Red Flare GRC

Case Study: How Technology Can Improve Your Organisations GRC Framework

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CEO Donore Credit Union Limited

Approach for Today

- Where Did We Come From?
- Onboarding & Deployment
- Risk Management
- Compliance Management
- Meeting Management
- Policy Management
- My Dashboard
- Future Plans
- Advantages & Disadvantages

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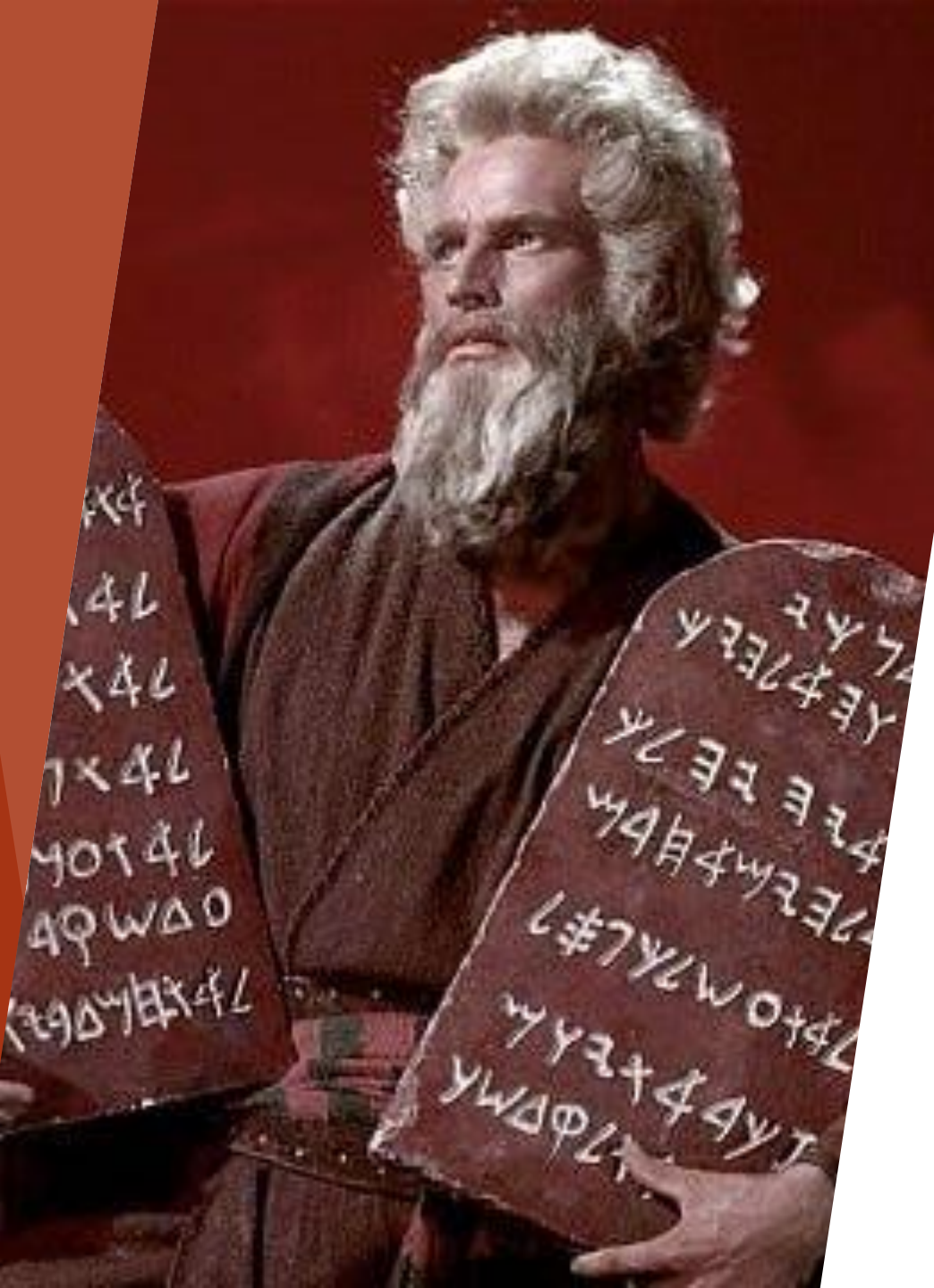

Where Did We Come From ?

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As With All CU's Where Did We Come From?

