



Governance



Risk



Compliance



Technology Enabled

The sky is not the limit

“Pushing the boundaries on Mission Control”



Changing the value game

While business goals and strategies evolve, our services support you wherever you are in your business cycle — whether you're looking at a transaction to propel you forward, focusing on developing and implementing the right controls to mitigate risk, or advancing your company's finance and technology infrastructure to match your aspirations.

The Grant Thornton advisory professionals are progressive thinkers who create, protect and transform value. Our consultants stand out not only because they have the right set of certifications or skills but because they 'think like an astronaut'. They view the world differently, without even going to space to learn that.

Our creative and ambitious team is full of enlightening ideas fitting this dynamic, rapid digitizing environment. We put these ideas into practice taking your specific needs into account.



Value of G(T)RC

Typically, organizations and their leaders don't view Governance, Risk and Compliance (GRC) as a value driver for their business. Oftentimes, it is considered as a burden or not adding value to the business. We believe the term GRC (even though very broad) is too narrow. That's why we added the T of **Technology**. So: Governance, Technology, Risk and Compliance.

GTRC is the foundation for any organization to:

- Balance business risk versus opportunity
- Coordinate risk perspectives throughout the organization
- Confirm that risks and controls are rated appropriately and receive corresponding levels of monitoring
- Ensure all applicable regulatory requirements are taken into account (e.g. AML, GDPR etc.)

All within the environment your organization operates in; **the value chain**. GTRC should therefore be integrated in any company's strategy and business processes.

In this white paper, we have outlined our views and services regarding governance, risk and compliance. Furthermore, we explain how we apply technology to efficiently and effectively support you in protecting, creating and transforming your business value.

Technology Enabled Services

Technology is at the heart of our modern society and therefore at the heart of many organizations. Many governance, risk and compliance processes however lack adequate integrated automated solutions. We have partnered with CERRIX (a Dutch GRC software company) in order to be able to deliver you exactly that: technology enabled process, risk and compliance management.

Working with CERRIX, we have learned and experienced firsthand that governance, risk and compliance should be viewed in an integrated manner, whereas typically they are addressed in individual silos.

CERRIX facilitates this integrated view, allowing leadership to develop a holistic and comprehensive insight in how their organization is managing risk. At the same time, it challenges supervisory and management boards to obtain the right information for decision making. With focus on key risks, CERRIX offers the right insight at the right level, thereby providing useful information to senior leadership, those in charge with governance as well as controllers, compliance officers, risk managers and other key functions in your organization.

Since all organizations are different, the successful implementation of a GRC program (including the related technological support, e.g. through CERRIX) is a gradual process. Organizations that prepare for a GRC solution often have a risk management process in place, though maturity may differ. With the introduction of the GRC software, organizations aim to improve their organization's risk awareness, but also to gain more efficiency in the risk data processing and its data quality.

To support successful implementation, Grant Thornton's Advisory service line has developed a full spectrum portfolio of services to support organizations with the implementation and management of CERRIX's GRC platform. Providing implementation support, user training and managing the GRC software as a full managed service or by means of co-sourced delivery models side-by-side with process, risk and/or compliance managers.

Governance

Smart processes and tailor made frameworks aimed to direct and control the actions and affairs of management and others.

Governance

Process governance as a standard

Process governance is the way a company consolidates the process management initiatives within standards, rules, and guidelines that all contribute towards a common goal.

The term governance alone can be understood as the ability to target and orchestrate joint efforts with the authority and acceptance of everyone within the company. In this context, process governance is to prevent management initiatives to remain isolated and/or disconnected and result in localized suboptimal improvements.

It is necessary for process improvements to add value to the supply chain in a consistent, systematic and integrated manner, given the strategic plan of your organization.

An organization without governance is like a train without a track. No matter how much potential the business has, it will never undergo the business transformation needed to get to where it wants to be because it has no reference directing its progress.

