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IA's Partnership with the Risk Management Committee

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Key Points

- The role of IA within the company's Risk Management Committee
- The interaction between IA and the Chief Risk Officer
- IA assisting management with the identification of key risks
- IA's monitoring and reporting on the key risks to the Risk Management Committee

The role of IA within the company's Risk Management Committee

- Development of the Charter of the Risk Management Committee.
- Chief Audit Executive as a member of the Risk Management Committee.
- Reporting on the quarterly activities of the Internal Audit Department.
- Review and evaluate risks of the company which have the potential to materially impact the company's risk position.

The interaction between IA and the Chief Risk Officer

- Establish monthly meetings.
- Establish list of company's top key risks and how they are mitigated.
- Review current risk profile and determine if any key risks should be added or subtracted.
- Develop agenda for quarterly Risk Management Committee to review a couple of top key risks in more detail.

IA assisting management with the identification of key risks

- Conduct annual risk assessments.
- Maintain risk register for the company.
- Communicate to senior management of all areas the top key risks of the company.
- Provide opportunities for senior management to attend the Risk Management Committee and present on how they mitigate risk.

IA's monitoring and reporting on key risks to the Risk Management Committee

- Update the company's risk register on a quarterly basis.
- Review the areas audited in the past quarter and identify any new areas of risk.
- Identify members of Executive Management who are responsible for oversight of top key risks.
- Link Board Committees to top key risks and present them at the Board level.

Summary

- Establish a Risk Management Committee.
- Develop a Charter to define purpose and responsibility.
- Ensure Internal Audit is a member.
- Ensure Internal Audit works with the Chief Risk Officer to constantly reviewing and updating the company's risk profile.
- Ensure Executive Management has responsibility for managing the risk.
- Ensure Board Committees have oversight for company's top key risks.