- Risk Registers in Excel with multiple versions saved
- Excessively Large Risk Register, difficult to maintain
- Lever Arch Folder For Policies – Version Control an Issue!!
- Staff Attestation on Policies not captured
- No Integrated Compliance Universe
- Difficult Risk & Compliance Reporting Framework due to Excel
- Agendas rarely changed
- Minutes both manually kept and typed in Word
- Committee minutes not consistent in quality
- Board Packs Printed and Hand Delivered
- Internal Controls Documented within Policies
- Internal Audit Recommendations not centrally maintained
- Visibility of overall Governance Risk and Compliance an issue

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Post Red Flare - Where Are We Now?

- Fully integrated Risk Registers – No more Excel and versions
- One Main Risk Register (25 risks) and 4 sub risk registers
- Policies Management fully automated with digital version control
- Staff Attestation on Policies digitally captured
- Fully Integrated Compliance Universe, with separate compliance registers
- Risk & Compliance Reporting at the touch of a button
- Agendas updated regularly within Governance Module
- All Minutes captured digitally with electronic approval
- All Minutes and Agendas consistent in quality
- Board Packs uploaded and maintained in Red Flare
- Internal Controls Documented within Red Flare
- Internal Audit Recommendations maintained Red Flare
- Directors Dashboard gives visibility of overall Governance Risk and Compliance in real time

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Onboarding & Deployment

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Decision, Onboarding & Embedding

- Procurement – Demo'd 3 provides and made our selection
- Licence Agreement Signed
- Instance of Red Flare was created within 3 – 4 days
- Onboarding Plan issued by Customer Support
  - 1st Item Required Was Organisation Chart and Email Addresses
  - 2nd Item Risk Register
  - 3rd Item Policies
  - 4th Item Minutes, etc, etc..
- Customer Support Populated Red Flare, set up user dashboards, imported Risk Register & Configured System based on our needs
- Training – In-person and Online. Also recorded videos useful
- Started With using Risk, then policies, next meetings, etc, etc
- Account Manager Allocated and available for online meetings
- 3 – 6 months Onboarding
- 12 months fully embedded

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Risk Management

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Risk Management Benefits

- No more version control in Excel
- Adopted Standalone Risk Registers
- Management Team have direct access to allocated risks
- Directors have access and oversight on “View Only Basis”
- Reporting is extensive and has filters for comparisons purposes
- My Risk Tile allows individual risk ownership
- Risk Appetite and Capacity fully integrated
- Internal Controls aligned to Risks
- Risk Reports uploaded to Risk Library
- Directly aligned with CBI expectations
- De-risks Outsourced Risk Management Function if we had to bring in-house

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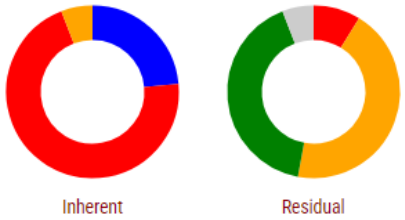
Risk Register Updated In Real-Time

Consolidated risk register

Exposure levels



Exposure level	# E_I	# E_R
Critical	8	0
Major	24	3
Moderate	2	15
Minor	0	14
Insignificant	0	2
Total	**34**	**34**

Active risks

Ref	Inherent Score	Residual Score	Appetite	Capacity	Control Strength	T_I	T_R	Category	Name	Owner	Last Review	Next Review
CONSOL2	25.00	15.00	10.00	15.00	Reasonable			Operational	Cyber Attacks ((Ransomware, Malware, Hacking)	CEO	2023-11-15	2024-02-15
CONSOL6	20.00	12.00	10.00	15.00	Reasonable			Operational	IT Systems & Hardware	Operations Manager	2023-11-16	2024-02-16
CONSOL1	25.00	10.00	15.00	20.00	Strong			Strategic	Loan Growth	CEO	2023-10-23	2024-01-23
CONSOL14	16.00	9.60	10.00	15.00	Reasonable			Operational	Succession Planning - Staff	CEO	2023-11-16	2024-02-16
CONSOL21	15.00	9.00	15.00	20.00	Reasonable			Strategic	Management Information	CEO	2023-10-23	2024-01-23
CONSOL22	15.00	9.00	10.00	15.00	Reasonable			Governance	PRISM Inspection and RMP's	CEO	2023-10-23	2024-01-23
CONSOL15	15.00	9.00	10.00	15.00	Reasonable			Operational	Business Continuity & Disaster Recovery Planning	Operations Manager	2023-11-16	2024-02-16
CONSOL8	20.00	8.00	10.00	15.00	Strong			Governance	Corporate Governance - Meetings	Chair of Board of Directors	2023-11-15	
CONSOL3	20.00	8.00	10.00	15.00	Strong			Governance	Succession Plan - Board & Volunteers	Chair of Board of Directors	2023-11-16	

