Seagull Financial Consultants

Application Requirements Document

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Contents

1.   About us

We are a firm of qualified professionals providing range of services including but not limited to business valuations, financial due diligence, enterprise risk management, corporate governance and policies and procedures to different businesses in Kingdom of Saudi Arabia.

2.   Our Requirements

We are looking to develop a web-based application in domain of Governance, Risk Management & Compliance for our potential clients in the region. Principally, we believe that the application should cover at least following areas,

- Company Setup
- Policy Management
- Compliance Management
- Risk Management
- Audit Management
- Business Continuity Management

3.   Company Setup

The module shall setup the Company itself including but not limited to name, its legal status, shareholding, industry, departments / functions. Major industry to be included are as follows;

- Asset / Investment Management Company
- Finance Company (leasing, SME finance)
- Trading Company (Retail, Distribution)
- Services Industry (Media, travel etc.)
- Manufacturing Industry
- Real Estate Development

Investment Management	Finance Company	Trading
Business Functions Investment Management Business Development Broking Investment Banking Others	**Business Functions** Business Development Customer Care Product Development Credit Function Others	**Business Functions** Sales After Sales Warehouse Procurement Others
Support Functions Operations Finance / Treasury Budgeting & Control Legal IT Human Resource Risk, Compliance & Strategy Internal Audit Administration	**Support Functions** Operations Finance / Treasury Budgeting & Control Legal IT Human Resource Risk, Compliance & Strategy Internal Audit Administration	**Support Functions** Operations Finance / Treasury Budgeting & Control Legal IT Human Resource Risk, Compliance & Strategy Internal Audit Administration

Services	Manufacturing	Real Estate
Business Functions Business Development Customer care *To add more*	**Business Functions** Production Sales Procurement Customer Care Warehouse / Inventory	**Business Functions** Development Management/Maintenance Investment Evaluation
Support Functions Operations Finance / Treasury Budgeting & Control Legal IT Human Resource Risk, Compliance & Strategy Internal Audit Administration	**Support Functions** Operations Finance / Treasury Budgeting & Control Legal IT Human Resource Risk, Compliance & Strategy Internal Audit Administration	**Support Functions** Operations Finance / Treasury Budgeting & Control Legal IT Human Resource Risk, Compliance & Strategy Internal Audit Administration

The client will create the Company in the application and select industry and its applicable functions.

4. Policies Management

In the Policy & Compliance management, the Company shall mention,

➢ All regulatory laws and regulations, the Company is subject to,
➢ All approved policies and procedures with tagging to specific departments
➢ Job descriptions of departmental heads,
➢ Dashboard for approved and unapproved policies

All above policies and procedures shall be mapped to established controls and key performance indicators. Users of the module should be CEO, departmental heads, and compliance function.

5. Compliance Management

Complete compliance monitoring program shall be developed to

➢ Track applicable regulatory requirements,
➢ Their tagging to different functions and
➢ Continuous monitoring of compliance with those regulations.

Compliance Management tool shall have following steps;

➢ Identify compliance obligations,
➢ Analyse impact on the Company of these obligations,
➢ Define actions to be taken to comply with obligations,
➢ Regularly monitor and assess compliance,
➢ Monitory and identify regulatory changes,

Compliance Module shall identify the business owners for each obligation and regulatory requirements. Continuous monitoring can quickly identify non-compliant controls and manage the Key Performance Indicator (KPI) library with automated data validation and evidence

Process owners shall regularly update the system for any exceptions to the Policy and other regulatory requirements.

Dashboard shall be established to continuously monitor the compliance.

We will update the laws and regulations depending on the industry the potential customer is operating in.

6. Risk Management

Risk Management module shall continuously monitor to identify high-impact risks, improve risk-based decision-making, and reduce reaction time effectively. The module also provides structured workflows for the management of risk assessments, risk indicators, and risk issues.

The tool shall provide a centralized approach to identify, assess, respond to, and continuously monitor Enterprise and IT risks that may negatively impact business operations.

The tool shall be an integrated risk platform and shall perform following steps;

➢ Risk identification: Identify organization wide and functional level risks. Risk registers shall be created.

➢ Risk analysis: Understand the cause and consequence of the risk. Specify the inherent risk, controls design and its effectiveness and the residual risk and the responses thereagainst.

➢ Risk evaluation: To determine if additional action is required, compare the results of the risk analysis with the established risk criteria. Risk rating methodology shall be established to develop heat map.

➢ Risk treatment: Define an action plan to address the risk.

➢ Risk monitoring: Track the risk posture of the organization and communicate it to relevant stakeholders.

Detailed risk registers will be prepared for organisational wide and functional level risks. Following template shall be followed to track the risks;

➢ Title and description of inherent risk,
➢ Risk status,
➢ Risk assessment (cause and impact)
➢ Risk category (function, owner, champion)
➢ Inherent rating (likelihood, impact and rating)
➢ Control description
➢ Control design and operating effectiveness (control rating)
➢ Residual risk rating (likelihood, impact and rating)
➢ Risk responses (risk treatment)
➢ Action plan implementation date
➢ Post treatment rating

Dashboard shall be developed to provide high risk areas, non-compliant controls and key risk indicators.

7.   Audit Management

The module is to be offered separately and with other modules as well.

The Audit Management shall automate the work streams of internal audit team function. The module shall use data from other modules to scope, plan, and prioritize audit engagements. The on-going review of policies and procedures, risks, and control breakdowns provide an opportunity for fixing issues before they become audit failures.

The application will be useful for;

➢ Create annual internal audit plan
➢ Create engagement in accordance with plan
➢ Document list of requirements
➢ Create test of controls
➢ Prepare working papers and accumulate supporting evidence
➢ Prepare audit reports
➢ Obtain management response over the observations and agree action plan
➢ Issue final audit report

The annual internal audit plan will be based on inherent risks identified in Risk Management tool, the audit team shall be able to develop the internal audit plan quarterly and annually depending on their risk coverage and the Company's policy.

8.   Business Continuity Management (BCM)

BCM tool shall provide the capability to continue to deliver products and services at an acceptable level following a disruptive incident. The activities in the tool shall help identify and reduce risks that the company may experience. After identifying risks and dependencies, the tool shall aid improve ability to respond, react, and recover from critical issues and disruptions.

The tool shall have following capabilities,

➢ Business Impact Analysis
➢ Business Continuity Planning
➢ Recovery Management
➢ Crisis Management

Business Impact Analysis
Help to prioritize and create an inventory of critical services, processes, business applications, third-party applications, and locations. BIA also shall help to identify high risk assets and potential failures that could impact your business.

Business Continuity Planning
Shall enable to develop continuity and recovery plans and strategies for critical business processes, activities, and IT functions.

Recovery Management
Helps validate that continuous testing and the plans that you developed result in improved effectiveness and usability during a real or simulated crisis.

Crisis Management

Shall focus on the direction of action and apply the relevant strategies to mitigate the negative impact of a disruption to the business system in the event an actual crisis occurs.

BCM Testing Plan

Shall identify the activities, procedures to be performed to test the BCP plan periodically. Further, it shall also document and dashboard for reporting of results from testing.