



The Three Lines of Defense in the Boardroom

Mark Sparano May 8th, 2019



Welcome

Thank Yous

Background



The Board

- + Directors and their backgrounds, outside duties
- + Periodic meeting versus daily grind
- + Duty to shareholders
- + Management versus Board

How to be more effective with the Board

- + Preparation - pre meetings
- + Take a knife to the agenda
- + Delivery - colors and shapes, context setting
- + Action items on slides [FYI, approve, follow-up, etc.]
- + Two minute elevator speech
- + Post meeting follow ups
- + Read that day's WSJ!!

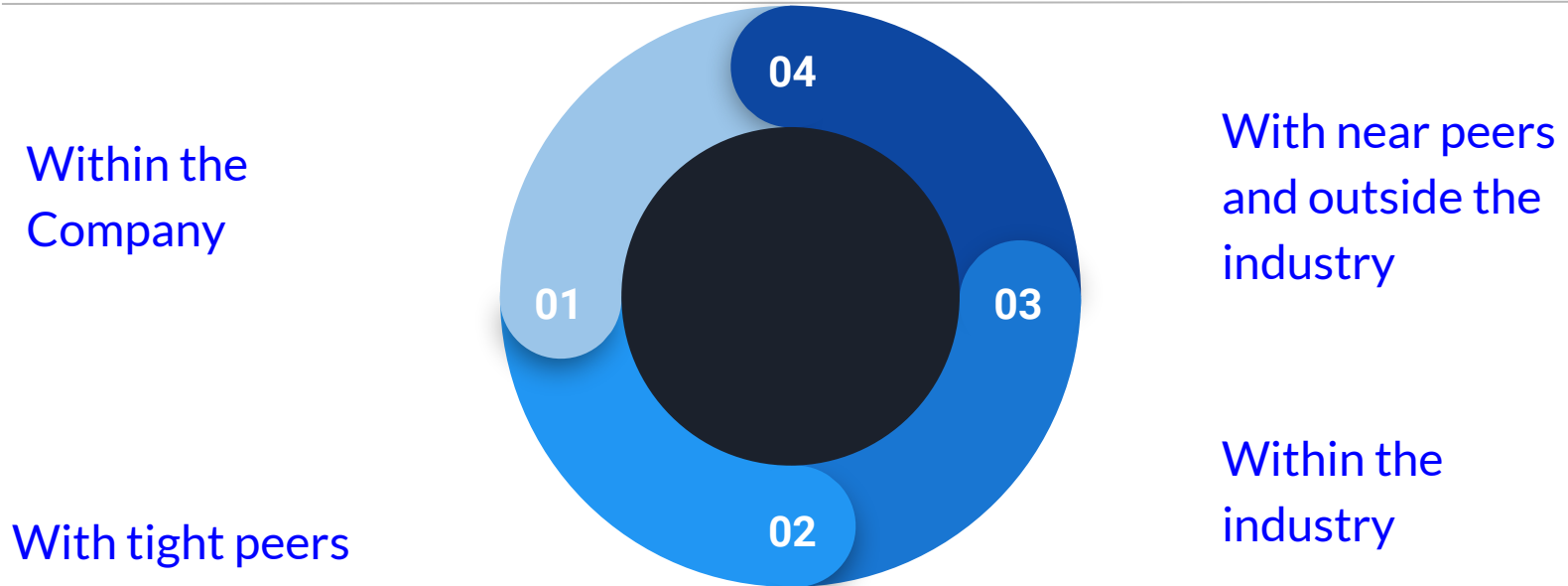
Compliance, Risk, Audit

- + Similar activities with different key stakeholders
- + Monitoring versus testing
- + Independence and reliance
- + Testing versus an internal audit report
- + Same church, different pews

How Compliance, Risk, and Audit can be more effective in the Boardroom

- + Timing never aligns
- + Context setting for Board, Audit Committee, Risk Committee, Compliance Committee
- + 'But the regulators said everything was fine'
- + 'But the independent public accountants gave us an unqualified opinion'

The value of networking



Honorable Mention - Innovation

- + Dynamic versus static
- + Different rating systems
- + Pre-implementation reviews
- + Post-implementation follow-ups
- + 'But the auditors gave us the green light'



Thank you!

msparano@gmail.com

917-885-9457

LinkedIn