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Individual Risks Can Be Assessed & History Recorded

Viewing risk Cyber Attacks ((Ransomware, Malware, Hacking)

Details

	Inherent	Residual
Score	25.00	15.00
Exposure	Critical	Major
Trend	Unchanged	Shrinking
Impact	Critical	Reasonable
Probability	Reasonably Certain	

Name: Cyber Attacks ((Ransomware, Malware, Hacking)
Register: Consolidated
Reference: CONSOL2
Detail: The risk of a severe cyber-attack such as Ransomware, Malware & Hacking is heightened on account of the growing frequency and targeting of attacks, which are simultaneously becoming more sophisticated and difficult to detect. The CBI expects that Cyber risk is managed within the context of overall IT risk management. Risk that the CU does not have the right funding allocation and
Category: Operational
Class: Not applicable

Source:
Owner: CEO
Oversight: Board of Directors
Policy: No applicable policy
Review: Quarterly

Status: Active
Capacity: Defined by risk category (15.00)
Appetite: Defined by risk category (10.00)
Reviewed: 2023-11-15
Due: 2024-02-15

Risk Mitigation Tasks

Internal Controls

History

Type	Date	E_I	S_I	T_I	$Rating_I$	E_R	S_R	T_R	$Rating_R$	Narrative
Assess	2023-11-15		25.00		Impact: Critical Probability: Reasonably Certain		15.00		Reasonable	RMO discussed risk with CEO 11-10-2023. No evidence or reported cyber attacks have taken place in the CU to date. The CU has not c… penetration test in the past 3 years. The CU is investing in a new online backup system with NSSL, which will improve cyber security p…
Assess	2023-10-10		25.00		Impact: Critical Probability: Reasonably Certain		25.00		Ineffective	Initial import from Consoldiated Risk Register.xlsx

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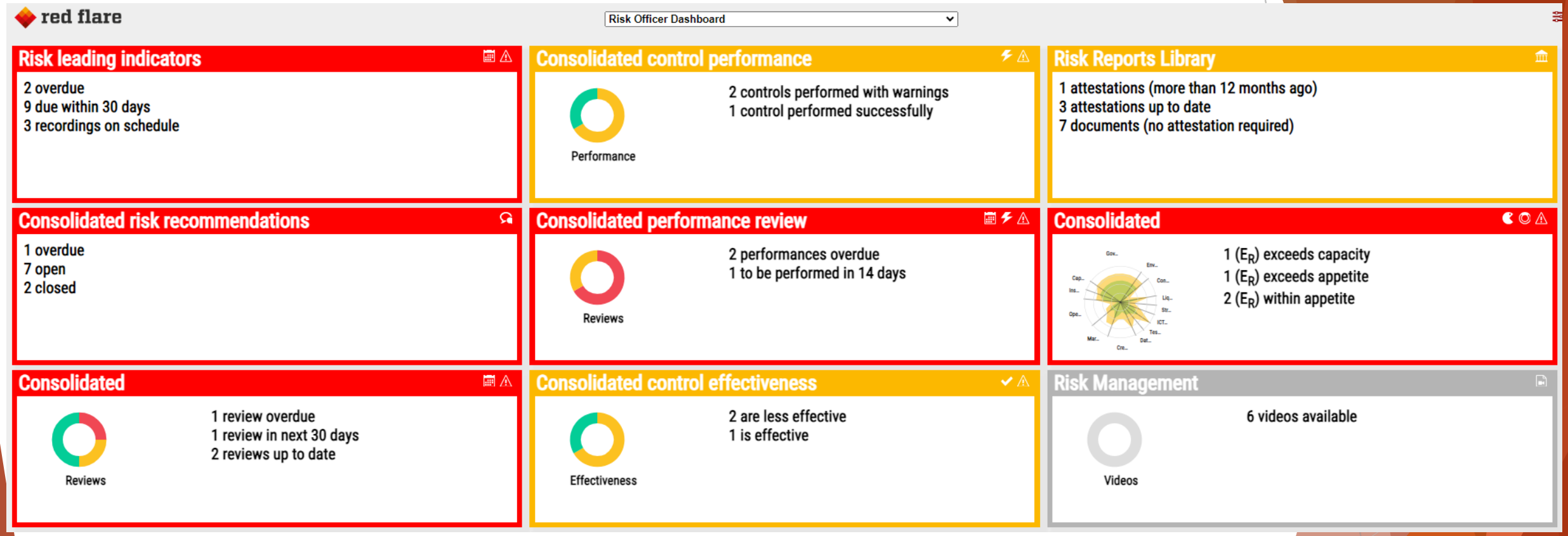
Risk Dashboards Are Easy to Understand & Configure



