

Recently, there has been an indication that businesses tend to develop initiatives to promote collaboration and alignment of the organization units entrusted with tasks on risk management, internal control, compliance and auditing. These drives are often related to governance and risks and compliance. Furthermore, legal regulations are pushing for companies to find ways to effectively and efficiently manage their regulatory framework. Still, not all companies have effectively managed to work jointly with their departments. A collaborative effort in the implementation of Governance, Risk and Compliance (GRC) is the proper solution to this difficulty. This article demonstrates how a result-oriented GRC is implemented by considering approach, requirements and shortcoming. The success of GRC is achieved by overcoming the problems faced and successful cooperation and collaboration within each. The multiple functions and departments are not the most efficiently managed method unless better collaboration is put in place for variety of tasks. There is a drive for a clear understanding of the important risks and their control, as well as for transparent reporting among the multitude of risk and “control” functions, or even coordinating them completely. GRC represents Governance, Risks and Compliance. There are a number of frameworks for internal control of companies exists such as COSO-ERM, COCO, Cadbury, Cobit and ITIL.] and a great deal of GRC software, including SAP GRC, Thomson Reuters, OpenPages and BWISE. All of these have common objective; to eliminate thinking inside a box and eliminate duplication in governance, risk and compliance activities. A successful implementation of GRC would emphasize and result in collaboration the various organizational parts responsible for risk management, internal control, audit and compliance. Companies that are currently using GRC are found in the financial sector, chemicals or energy and utilities. Companies in other areas are also seemed to be increasing because those managements are now able to gain an insight into the “control” aspect as well as improved status of risk and control frameworks. They are also able to automatically control the tasks of separate actions of departments or what are called “silos”. GRC software application substantially improves the manner, efficiency and effectiveness of reporting. A combined control framework GRC software application will not be completely successful. There some tasks which are undertaken in practice but will not produce the expected results over time. Some tasks among different departments are too specific to each department that you cannot work together as people tend to feel that some laws and codes best practiced with their own know-how than having integration or cooperation. On top of that, each department is intent on carefully getting rid of any carefully acquired expertise, tooling, methods, reporting structures or developed risk ratings and applying collaboration/integration would only distracts from the main task at hand. Usually, there are a number of levels of an organization regarding compliance with laws and regulations, internal control frameworks, risk management, executing internal controls, conducting audits and interpreting governance issues. A discussion about the “three lines of defense” model is also included in the article. Management, risk and control support services and internal audit are the three lines of defense which play part in GRC and there is an overlap if these three lines of defense. In moving from {Management} → {Risk and Control Support Services} → {Internal Audit}, in the three lines of defense result in greater commitment to GRC. The expected advantages can be measured quantitatively as well as qualitatively. Successful implementation of GRC also need capital expenditure. Therefore it is important to plan out hard business case, describing a strategy to a successful GRC. No company would willfully undertakes to perform activities that seem to be similar (overlap), without any clarity and miscalculate the total costs involved.