model as controls, specifically *preventative* controls to stop causal factors becoming risks or actual losses, *detective* controls to detect when a risk or loss has occurred, *corrective* or remedial controls to reduce/minimise/mitigate the impact or consequence, *directive* controls to give direction to the overall business process and activity and *oversight* controls to enable management to determine whether the desired or expected results are being achieved. These control classes can be defined within the RiskBusiness Taxonomy Service, as can different control types, which can then be used to define and document the various forms of controls used throughout the firm. In the same manner as with processes, pre-defined controls can then be used wherever necessary within the RiskIntelliSet™, with options for control testing, control design strength assessments and control effectiveness assessments to be performed and reported on. When used in conjunction with the RiskBusiness KRI Monitoring Service, specific key control effectiveness indicators can be established, thresholds defined and ongoing data collection undertaken.

One issue which often results in conflict within any organisation is in the area of control objectives – what are they, who is responsible for establishing them, are they the preserve of internal audit, how is the business measured against them? The RiskBusiness Process and Control Service supports the definition of specific mandatory, recommended and optional control types against each potential risk category which a business faces in each of the process types that business undertakes, then allows the business to define the actual controls of each type which they have implemented to meet the minimum control standards. For each such control, the RiskBusiness Process and Control Service also support the ability to define the specific control objective which the business intends to achieve with that control. Control standards can also be viewed as a control standards profile, reflecting the required control types against each risk type and process type combination of a typical heat map structure.



Where controls are referenced in audit findings, compliance findings or control failures are noted within internal loss events, that information can be combined with key control effectiveness indicator data, control test data and control assessment data to provide both business management and Line 2 or 3 with detailed control status information. Within the RiskBusiness Internal Loss Data Service, actual controls maintained within the RiskBusiness Process and Control Service can be allocated to those loss events which results from control failure and the consequential implication of each control's failure assessed for each event.

For more information on the RiskBusiness Processes and Controls Service, please contact RiskBusiness Services Limited through our website or email us at info@RiskBusiness.com.