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Compliance Management

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Compliance Management Benefits

- **Full Compliance Universe "Specific to Our Needs as a CU"**
- **Full Compliance Plan**
- **Separate Compliance Registers**
- **Management Team have direct access to allocated compliance tasks**
- **Directors have access and oversight on "View Only Basis"**
- **Reporting is extensive and has filters for comparisons purposes**
- **My Compliance Tile allows individual compliance ownership**
- **Compliance Materiality Statement fully integrated**
- **Compliance assessed under 3 categories**
  - **Green – Fully Compliant**
  - **Amber – Partially Compliant**
  - **Red – Not Compliant – *These are transferred to a Breach Register***
- **Compliant Reports uploaded to Compliance Library**
- **Directly aligned with CBI expectations**

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Compliance Analysed So Easy to Understand

Charities Governance Code - Compliance register

- Non-compliant obligations
- Partially compliant obligations
- Expired assessments
- Unassessed obligations
- Compliant obligations

S.2 - Summary

Status

	Description	Value	%
	Not assessed, or assessment expired	81	58
	Does not satisfy	4	3
	Partially satisfies	4	3
	Fully satisfies	51	36
	Total	140	100

Schedule

	Description	Value	%
	Overdue	10	14
	Due in next 7 days	31	45
	On schedule	28	41
	Total	69	100

