

Coordination between Ethics & Compliance, Internal Audit, and Enterprise Risk Management



David J. Heller
Edison International
Vice President Enterprise Risk Management and General Auditor

Heinz Wustmann
Deloitte
Partner, Risk Advisory

Frankfurt, 27th March 2018, 6th Annual European Compliance & Ethics Institute

Definition and Basics

What does GRC stand for?



The company's structures, policies, processes and controls that focus on long-term value through the ethical, equitable, efficient and effective operation of the business.

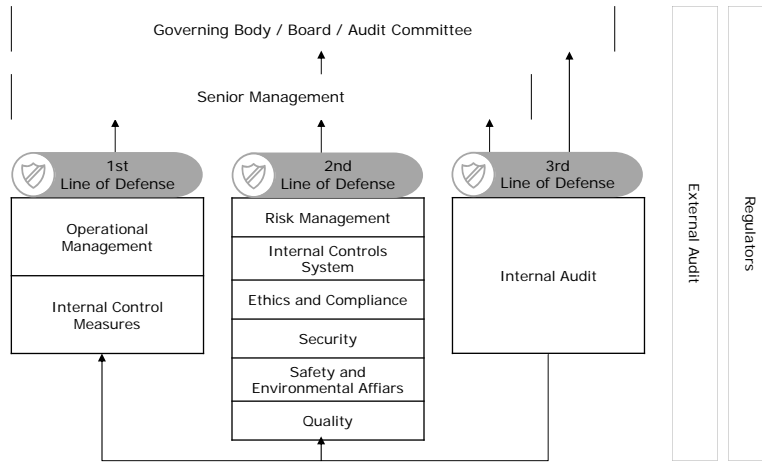
The company's systematic process to identify, assess, manage and monitor both upside and downside risks to the business.

The company's process to demonstrate that its employees and agents adhere to policies and procedures, laws and regulations.



Governance, risk, and compliance should be viewed as related functions, with common activities, best approached in a comprehensive, integrated manner.

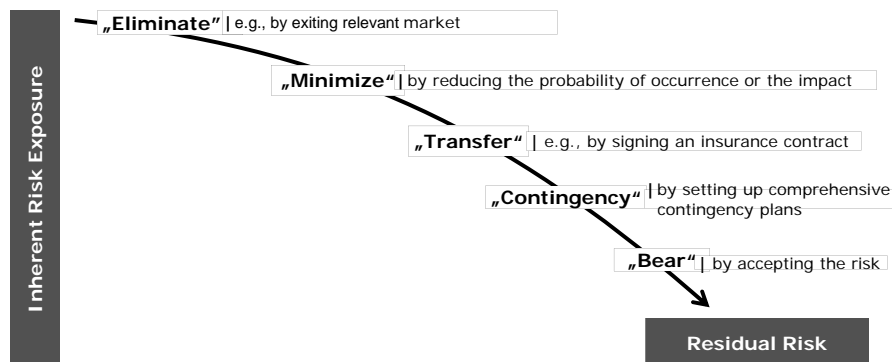
Conceptual Approaches Three Lines of Defense



