

Governance, Risk & Compliance 365

GRC inside Dynamics 365

Governance, Risk and Compliance ('GRC') is a formal and effective approach (strategy) for an enterprise to:

- define and mitigate its risks
- ensure compliance to laws and regulations
- enable corporate governance

Governance describes the overall management approach through which senior executives direct and control the entire enterprise, using a combination of management information and hierarchical management control structures. Governance activities ensure that critical management information reaching the executive team is sufficiently complete, accurate and timely to enable appropriate management decision making, and provide the control mechanisms to ensure that strategies, directions and instructions from management are carried out systematically and effectively.

Risk management is the set of processes through which management identifies, analyses, and, where necessary, responds appropriately to risks that might adversely affect realization of the organization's business objectives. The response to risks typically depends on their perceived gravity, and involves controlling, avoiding, accepting or transferring them to a third party. Whereas organizations routinely manage a wide range of risks (e.g. technological risks, commercial/financial risks, information security risks etc.), external legal and regulatory compliance risks are arguably the key issues in GRC.

Compliance means conforming to stated requirements. This is achieved through processes which identify the applicable requirements (defined for example in laws, regulations, contracts, strategies and policies), assess the state of compliance, assess the risks and potential costs of non-compliance against the projected expenses to achieve compliance, and hence prioritize, fund and initiate any corrective actions deemed necessary.

The GRC module inside Dynamics 365 for Finance and Operations adds functional GRC colours to the white Dynamics application canvas. In this white paper these topics will be covered:

- Introduction to GRC
- Information on the components
- Instruction
- Integrative approach
- Investment justification



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Introduction

Global and ever increasing

Numerous legislations exists across the globe. **SOX** in the USA; **CLERP 9** in Australia, the **Combined Code of Corporate Governance** from the UK and **Bill 198** from Canada are just a few responses to the outcry over corporate scandals.

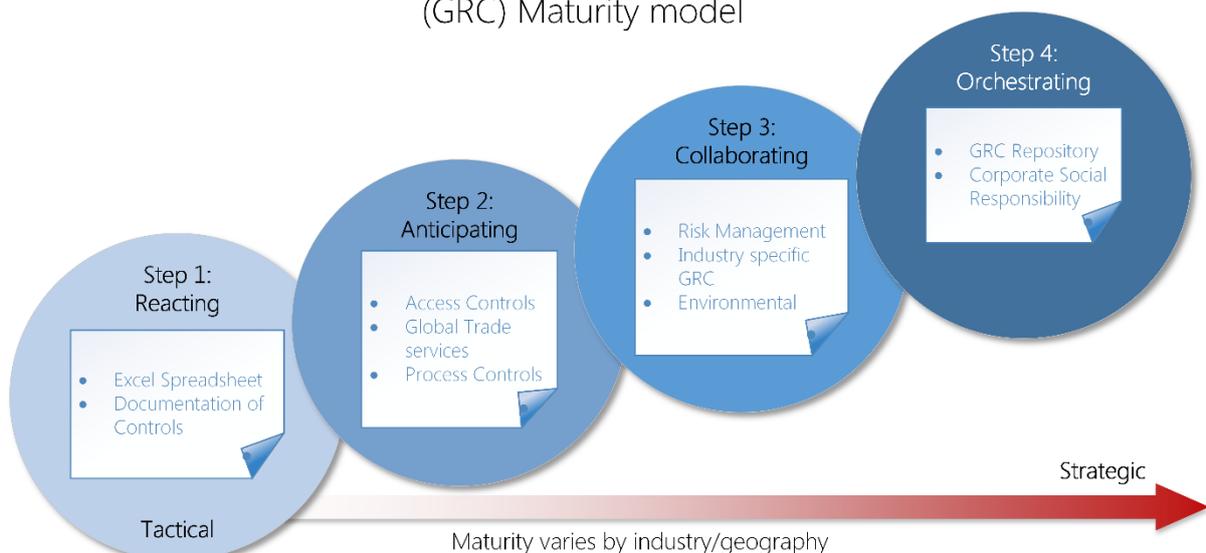
These laws are not static. The frequency and volume of new requirements are huge. Organizations have to face this avalanche. To stand at the bottom of the GRC mountain, looking up and thinking “We can survive this on our own” is probably not the wisest plan. Automation and formalization of these processes via a system would be the wiser route to follow to ensure risks are known and can properly be dealt with in a systematic manner.

Some sales literature will suggest that GRC is all about keeping corporates out of jail. We contend that if done properly, GRC also adds value to shareholders, trading partners, workers and the environment. An organisation with a GRC culture and supporting system ensures sustainability and transparency.

Adoption of GRC solutions

Governance, Risk Management, and Compliance (GRC) are related concepts. Formalising these into an integrated system assists an organization to reliably achieve objectives, to address uncertainty and to act consistently with integrity. AMR Research Maturity Model provides useful insight into adoption of GRC solutions. Most organisations are still at the bottom looking up.