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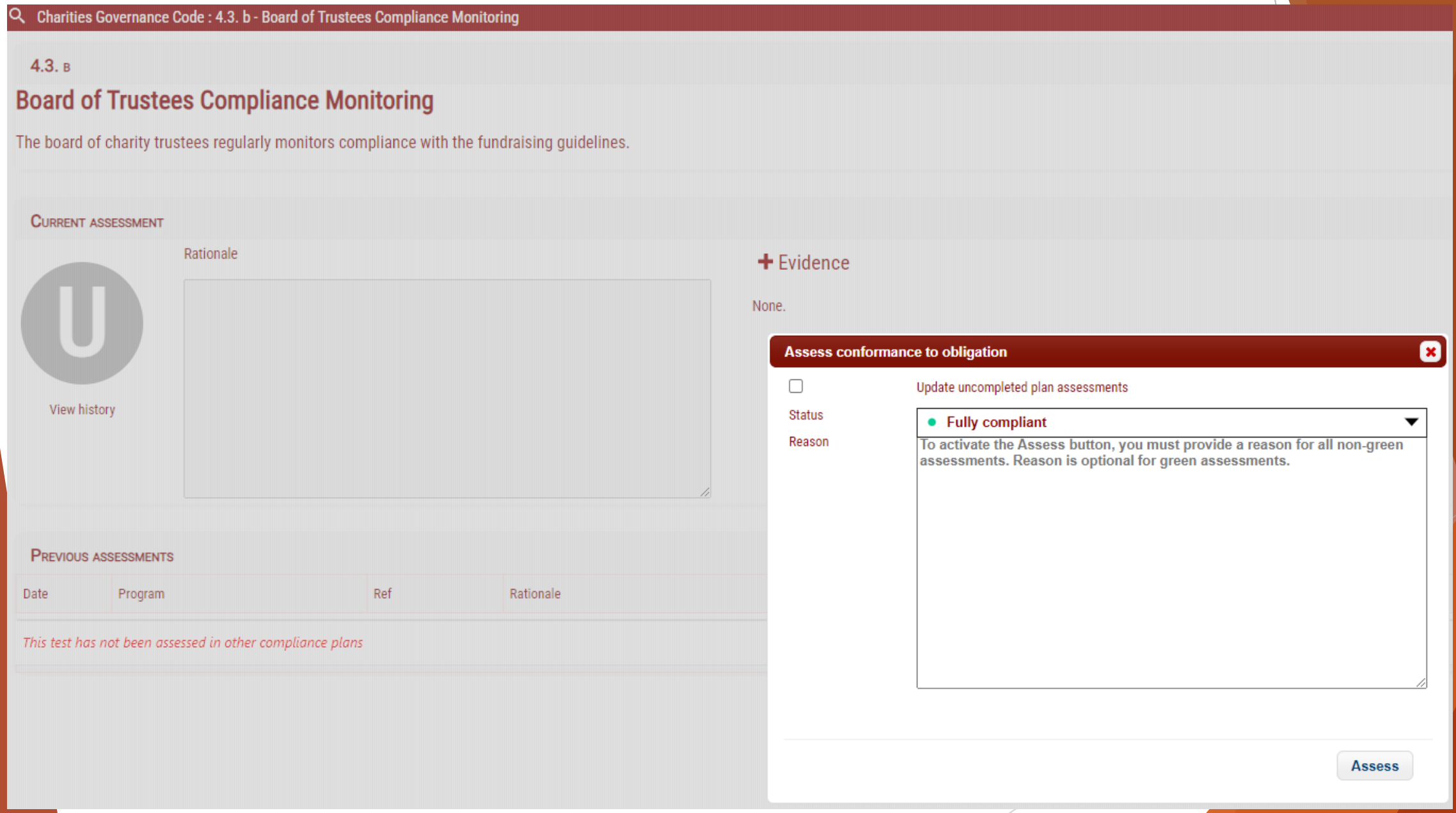
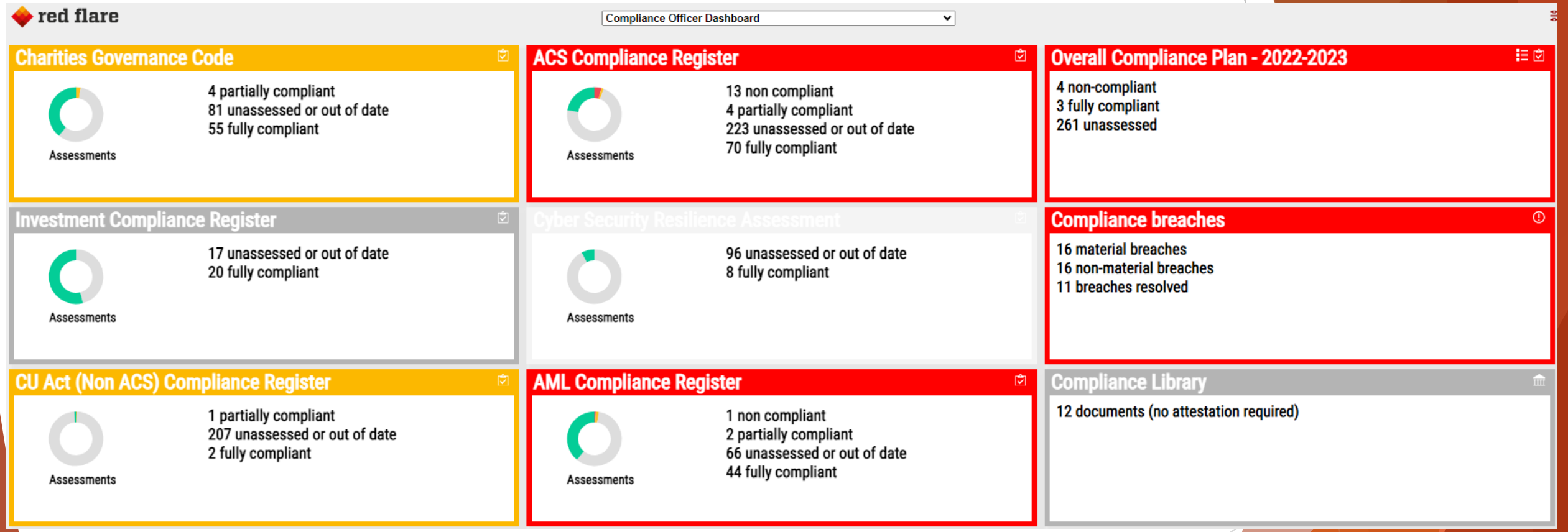
Compliance Assessments Simplified



Compliance Dashboards Are Easy to Understand & Configure



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Meeting Management

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Meeting Management Benefits

- Digital Version of all Agenda Templates
- Meeting Notifications Automated
- Meeting Management to record discussion, challenge, votes
- Supporting Documents attached to agenda point
- Board Pack Management
- Minutes can be produced, and meetings closed
- Committee Attendance Recorded and Reportable
- Directors have access and oversight on “View Only Basis”
- Detailed Reporting with filters and export
- Committee Tile Always Shows Current Status – Red, Amber, Green
- Notifications can be enabled by email
- Board Packs can be downloaded
- Specific rules can be applied, re Quorums or Meeting Terms

