



COLD EYES REVIEW PROCESS



Governance, Risk Management, Compliance and IT-Security (GRC) Cold Eyes Review Process (CERP)

CERP methodology.

The Copenhagen Compliance® CERP is an objective and comprehensive analysis of the current GRC strategy, involved in identifying, evaluating and mitigating the identified operational GRC issues with the management team and helps with developing plans and control/monitoring mechanisms.

CERP provides an independent, objective assessment of the current state of GRC performance and compares the processes relative to international best practices. Most importantly the CERP process results in an effective action plan for addressing the issues that are identified in the CERP scope.

Directors, managers and stakeholders of the GRC process have an obligation to understand the existing and future prospects for GRC reliability and operability as well as the failure potential of the GRC processes.

Having our consultant to review the GRC process and operations, allows for a new perspective and the identification of potential GRC issues.

These issues have to be dealt with regularly to avoid possible negative consequences.

The overall CERP methodology is total. It starts with a complete GRC review and ends with implementation of the results of the findings. The goal is to enhance process integrity of GRC GRC to meet not only the vision, goals and strategy of the company but to increase the profitability and win investor trust and confidence.



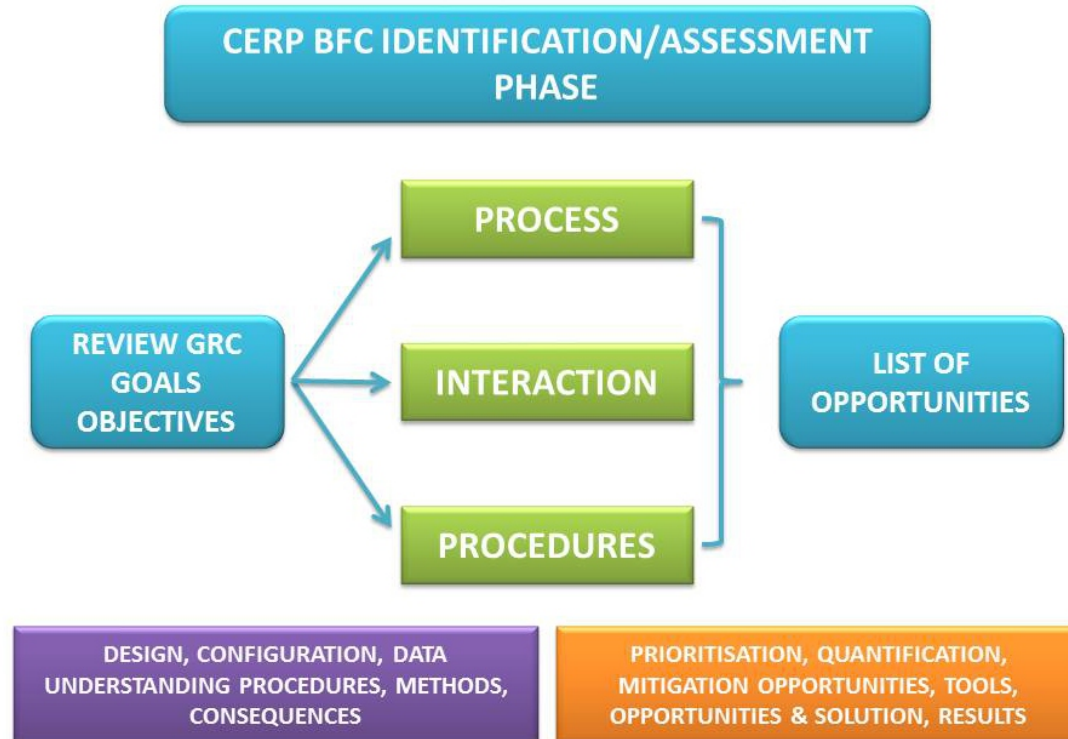
CERP process operations

We view GRC business operations as the sum of all GRC components incl. knowledge, education, monitoring, ownership, risks, incident management, thresholds and approvals, policies and procedures as a synopsis of the current GRC processes. Understanding how these interact and work together within the GRC process not only allows appreciation of the potential to reduce expenses on controls but more importantly supports a better utilisation of the business supply chain.

The CERP process has three phases:

Identification phase

During the identification phase, the GRC's design, configuration and operation is reviewed for process maintenance and performance by understanding the total impact of GRC process operations and the issues around Governance, risk and compliance procedures related to change and human interactions. The result is the identification and prioritisation of a list of mitigation opportunities that allow GRC system to meet the identified GRC process goals and objectives.



The CERP identification symbiosis is the method of finding the parasite

Birds that feed on the debris in Crocodiles teeth get good food, and the Crocs have clean teeth. It's the business relationship where both entities are benefitted.

Symbiosis is where two individuals work together, involved in the lifecycle of the process

- The desirable type of commercial symbiosis is Mutualism.
 - This is where both groups benefit.
- The second possibility is Commensalism
 - Here one benefits and one neither benefits nor is harmed.
- Parasitism is a form of Symbiosis
 - Where one group benefits but one is harmed

CERP review and assessment principles uses GRC management theories as a periscope or a trampoline, not as a panopticon.

Purpose. The purpose of the CERP assessment procedure is to ensure a high standard of GRC responsibilities, expressed in the study scope. The outcome will provide guidance and recommendations to comply, mitigate, enhance or repair GRC procedures and processes.