AMR Research's : Governance, Risk and Compliance (GRC) Maturity model



Information

GRC components

Our GRC 365 module inside Dynamics 365 covers these three inter-dependent sides of the traditional GRC triangle:

Governance is the combined process established and executed by management and business owners that is reflected in the organization's structure and how it is managed and progressed toward achieving the goals set.

Risk management is predicting and managing risks which could hinder the organization from reliably achieving its objectives under uncertainty.

Compliance refers to adhering to the mandated boundaries (laws and regulations) and voluntary boundaries (company's policies, procedures, etc.).

We extend this traditional definition to include overlooked areas such as Master data governance, Contract management as well as Worker permit management, training and more. Adding to our GRC 365, is our OHS (HSE) 365 module for an integrated suite of tools which surpasses most of our competitors also branded as **shreq** (safety, health, risk, environmental & quality) by Axnosis.

GRC 365 includes these components:



Internal Audits



Corporate Performance Management



Master Data Governance



Action and Activity Manager



Permits and Training



Contracts Management



Enterprise Risk Management



Legal Register and Sanctions blocking



Meeting Management



ISO Compliance Management

Instruction

Some highlights of GRC 365 are discussed below:

Risk management

Risk assessments and measurement: How likely is the risk to occur and how much will the damage or impact be?

Risk mitigation: How can the organization protect itself from these losses at an affordable and sustainable cost?

Implementation of **risk controls:** What combination of risk avoidance, control, and financing will yield the best result?

Monitoring **performance of control:** Are the methods achieving control, and if not, what alterations can be made to raise their performance?

These and many more questions are answered by GRC 365.

Audits

AREA OF COMPLIANCE
ISO18001

Area of compliance

Functions and standards

Function	ISO Standard	Risk	Audit need	Exclude	Period	Last schedule nu...	Last schedule co...
Documents	Required docu...	ISO 18001	75.00	Low	<input type="checkbox"/>	Day	2/16/2018 2/19/2018
Management	Responsability ...	ISO 18001	9.99	Low	<input type="checkbox"/>	Day	2/16/2018 2/19/2018

Requirements and scores

Clause number	Description	Expected score	Heading	Line group
4.2.3	Control of Documents	0	Heading 3	0
4.2.2	Quality manuals	0	Heading 3	0
4.2.4	Record Control	0	Heading 3	0

GRC 365 supports both compliance audits (control focused) as well as internal audit (risk focused) requirements. Electronic working papers, audit files and a host of reports exist providing functionality for the full audit cycles, audit universe, auditable entities, audit need assessment, scheduling of audits, etc.

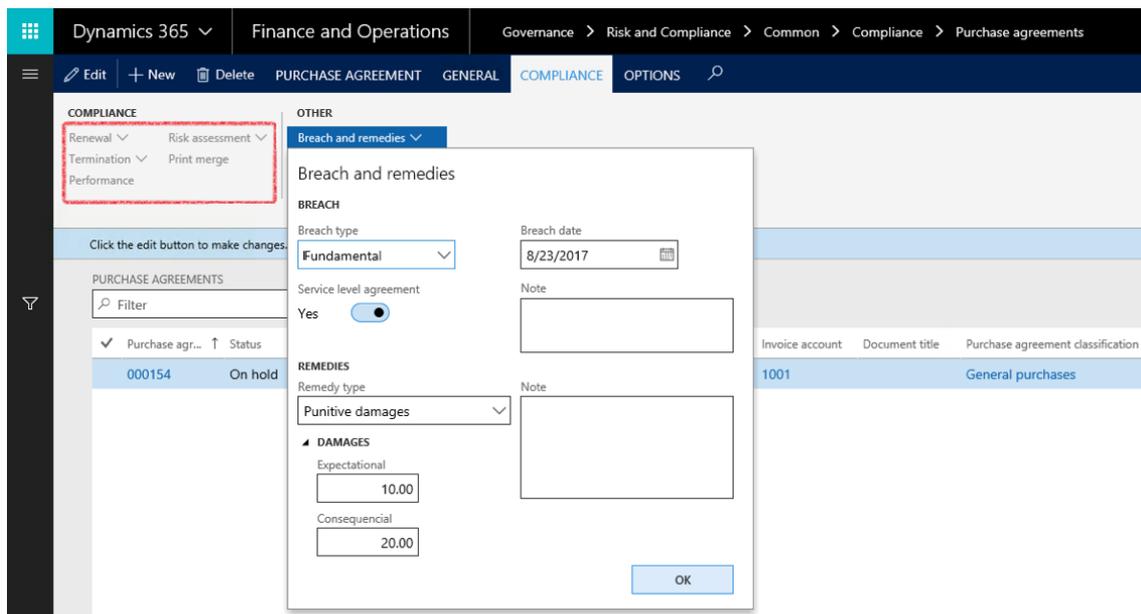
Findings in the form of non-compliances and audit observations (issues). Follow up reviews and more.