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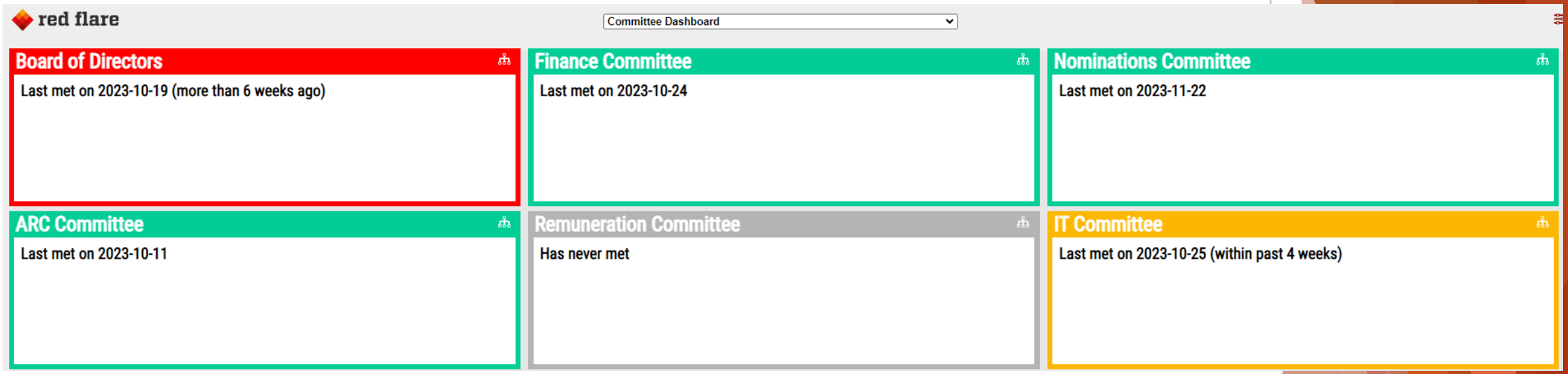
Committee Dashboards Are Easy to Understand & Configure



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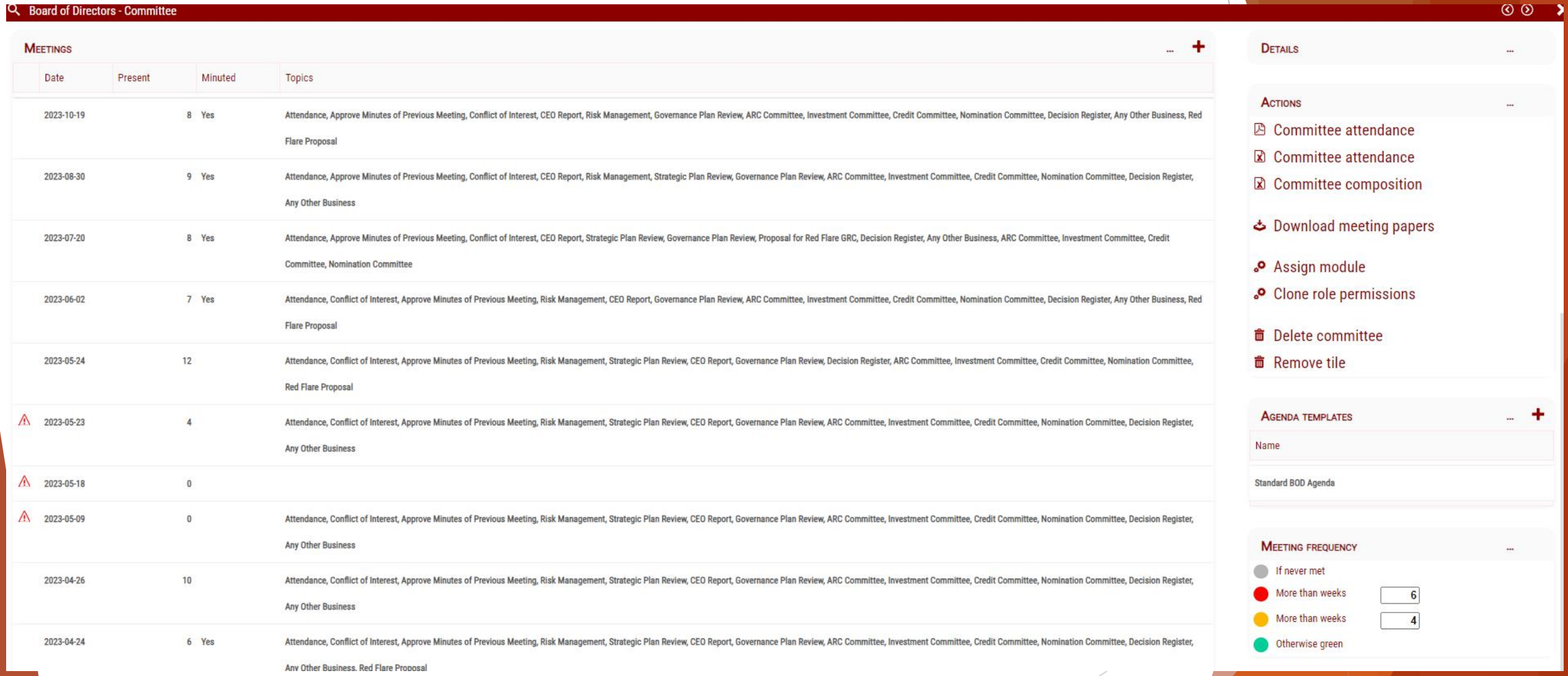
Committee Management Dashboard