2018 Deloitte

3

Conceptual Approaches Standard Risk Mitigation Strategies

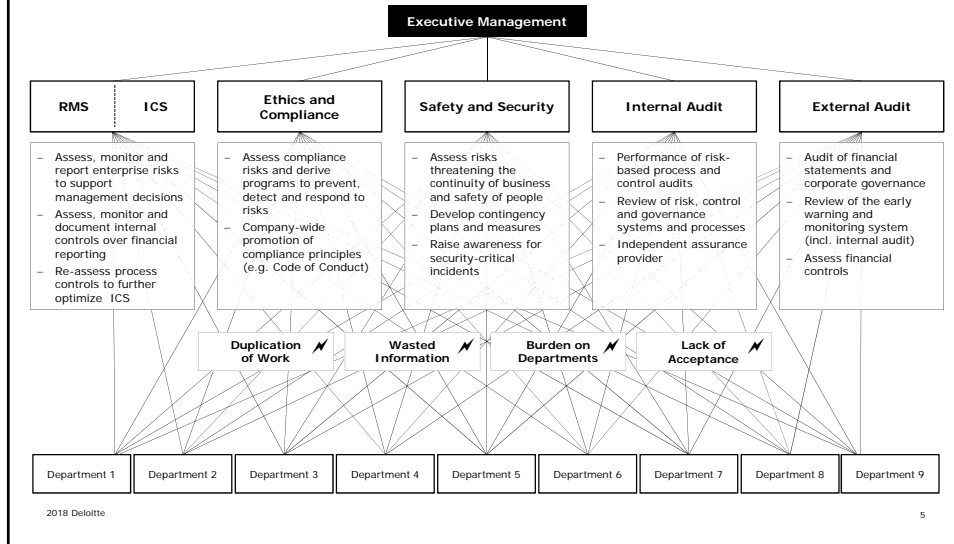


2018 Deloitte

4

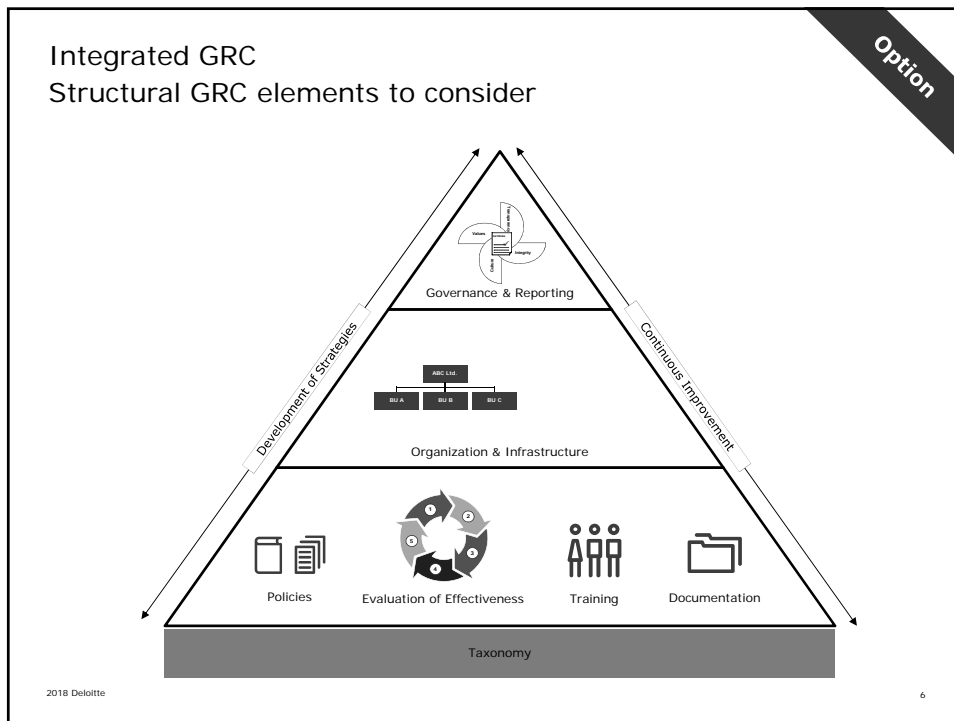
Integrated GRC

Avoid inconsistencies, redundancies and insufficient communication

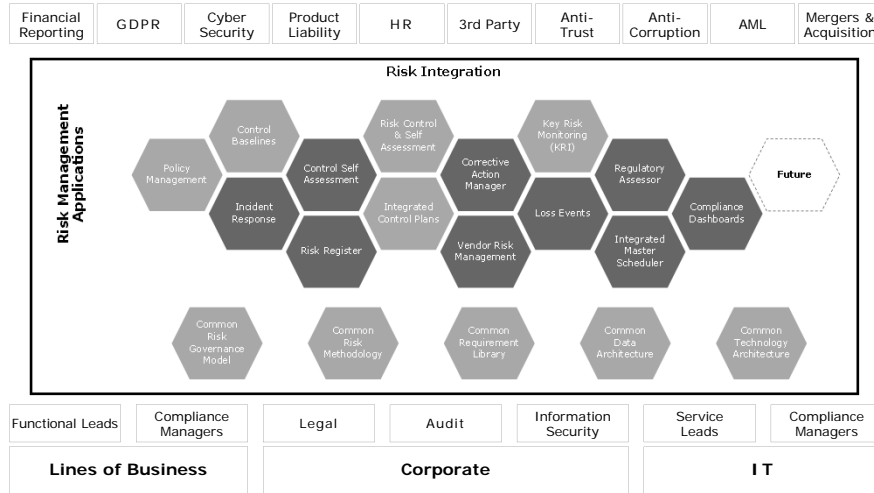


Integrated GRC

Structural GRC elements to consider



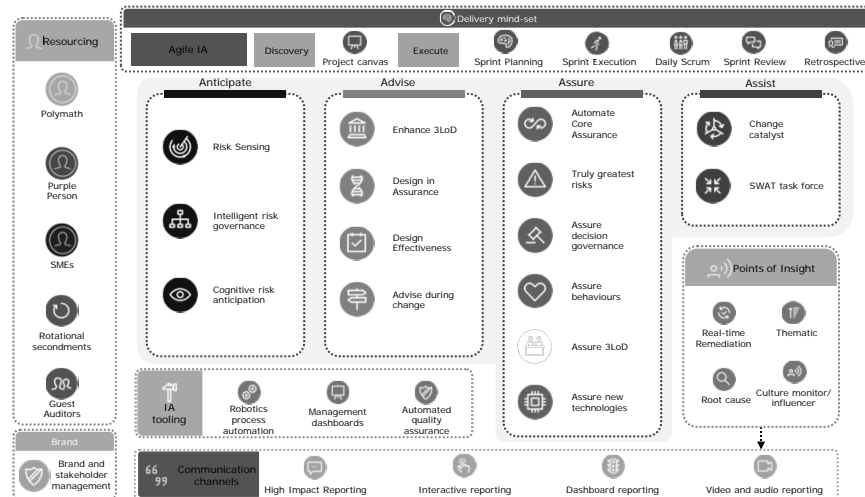
Integrated GRC GRC Ecosystem



2018 Deloitte

7

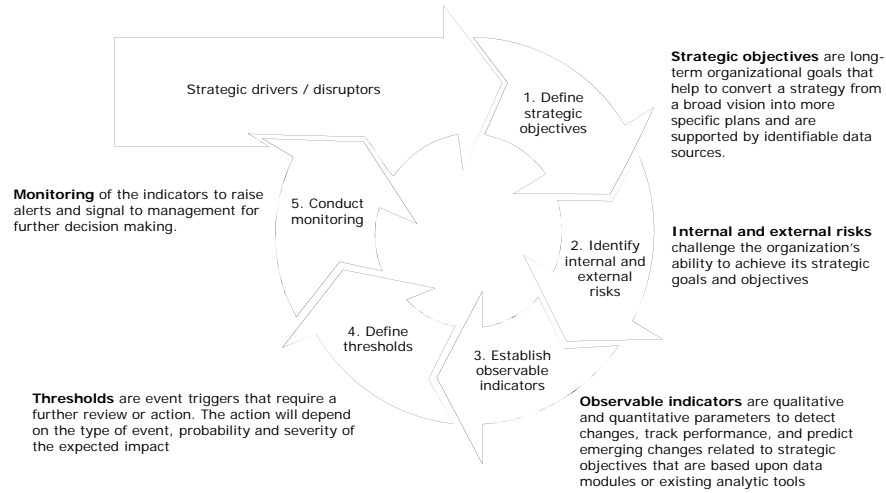
Trends in GRC – Example: Internal Audit Internal Audit 3.0: Broader Perspective on Internal Audit



2018 Deloitte

8

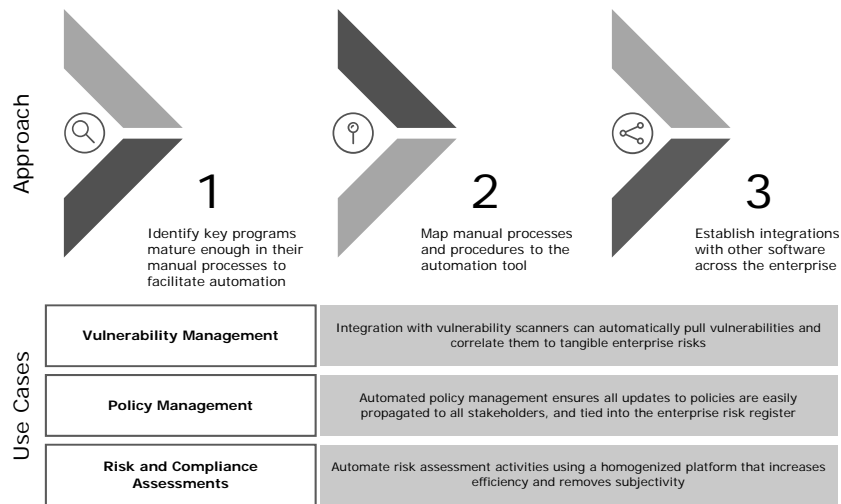
Trends in GRC Risk Sensing and Strategic Risk Management



2018 Deloitte

9

Trends in GRC Focused program automation



2018 Deloitte

10

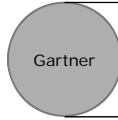
Definition and Basics

GRC as defined by Analysts



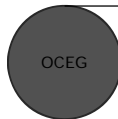
"Well-developed GRC programs do more than mitigate risk; they help maximize company performance, providing a holistic view of corporate risk with further insight into areas of under- and overexposure."

Maximize Business Performance With A World-Class GRC Program, 2014



"GRC should be approached as an enterprise-wide initiative that aims at improving governance through better understanding of the impact of risk on business performance and through more-effective compliance."

Governance, Risk and Compliance, May 2015



"A capability and a culture that enables an organization to reliably achieve objectives while addressing uncertainty and acting with integrity."

OCEG GRC Fundamentals

Case Study

Interactive discussion



Many thanks for your attention!