Good governance can offer several important benefits to organizations, including:

- Better organizational strategies and plans
- Improved operational and process effectiveness/efficiency
- Improved project management and delivery
- More prudent regulatory compliance, financial and risk management
- Improved member and stakeholder/employee engagement and communication flow
- Increased agility to which an organization can deliver on its purpose and goals

“When processes are aligned and good practices are applied, efficiencies are created freeing people to improve or innovate. This generates a nimbler organization, which can adapt to evolving market conditions more quickly. Today’s process governance and standardization, instead of being a barricade against improvement, is the necessary foundation on which tomorrow’s improvements will be based.”

Peggy Cecilia-Spong | Business Process Improvement Specialist
- Grant Thornton in the Dutch Caribbean



Risk

Managing risks and controls is no rocket science. However, companies tend to neglect the importance.

Risk

Key ways to accelerate integrated risk management

Risks are becoming even more pervasive, multifaceted and dynamic. This partly explains why risk management has become so fragmented. In trying to address myriad risks, many companies purchase tools and implement solutions without proper coordination and governance. In addition, focusing mainly on loss prevention can cause an organization to miss opportunities to drive performance by understanding which risks to take and how to mitigate them.

Consider these elements when looking for ways to promote or accelerate integration of risk management:

1. Develop a common company-wide risk language and taxonomy that defines and documents all risk types, enables a clear risk framework, and facilitates training of critical employees
2. Ensure that all areas, including the businesses, compliance, risk management, legal, and internal audit employ the same risk governance and risk management framework
3. Apply a common company-wide risk assessment methodology (incorporating likelihood and potential impact) for all risks
4. Enhance management and board reporting of risks by focusing on key risks and emerging trends by applying a consistent framework
5. Bear in mind that the business owns the risks they are responsible for managing

These steps generally enable an organization to focus more attention and resources on critical risks and less on noncritical risks while improving business decisions by making them more risk-based.

“In order for the overall organization to gain the full benefits from implementing the risk process, it is important that risk management should become fully integrated at both operational and strategic levels.”

Use of technology

Many GRC functions are moving to a digital technology-based strategy. This will only increase due to the varied use of technology, and the availability of more and more data captured and used by the organization. GRC leaders will take advantage of data analytics and data visualization to reduce time and costs, and mitigate common risks — financial, operational, and compliance regulatory. A well-defined data analytics program could allow more time to be spent on strategic and operational risks. Organizations may struggle to initially implement data analytics or find qualified professionals. But the outcome of efficiency and effectiveness overall is clearly worth the upfront challenges.

A unified, proactive and consistent approach can build stronger risk management programs while improving the bottom line. Successful leaders will evaluate GRC approaches that add strategic value while managing risks, thereby improving competitive advantage.

Compliance

Compliance functions are changing rapidly, given the emerging technological innovations.

Compliance

Innovation in compliance

Technological innovation like Artificial Intelligence (AI), Machine Learning (ML), Robotic Process Automation (RPA) and advanced data analytics drive developments in different areas of business, one of them being regulatory compliance. Seemingly a marriage of opposites though, since technological gadgets are on any organization's wish list, but regulatory compliance has been or still is seen as a burden to business. Perspectives are shifting towards the awareness that regulatory compliance is your organization's business and we're witnessing a marriage of soulmates, regulatory compliance and technology: RegTech.

RegTech, or Regulatory Technology, is the use of technology to facilitate the delivery of regulatory requirements. RegTech uses new technologies to help organizations meet the challenges of regulatory monitoring, reporting, compliance and risk management. An important prerequisite for the effective introduction of RegTech as an enabler for strong business returns, a better bottom-line and ultimately more value for shareholders is the digital quotient of your organization. A high digital quotient makes your path towards RegTech easier and to further improve it, take a clear look at your efficiencies and operating model:

- How many processes and activities have been automated?
- How much data is available?
- How much digital transformation is needed?

