

Enhance Your Internal Audit Capability Through GRC Solutions






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Is your internal audit application able to capture the benefits of your organisation's GRC advances?

Streamline your internal audit process by capturing GRC benefits

Companies continue to face rapid change, including tightening regulatory requirements and increased technology disruption. Accordingly, the bar for Risk Management keeps rising. In addition, Compliance teams are asked to compile a comprehensive repository of their organisation's obligations, operational processes performed and controls in place.

An effective risk management and compliance infrastructure does not only facilitate risk monitoring or compliance control testing, but also enables a broader coordination across the organisation's assurance functions. As such, more and more companies are increasing their investment in upgrading their Risk and Compliance (2nd line of defence) processes to an integrated GRC (Governance, Risk and Compliance) system. This generally allows the second line of defence to draw the benefits listed below:

-  Simplify workflow management by integrating obligation identification, risk assessment process and findings tracking
-  Track the status of control testing, issue remediations with automated notifications in real time manner
-  Track the status of issues, incident and control failures with target dates in integrated dashboards
-  Produce standard reports and dashboard providing business leadership and boards alike with assurance
-  Visualise effort planning for each testing tasks graphically facilitates better resource scheduling and longer-term planning

Whilst many Internal Audit (IA) departments had implemented audit planning modules, electronic workpaper solutions and audit issue databases years ago, the recent GRC system developments might now have surpassed the maturity of IA's applications. Leading Heads of IA are asking themselves:

Is the organisation's internal audit application able to capture the benefits of GRC advances?

- Do risks and controls identified by second line of defence link to the appropriate audit objectives set out by IA?
- Where the GRC system provides audit trails on all control exceptions, can these be used for IA planning and scoping activities?
- Does the system allow teams from 2nd line and 3rd line of defence to add comments to a common issue?
- Does the IA application enable audit analytics, including rules creation? Can it link 2nd line continuous monitoring results?
- Can the control testing results (2nd line) or working papers (3rd line) be leveraged through the systems automatically?
- Are there any automated notifications or escalation to 3rd line of defence for control deficiencies/ issues?
- Does the system automatically alert for a control or issue remediation deadline?
- Does the internal audit software provide a simple and combined view on assurance resourcing?
- Does the internal audit system provide interfaces to work with GRC systems implemented in your organisation?

How to respond if you find your internal audit application is no longer in sync with your organisation's GRC solution?

As IA is asked to deliver increased assurance with ever tightening budgets, they need to leverage the benefits of the GRC system an organisation has implemented. To achieve this, IA can implement the audit module of the organisation's GRC solutions, or alternatively interface the existing internal audit application with the GRC platform to the extent desired. The overview below can help with assessing which approach is a better fit for your organisation:



Strategic Review of existing IA application and linking it to GRC platform

- Study existing systems & user documentations to understand and identify the existing process and capability of the new GRC system and the IA application
- Set out the strategies to maximise the benefit from the GRC adoption of second line of defence through the existing IA application (e.g. access controls-library, controls testing documentation, combined issue tracking)
- Implement required interfaces and protocols
- User Acceptance Testing for interfaces built



Migrating IA processes to integrated GRC platform

- Conduct feasibility study to understand the adopted GRC solution's capability for their IA module
- Work with vendor/ consultant to customise the GRC solution's IA module for specific audit process and other organisational needs
- Provide data mapping against GRC solution adopted to define integrated data structure
- System technical integration and the User Acceptance Testing

IA-GRC integration: Successful User Stories

Our clients are major global financial institutions. KPMG assisted them with transformational initiatives through adoption of a new GRC platform and implementation of additional GRC use cases. Project successes were achieved through design, development, and operationalization of extensive strategies, programs, processes and technology implementation.

Background

Our clients were looking to implement an integrated GRC solutions across its 2nd line and 3rd line of defense. They required assistance to define the business requirements, develop the GRC solution, test the configured system, migrate data to new GRC systems, project management and train end-users. They also looked for assistance on integrating the existing GRC solutions on IT Controls to the new GRC solutions.

Our Assistance

- Maturity Assessment
- Implementation Roadmap
- Integration of existing to new GRC solutions
- GRC Implementation Support, incl. PMO
- Risk Control Assessment
- User Acceptance Testing
- Training Materials and Workshop
- Data Migration Support
- Business-As-Usual Governance
- Continuous Controls Monitoring/ Auditing

Outcome

Our clients successfully implemented GRC systems and multiple GRC use cases that will be rolled out across multiple countries, subsidiaries and functions to realise the benefits of integrating governance, risk and control activities. End-users were very pleased with the training materials created by KPMG to give users a take away from training sessions that they could keep on their desk for common tasks to be performed.

Why choose KPMG as your partner for this journey?

Updating your IA system or implementing the IA module of a GRC solution can be a daunting task. When undertaken, this occasion should be seized to also review your broader IA methodology and processes for opportunities to modernise and increase efficiencies. We believe KPMG can best support this journey - for both internal audit process transformation and a system integration/implementation perspective:

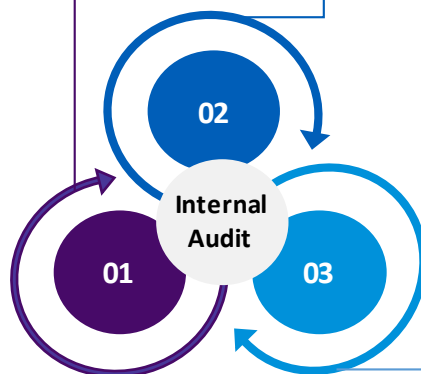
Internal Audit

- **Our competences on Internal Audit**

KPMG has experience on working with Internal Audit departments and we understand your pain-points for transforming the internal audit process.

- **Subject matter expertise**

KPMG will provide a group of SMEs on GRC, in the field of internal audit process improvement, GRC integration etc.



GRC system Implementation

- **Our experience on Implementation**

KPMG has expertise working on GRC systems, including business requirement gathering, testing, information management etc.



People and training

- **Our experience on training**

KPMG is experienced in training staff as part of change management. This can be essential to capture the benefits from the transformation.

Contact us



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