Policy Management

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Policy Management Benefits

- Digital Version of all CU Policies in Central Depository
- Policy Review Schedule Automated
- Policy Version Control, Reason for Update and Owner recorded
- Management Team have direct access to all current policies
- Directors have access and oversight on “View Only Basis”
- Detailed Policy Reporting with filters and export
- Policy Tile Always Shows Current Status – Red, Amber, Green
- Notifications can be enabled by email
- Staff Attestations digital with full audit trail
- Policies can be downloaded
- Specific rules can be applied

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Policy Management

Policies Management

Policies

	Upload		Policy	Implements	Valid	Review
G	2023-11-14		Cyber Policy		2023-11-14	2024-11-13
G	2023-10-17		HR Policy	Outsourcing policy, Lending policy	2023-10-17	2024-10-16
G	2023-10-05		Investment Policy	Investment policy, Liquidity policy	2023-10-05	2024-10-04
G	2023-09-14		Admissions Policy	Change management	2023-09-14	2024-09-13
G	2023-06-02		Risk Management Policy	Risk Management policy	2023-06-02	2024-06-01
G	2023-04-28		Governance Policy	Conflicts of Interest policy, Records management policy, Compliance policy	2023-04-28	2024-04-27
G	2023-04-24		Data Breach Policy	Change management, InfoSec	2023-04-24	2024-04-23
G	2023-04-18		Information Systems Policy	Outsourcing policy, Risk Management policy, IS/MIS policy	2023-04-18	2024-04-17
G	2023-02-20		Data Protection Policy	Ethics policy	2023-02-20	2024-02-19
G	2023-02-02		Compliance Policy	Compliance policy	2023-02-02	2024-02-01
G	2022-11-18		Remuneration Policy	Remuneration policy	2022-12-31	2023-12-30

Archived

Deleted

Actions

- Edit policy tile
- Policy extract
- Policy Report
- Document review extract
- Download policies
- Remove tile

Rules

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My Dashboard

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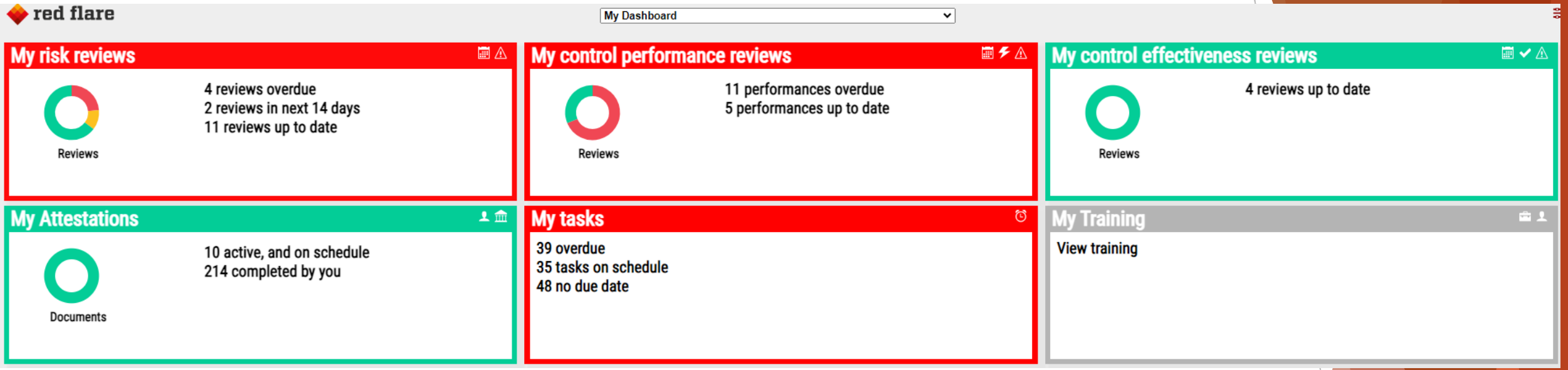
Staff Dashboards – Personalised to Their Needs