Transparency and accountability. The documents, process, procedures and business issues shall be readily available and accessible. Our consultants will ensure consistent and meaningful communications to the stakeholders as the developments and outcome unfolds.

Confidentiality. Information or documentation relating to any issue or situation in scope will not be shared by anyone without the express permission of the management.

Performance responses. Consultants must have access to all materials that form the basis of their review. Consultations could include a comprehensive and extensive sessions with GRC experts at Copenhagen Charter on organizational or strategic needs as they relate to the answers to the findings. We all work from the same source of information and the significance will be coordinated with management.

Timeliness. We perform expeditiously and in a timely manner to ensure least possible disruption. In situations where a (re)search is recommended the adjusted timeframe will be in line with management deadlines.

Conflict of Interest. Any real or perceived conflict of interest will be identified and disclosed as soon as a member becomes aware of it.

Role and responsibilities. The CERP review members can serve as a deliberative body to solve other complex GRC issues in the organisation. Our consultants bring the perspective of their GRC experience and independent judgment. The accountability of each consultant will be identified in the written profile to the management for approval.

Independent assessment

The CERP methodology applies the concepts discussed above using a fresh look at the GRC process. Often, GRC processes include many daily routine tasks. The sheer volume often prohibits personnel to find the time needed for improvement or change to safeguard the fundamental GRC issues they face. This leads to a culture of acceptance that things cannot change. Therefore, the benefits of our CERP are:

- Break down organisational silos
- Establish a concentrated (integrated) action plan
- Compare the organisation with best practice
- Develop key personnel
- Establish cost and schedule confidence
- Improve communication
- Improve performance and return on GRC operations
- Resolve problems & avoid surprises
- Validate the GRC strategy

CERP advantages

When CERP is done properly, it often uncovers the obvious things that were missed before because people are so used to them. Occasionally CERP discovers the uncommon.

Here's how it works:

- GRC processes are adjusted to be compliant
- Around two weeks start to finish
- Comprehensive, objective & confidential
- Established methodology
- Independent/integrated approach
- Divides operations into upstream and downstream GRC projects
- Credible, experienced team
- Preset fee

The CERP IT Tool

The CERP SaaS IT Tool to monitor GRC issues. All you need is a browser and you have an end to end application that goes from GRC vision to risk assessment to risk management. It walks you through the process from an organization's stated vision, at company, functional or business level, and a review of the optional strategies to achieve it.

When the GRC strategies are agreed/selected/determined it drills down a level to the detailed business objectives in each strategy and the risk categories in each; then there is the process of creating risks in each category - strategic, operational, financial and compliance; then risk assessment; through identification of key risks; then for each key risk the identification of mitigations/controls; through personally assigned responsibilities to test and confirm the effective operation of them periodically (at determined frequencies) with a continuous monitoring and reporting process to provide ongoing comfort that things are on track to secure the vision that we started out with.

Overall, it is a tool and process to provide ongoing assurance that all of the risks to a vision have been identified and are being controlled so it gets achieved.

The IT tool is a continuous monitoring systems that automates the process of assigning 'tasks' to named individuals at a periodic frequency, and captures assessments online or remotely in a macro with one-click upload, and any issues identified in an assessment in a

closed loop' i.e. once a control or task to be assessed is in the system its 'locked in' and its progress can be tracked. The tool also has an escalation module which identifies for management if the 'task' or assessment has not been performed by a due date. The tool also provides localized user reporting (my reports) in a report wizard.



Conducting a Zero Base CERP review

Set the stage

CERP reviews are often perceived as a threat, primarily by management who remain deep-rooted in old ways of thinking. To break the ice, the CERP conducts several short meetings and/or conversations to initiate the process and outline the benefits. Later the participants draw out a plan to address GRC areas to be considered for improvement.

The owner of GRC system or process can provide an overview/orientation of the current state of GRC issues. The CC CERP reviewer will ask questions like:

- How long have you been doing it this way? But Why?
- Identify the GRC processes that you wanted to change for a while
- Identify the barrier to the GRC process being more efficient, faster or higher quality
- Items and issues that senior management does not want changed
- Your first day as manager, what's the first thing you would do differently
- GRC Issues and processes that consumes the most time/resources
- What would happen if a role/step/process was eliminated
- Reduce the GRC or GRC cost by half, where would you cut?
- What does the competition do differently?
- If you could create a GRC process from scratch, what would it look like?
- If money was no object, what IT tools or resources would you use to replace a manual process?

Identify a BFC subject

The process starts with the GRC issues, systems, or processes that have remained the same for an extended period of time. Uncover why and what has been done the same way for a long time so that nobody even thinks about why it is done that same way anymore?

Cast a CERP on the organizational sacred GRC cows — those issues, projects, ideas, and ways of thinking that are generally considered off limits for discussion.

Create a timeline

Ensure that the CERP gets past the good intentions stage. CERP consultants approach the task is an opportunity to promote, assist, and improve, and validate current GRC processes as appropriately needed.

Feedback and action

The CERP reviewer reports back to management on the results, based on the feedback, brainstorm ideas for improvement, create action plans to implement the best idea(s), and set a timeline for implementation.

Their role is to remain open to questions and feedback, and indicate opportunities for improvement.

CERP is most likely to find significant opportunities for improvement