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

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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.

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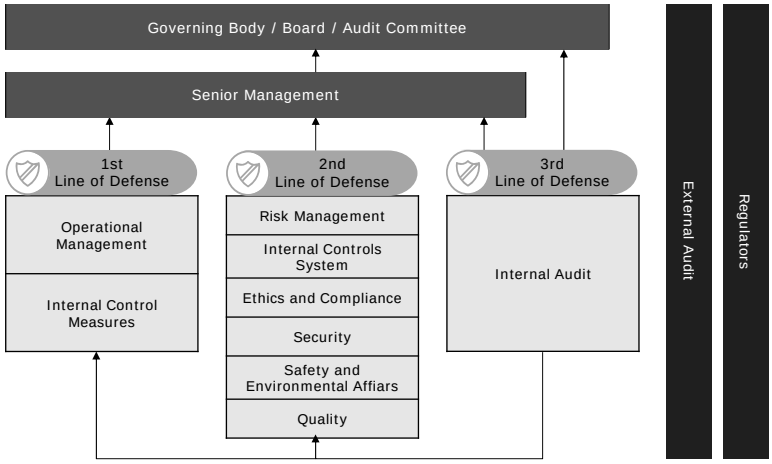
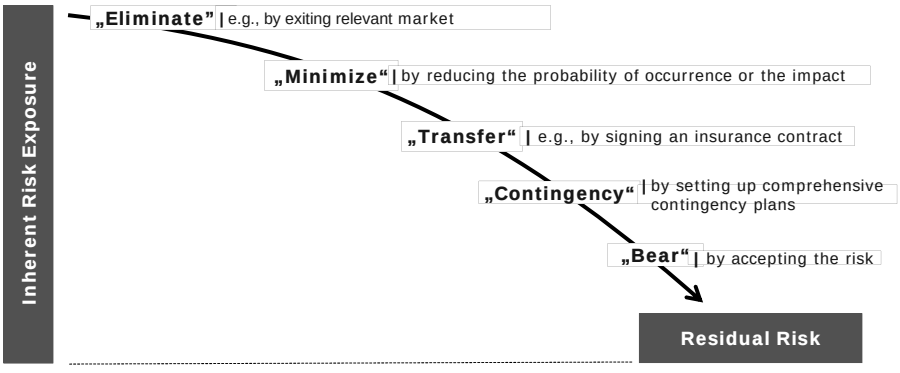
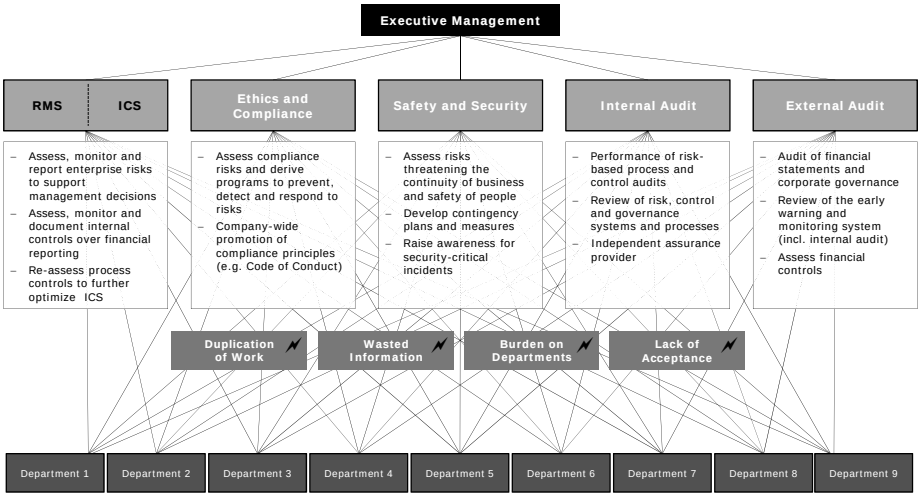
Conceptual Approaches
Three Lines of Defense



Conceptual Approaches
Standard Risk Mitigation Strategies

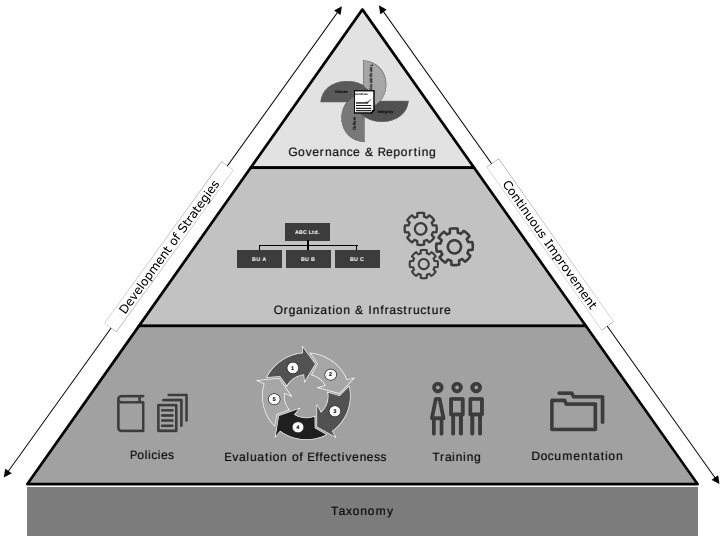


Integrated GRC
Avoid inconsistencies, redundancies and insufficient communication