- When deploying Red Flare within our staff i.e. operations team, we only gave them access to tiles specific to their needs.
- These tiles are personalised to Risks, Tasks, Controls allocated to them.
- They simply click on a tile, complete the task and close it.

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Future Plans For Red Flare

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Our Future Plans For Red Flare GRC

- **Software Register** – Transfer from Excel to Red Flares integrated register
- **Operational Resilience** – Create Operational Resilience Dashboard (DORA 2025)
- **Key Risk Indicators** – Track and align KRI's with risks
- **Training Repository** – annually training calendar, training repository and training records
- **Fitness and Probity** – Document directors F&P assessments
- **Regulator Dashboard** – Design a Regulatory Dashboard for CBI login
- **Risk & Compliance Incident Log** – Staff to Use Mobile Phones to record risk events
- **Decision Register** – Record or roll forward decisions
- **Integration** – Integrate Red Flare with Progress Banking for Real Time Reporting

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Advantages & Disadvantages

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Excel & Word

- Deploying Red Flare GRC offers several benefits over relying on Excel spreadsheets and Word documents for managing GRC processes.
- **Weaknesses of Excel spreadsheets and Word documents**

- **Manual data entry and updates:** GRC data is manually entered and updated in spreadsheets and documents, which is time-consuming and prone to errors.
- **Limited data integration:** Spreadsheets and documents lack built-in integration with other enterprise systems, making it difficult to share and consolidate data.
- **Poor visibility and reporting:** Spreadsheets and documents are not designed for comprehensive reporting and analysis, making it challenging to gain insights into GRC risks and trends.
- **Increased risk of non-compliance:** Manual processes and limited visibility increase the risk of non-compliance with regulations and standards.

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Advantages Using Red Flare

- **Automated data collection and updates:** Red Flare automatically collects and updates data from various sources, reducing manual effort and improving data accuracy.
- **Centralized data repository:** Red Flare provides a centralized repository for storing and managing all GRC-related data, ensuring data consistency and accessibility.
- **Robust reporting and analytics:** Red Flare offers advanced reporting and analytics capabilities, enabling users to visualize GRC risks, trends, and performance metrics.
- **Improved compliance management:** Red Flare streamlines compliance workflows, automates risk assessments, and tracks compliance obligations, reducing the risk of non-compliance.
- **Enhanced collaboration:** Red Flare facilitates collaboration among different departments and teams involved in GRC processes.
- **Scalability:** Red Flare can scale to meet the growing needs of organizations as their GRC requirements evolve.
- **Reduced costs:** Red Flare can help organizations save costs by improving efficiency, reducing compliance risks, and mitigating losses from non-compliance.

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Disadvantages

- **Cost:** Saas Model i.e. annual licence fee. For Donore CU we feel the benefit far outweighs the cost, but for some CLG's cost will be an issue.
- **Onboarding:** Took longer than expected, but this was down to us. Trying to allocated time for a new system can be difficult. In hindsight we should have allocated the time appropriately.
- **Training:** You sometimes forget what you learn, if you don't start using the system immediately. The New Training Videos Tile is a great solution within the system.
- **Embedding:** It will take time to embed so have a plan to embed fully one module before starting on the next module.
- **Overwhelming / Daunting:** If you don't used the system on a regular basis, it can seem overwhelming and you might revert to Excel or Word. My advice is to simplify your dashboard and use their Customer Services, as you are paying for their support.
- **It's a Tool:** Red Flare is just like any other piece of software, it's only as good as the information you put in. Red Flare is an excellent tool if kept up to date, so be prepared to give it your time.

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