Applying these analytical capabilities in processes like anti-money laundering (AML), know your customer (KYC), personal data protection (privacy), regulatory reporting and identity verification improves both the efficacy and efficiency of these processes. The transition for many organizations from (mostly) Excel to end-to-end regulatory compliance could very well be facilitated by the introduction of a Governance, Risk and Compliance (GRC) solution. Such a solution facilitates the actual synchronization of operating models of both the risk and compliance function and facilitates automation of processes in these domains.

"With emerging technological innovations Compliance and Risk functions will drastically change and become even more important in the future. There will be a time where we will be able to predict and prevent issues before they occur thanks to artificial intelligence, advanced data analytics and robotic process automation. It is therefore essential that Compliance and Risk officers keep up with the developments. They have to evolve the required skills to be able to work with these technologies in order to deliver greater value to the business."

Roshni Ganpat – President of Association of Compliance Officers Curaçao

Data protection

"Nowadays, the collection, storage and processing of personal data has become an important part of the business operations of almost all companies. In a "Big Data" era, decisions by companies are often made based on available data. The term "Big Data" has indeed become a true symbol of the big data revolution we now live in. When we look back at the many privacy related incidents that have recently occurred and the increasing digitization of organizations, it is becoming increasingly important to be well prepared. This allows organizations to reduce the risk of something undesirable happening with the data of customers, relations and people, such as data breaches, unintentional misuse of personal data and especially the consequences that come with it, such as high fines, claims and reputational damage."

Danny van Haaren | GRC Business Technologist - Grant Thornton in the Dutch Caribbean

Collaboration with CERRIX



Grant Thornton and software supplier Cerrix have launched their collaboration and services portfolio. According to both firms, the collaboration suits the needs of many organizations with regard to technology enabled process, risk and compliance management.

Organizations need to achieve a robust balance of governance, risk management and compliance (GRC). Siloed approaches to managing GRC mean that both Supervisory and Managing Boards find it difficult to obtain a holistic view of how their organization is managing risk and are challenged obtaining the right information for decision making. Unsurprisingly, Boards and Audit/ Risk/Compliance committees are demanding greater insight into key risks and compliance obligations, how these risks and obligations are being managed, and the depth and width of assurance over the key risks the organization faces.

These necessary insights ask for robust and well-working risk management processes. This cannot be achieved by labor intensive data processing activities needed to investigate, assess and present risk, audit and compliance data, but must be part of a streamlined and automated process. With Cerrix's software platform, this can be achieved. Grant Thornton and Cerrix have combined capabilities to mature risk & control frameworks and processes in organizations. Implementing a successful GRC program is a gradual process.

"Leaders everywhere face increasing risks for their organization. These risks come from all directions – regulatory, cybersecurity, financial, operational, litigation – and put every leadership position on the front lines of risk management and compliance. But not all risks are created equal. And not all organizations or executives have the same appetite (or tolerance) for these risks."

Roy Jansen - Grant Thornton in the Dutch Caribbean

Using the platform you can monitor the quality of processes by:

Testing the effectiveness of controls:

Periodically testing the effectiveness of the most important controls built into a process. That can be manual, procedural or automated controls. The "monitoring controls" module in CERRIX provides automatic email alerts if a control needs to be tested. A work-flow ensures that the tester and assessor follow the correct steps.

Performance measurement of processes:

A process has certain characteristics that can be measured. This is possible in CERRIX by using Key Performance Indicators (KPI's) and Key Risk Indicators (KRI's). Although they function the same in terms of functionality, they can have opposite effects. The data points for the indicators can be uploaded automatically in CERRIX. Optionally even an interface can be made with operational systems. Our consultants are specialized in designing the platform tailored to your organization.

Incident registration:

Incidents that occur in a process can be handled and reported by employees. The goal is to learn from the mistakes that occur and provide insight on improvement.

Our ambitious team is committed to support companies of all sizes in managing their risks proactively, and serving them with innovative, integrated and user friendly GRC software. We have proven that our software will bring more efficiencies in business operations and give the right insights for management to remain in control and achieve their planned future business outcomes in the current volatile environment.

