

DIGITAL RISK MANAGEMENT

Digital risk management refers to digital processes for improving the evaluation and monitoring of risk. This may include cybersecurity risk, third-party risk, operational risk, etc. These risks can impact the organization's financial performance, operation, or reputation.

A digital risk management solution can include the use of process automation, decision automation, digitized monitoring, and early warning systems, and it can provide in-depth analytics to help your organization better monitor your compliance status and current threat level for all risk factors.

Manual risk management processes can be slow, involve duplication and redundancy across teams and departments, and leaves a lot of room for human error. It is for this reasons that organizations are recently adopting a digital approach to risk management. With a manual review, threats may not be detected in a timely manner, leading to security breaches and other risks that could have been mitigated with an automated early warning system.

A digital risk management solution is an integrated platform that works seamlessly for distributed teams, enabling them to access customized views based on their unique needs. It also provides a comprehensive dashboard that shows compliance status, risk levels, and actions required.

Features of a Digital Risk Management Solution

Risk Prioritization: Your solution should include the ability to calculate foreseeable risk as well as the impacts of each risk, and then prioritize your mitigation plans accordingly.

Intuitive for all users: A digital risk management solution should be intuitive for all users across all 3 Lines of Defense. Team member should be able to easily set triggers, respond to alerts and gather relevant data for further evaluation.

Integrated across 3 Levels of Defense (3LoD): The three lines of defense traditionally include operational controls (1LoD), risk management and compliance (2LoD), and risk assurance (3LoD). In many organizations, the three lines operate relatively independently, which may create redundancies or lead to miscommunication between lines. An integrated digital risk management solution will bring the 3LoD functions together into a unified team, ensuring that all three lines have access to the same data, and that all metrics are evaluated based on the same scoring criteria.