

## AuditOne Advisory

From Bud Genovese, Chairman

### **Introducing *Insight Risk Consulting***

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It is with great pleasure that we introduce Insight Risk Consulting, a new firm dedicated to assisting financial institutions meet the rising expectations of Boards, regulators and others in managing the ever-expanding array of risks. We recognize the challenges in keeping up with changes in those risks, in the tools available to measure and manage them, and in the skill-sets and systems required to implement them. But we're also very sensitive to the need for practical solutions – solutions that fit your in-house resources, including available budget.

Insight Risk Consulting is well set up to meet a variety of risk management needs, from Risk Assessments (enterprise-wide, IT, BSA, ACH, etc.), to the design of internal controls, to customized policy and procedures documentation, to more specialized engagements like enhanced ALLL methodology or risk measurement systems. While Insight Risk Consulting has been established as a separate operating entity, its connection to AuditOne LLC as a sister company will provide valuable synergies in terms of our understanding of how to develop solutions that meet the standards expected by examiners and auditors.

I'm happy announce that Jeremy Taylor will be assuming the role of CEO of Insight Risk Consulting. He brings extensive experience in all aspects of risk management, as well as impressive academic and professional qualifications. Kevin Watson will be the firm's President. Kevin is a CPA with a broad-based background that includes tenures as CEO, CFO, CCO and other bank management positions. You'll find bios for both at the bottom of this e-mail. But first, a word from Jeremy on the plans for Insight Risk Consulting..

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*"Recessions highlight frailties. As this one runs its course, those frailties have already wiped out over 200 banks and exposed serious weaknesses in others that will require more than just time to cure. Whatever the source of those frailties -- credit, funding, compliance -- the importance of managing that risk exposure won't go away with the recession. In fact, when examiners' current emphasis on ALLL, TDRs, back-up liquidity and other life-and-death issues begins to ease, it's a safe bet that broader risk management tools and programs will get more attention.*

*This evolution will mean need for better measures of risk, adapting approaches taken already by larger institutions to the typically very different needs of smaller institutions. It will mean more detailed Risk Assessments that look at not just the full range of risks facing the institution but also the control(s) on each risk and their appropriateness. It will mean comprehensive policy documents and written procedures, carefully constructed limits, organizational segregation of duties, and other internal controls matched to specific risks. It will mean a culture and practice of enterprise risk management that goes beyond lip-service.*

*Insight Risk Consulting can help with all of this, creating solutions designed and implemented to meet the rising expectations of regulators, auditors, Boards and other interested parties. Solutions fashioned to fit your needs and resources... solutions crafted by savvy professionals with deep hands-on experience to share.*

*Please call Kevin or myself at 562-802-3581 and we'd be happy to talk with you about what we can do to help. Thank you."*

*--Jeremy*

**Jeremy D. Taylor**, CEO of Insight Risk Consulting ([www.insightriskconsulting.com](http://www.insightriskconsulting.com)), has extensive banking experience spanning credit, lending, marketing, IRR/ALM and strategic planning, with a particular focus on risk management. He studied economics at Carleton University, the London School of Economics and UCLA, taught economics and finance courses at various US and Canadian universities, and is currently on the faculty of the Merage School of Business at UC Irvine. He served as the executive responsible for risk management at a large California business bank, holds Certified Bank Auditor and Chartered Financial Analyst designations, and has published numerous articles in banking journals. Jeremy can be reached at 949-981-0420.

**Kevin K. Watson**, President of Insight Risk Consulting ([www.insightriskconsulting.com](http://www.insightriskconsulting.com)), has over two decades of experience in the banking and auditing industries. He's held CEO, President, CFO, and chief credit and compliance officer positions at southern California banks. He earned a Master of Arts degree in Accounting from the University of Iowa, a Bachelor of Arts from the University of Northern Iowa, and is a graduate of the Pacific Coast Banking School at the University of Washington. Prior to his career in banking, Watson worked in Chicago as a CPA with Ernst and Whinney, and as an internal auditor for an international industrial firm. Kevin can be reached at 562-455-6979.

**Bud Genovese** is Chairman of AuditOne LLC, a California-based internal audit firm that focuses only on banks and their service providers. Mr. Genovese pioneered the concept of providing comprehensive, affordable, independent internal audit and credit review services by gathering wide-ranging, extraordinary expertise within one firm. AuditOne now serves over 160 clients throughout the Western United States, and nationally. Contact Bud Genovese at 408-980-8099.

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