"We are excited to further introduce our GRC capabilities to international clients together with Grant Thornton. Working side-by-side allows us to provide even more added value than just the application itself." **Paul Bruggeman – Founder CERRIX**

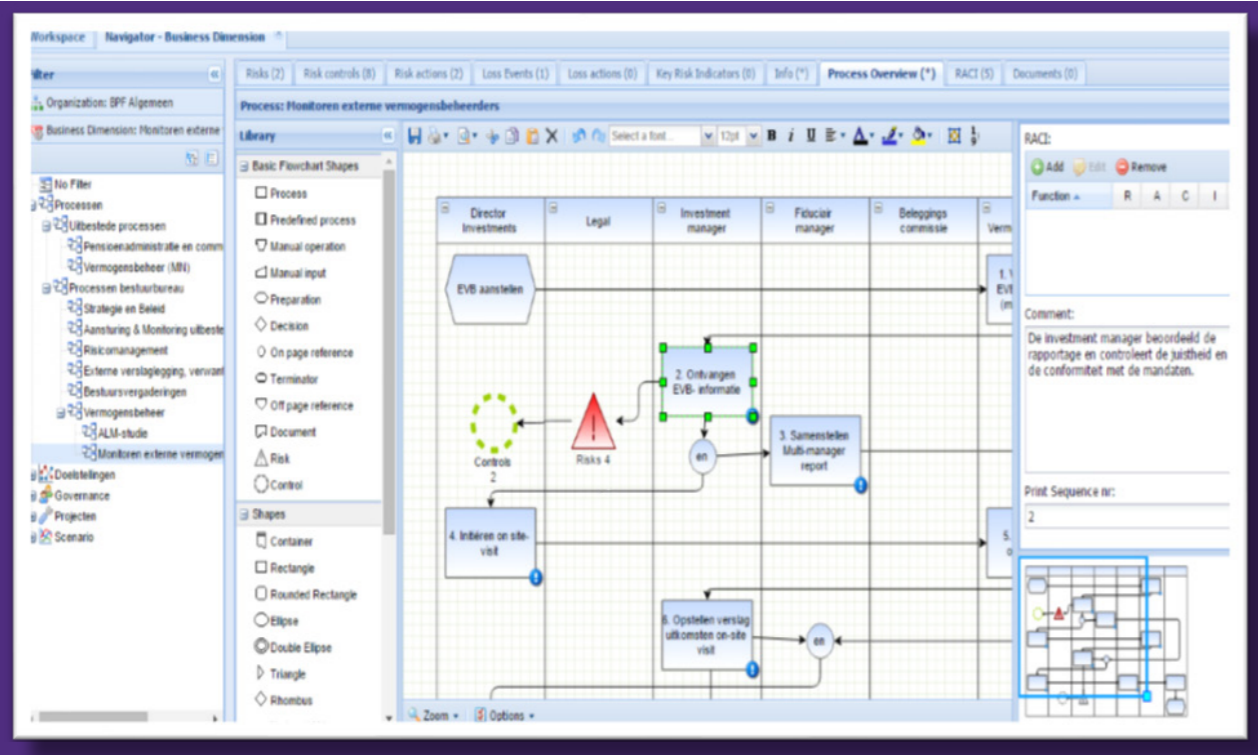


Platform in overview

General Control Center

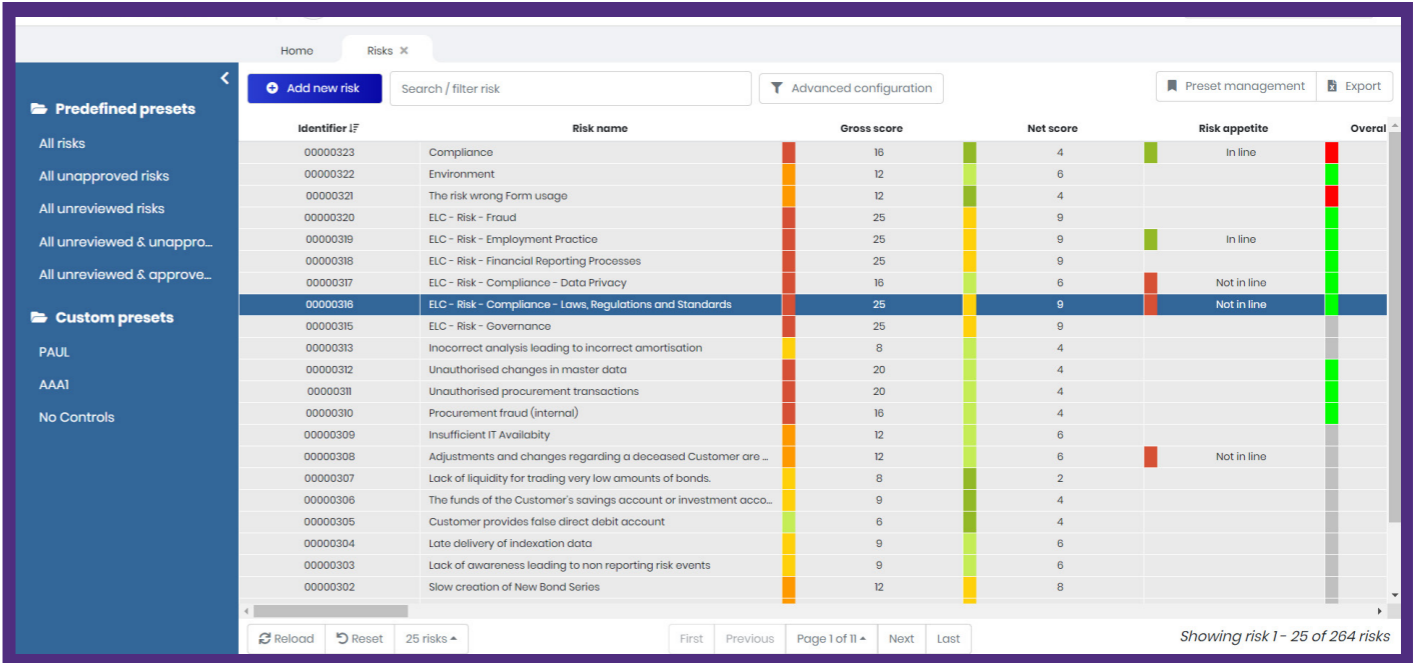


Process development



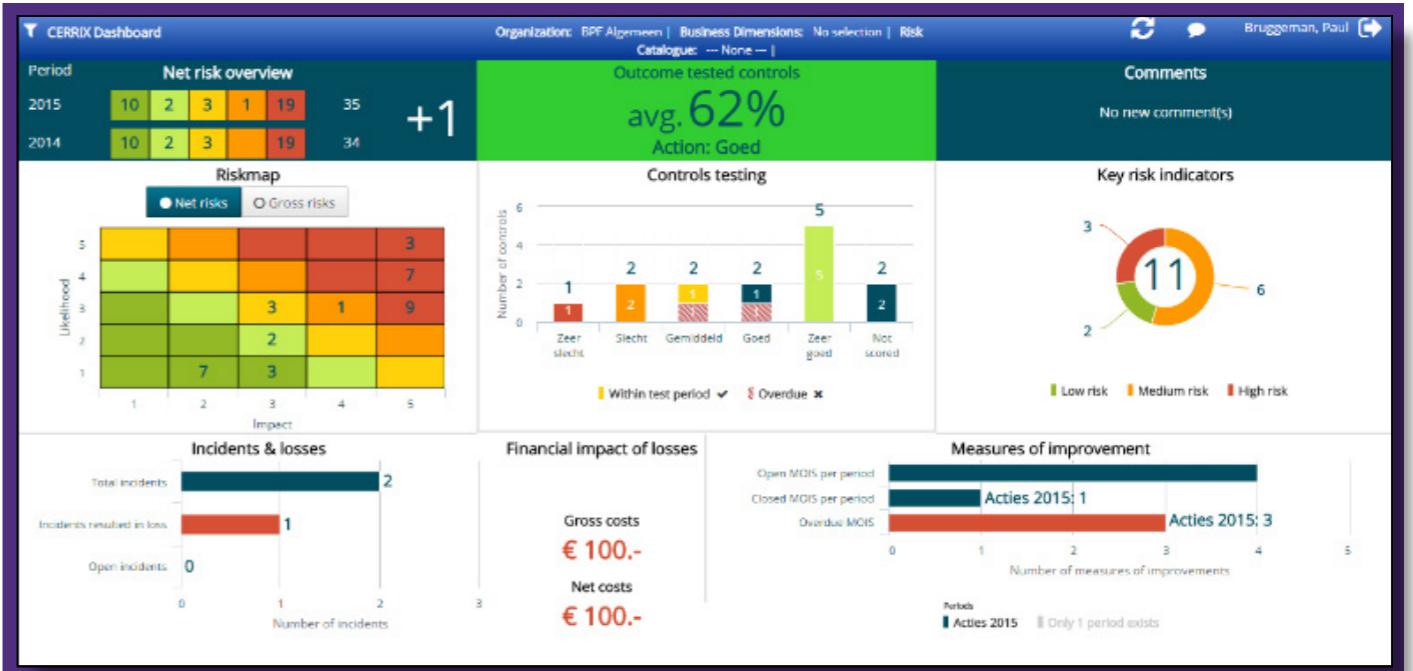
- Designing processes;
- Direct relationship with risks and controls;
- Measurement at process level: KPI's & KRI's.

Risk Management



- Taxonomy of risks;
- Risk Appetite & Risk; Scoring;
- Accountable person;
- Linking to processes, systems, objectives, etc.

Management dashboard



- Integral dashboard;
- Drill-across & drill-down functionality;
- Smartphone enabled.

Using Value as our Rocket Fuel

“We don’t just stop at the boundaries of your engagement, because the real added value typically lies beyond.”

Value

Being in control is more than just operating robust “GTRC” processes, it also requires regular strategic reflection. Our strategy advisors can assist you in embedding your Governance, Technology, Risk & Compliance in your business strategy, or vice versa, i.e. translating your business strategy into tangible GTRC procedures. With the combined efforts of Grant Thornton and CERRIX, organizations realize the following:

- Cost savings after achieved efficiencies in GRC processes, reduction of incidents with stronger risk and controls management
- A Risk Dashboard which in real-time presents all summarized risk data graphically and structured with filtering and drill down options
- Flexibility in easy-to-use screens that can be built on top of the CERRIX-database with user-configured workflows
- Managers have integrated insight in their risk domain which contributes to organization wide risk management awareness and adoption
- A pro-active system with automatic alerts which are sent when due dates for actions are becoming overdue or risk appetite breaches occur



“ We want to understand what drives your GRC processes and decisions and how it effects your strategy. Because only then, we can add the value you’re looking for. ”

About Grant Thornton

Grant Thornton is an award-winning, globally recognised professional services network and is one of the world's leading organisations of independent assurance, tax and advisory firms. Grant Thornton is a leading business adviser that helps dynamic organisations to unlock their potential for growth.

Our brand is respected globally, as one of the major global accounting organisations recognised by capital markets, regulators and international standards-setting bodies.

Our global scale across more than 140 countries with over 53,000 people means we can meet your changing needs and provide you with the insight and agility to help you stay one step ahead.

Privately owned, publicly listed and public sector clients come to Grant Thornton because of our technical skills and our industry capabilities, but also for our different way of working. Our member firm partners and teams invest the time to truly understand your business, provide you with real insight and a fresh perspective to keep you moving. Whether a business has domestic or international aspirations, Grant Thornton can help you to unlock your potential for growth.

Visit **grantthornton.global** today to find out how we can help you.

Contact us

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