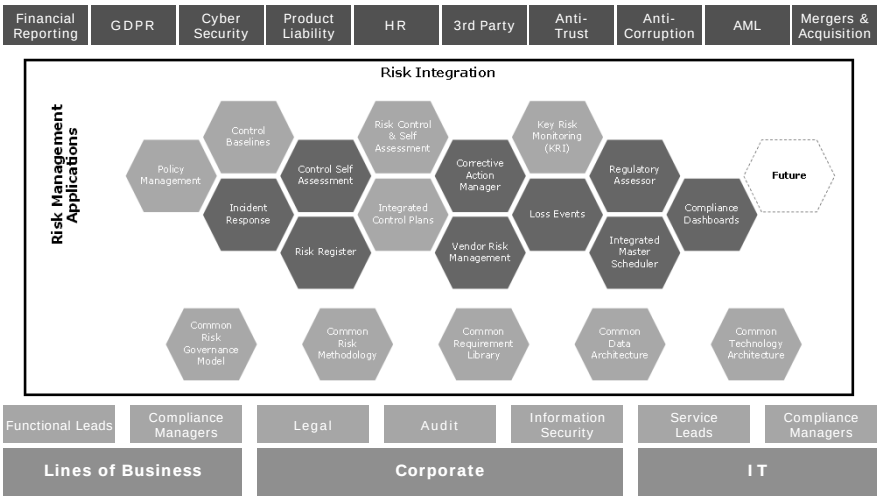


Option

Integrated GRC
Structural GRC elements to consider



Integrated GRC
GRC Ecosystem



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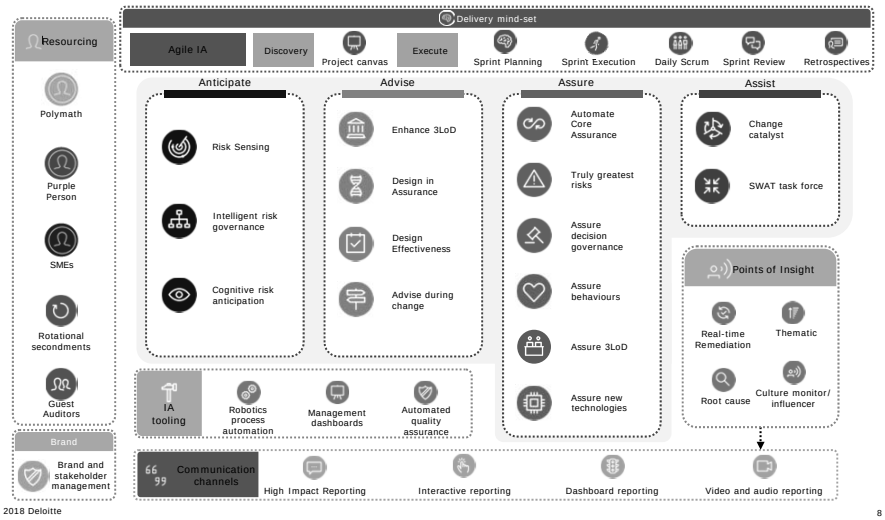
Trends in GRC – Example: Internal Audit
Internal Audit 3.0: Broader Perspective on Internal Audit



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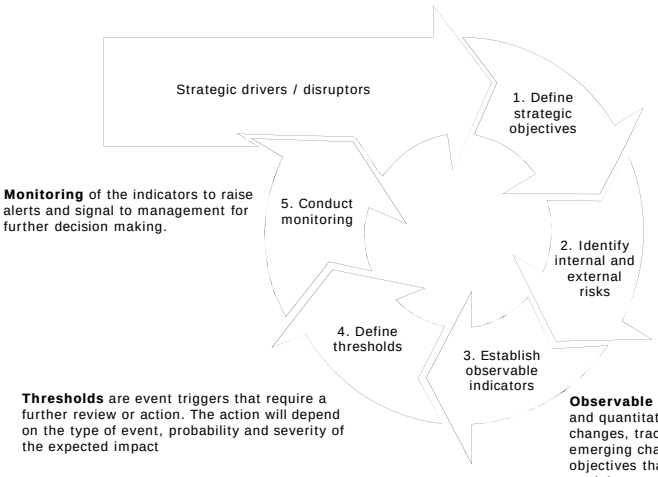
Trends in GRC
Risk Sensing and Strategic Risk Management



Strategic objectives are long-term organizational goals that help to convert a strategy from a broad vision into more specific plans and are supported by identifiable data sources.

Internal and external risks challenge the organization's ability to achieve its strategic goals and objectives

Observable indicators are qualitative and quantitative parameters to detect changes, track performance, and predict emerging changes related to strategic objectives that are based upon data modules or existing analytic tools

Thresholds are event triggers that require a further review or action. The action will depend on the type of event, probability and severity of the expected impact

Monitoring of the indicators to raise alerts and signal to management for further decision making.

Trends in GRC
Focused program automation

Approach

1
Identify key programs mature enough in their manual processes to facilitate automation

2
Map manual processes and procedures to the automation tool

3
Establish integrations with other software across the enterprise

Use Cases

Vulnerability Management	Integration with vulnerability scanners can automatically pull vulnerabilities and correlate them to tangible enterprise risks
Policy Management	Automated policy management ensures all updates to policies are easily propagated to all stakeholders, and tied into the enterprise risk register
Risk and Compliance Assessments	Automate risk assessment activities using a homogenized platform that increases efficiency and removes subjectivity

Definition and Basics
GRC as defined by Analysts

Forrester

"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

Gartner

"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

OCEG

"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!

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