The risk control matrixes provides an overview of different control objectives that organizations should take into consideration and the corresponding controls to safeguard the company against risks which may arise if not reviewed and reassessed timely.

Instruction

Contracts

The complete lifecycle of a contract is managed inside GRC 365. Configurable workflow driven terminations and renewals as well as approvals are available. Supplier risk assessments, performance measurements and penalties can be performed. On top of this enterprises can track the initial statement of work, change requests and breaches as well as remedies. As this is integrated and part of the Dynamics ERP solution, project expenditure as well as procurement and sourcing costs are contained.



Performance management

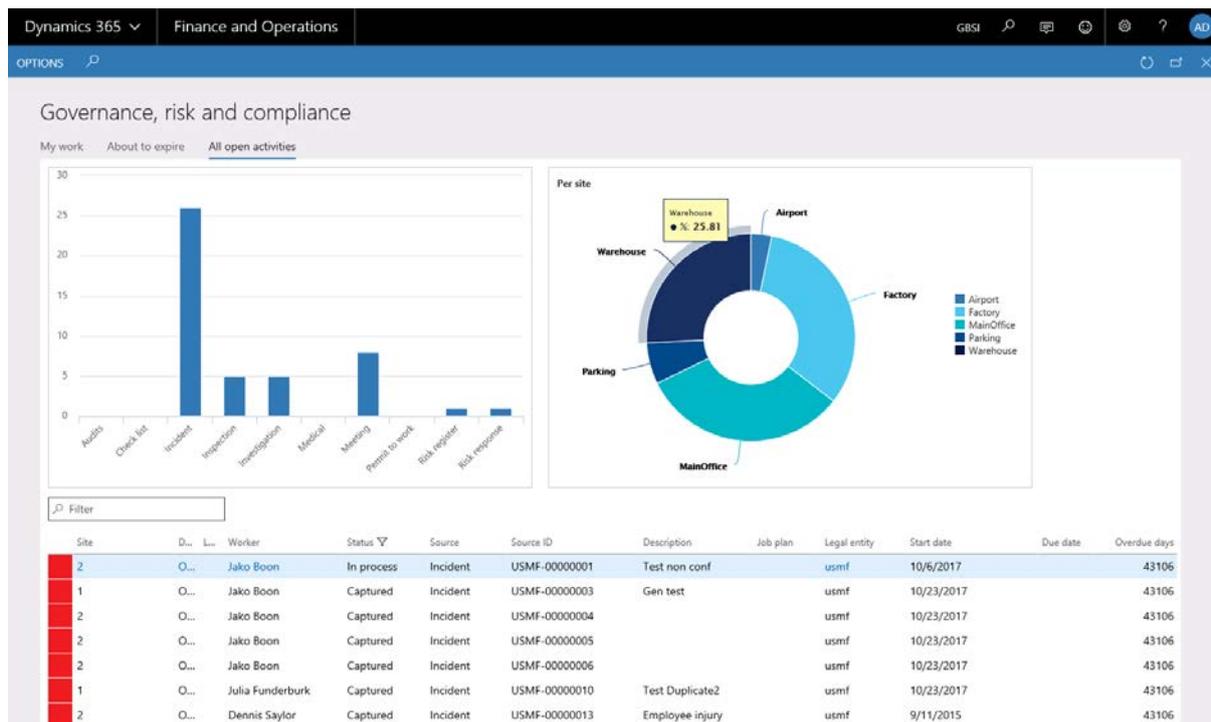
In addition to corporate performance management, GRC 365 also covers individual worker performance management; allowing for a top down or bottom up approach. Our **Performance scorecard** is a graphical representation of the progress over time of an entity (such as an enterprise, an employee or a business unit) toward some specified target or goal. Key Performance Areas (KPA) are the areas within the enterprise, for which an individual or group is logically responsible. Key Performance Indicators (KPIs) are used for each Key Performance Area (KPA) to determine where the organization ranks. The above can also be referred to as goals with specific measurements.

Geo blocking

GRC 365 will check if trading partners (AP or AR) have operations in countries that are linked to US, UK and EU sanctions. If these exist, Dynamics will either warn the user or block the users from engaging with these trading partners preventing expose of the organisation to unwanted risks.

Integrated

Rather than acquiring a separate solution (different user interface, different security etc.) for Risk management, compliance controls and governance enablement; we offer GRC as an integrated module and 100% part of the already powerful and award winning Dynamics 365 solution. Reporting and management through a single platform and part of ERP is compelling. Executives, auditors and managers will now have a holistic view; use the same workflow and document management foundation and provide a single source of truth based on live and actual data. Dashboards are consistent and report on a wider landscape opposed to just another GRC island.



Investment

Justifying the cost

Previously organisational resources were consumed with collecting GRC data, allowing less time to report and analyse the information. Ever increasing systems costs can be reduced with an integrated approach resulting in no interface costs and considerably less training costs.

An increase in responsiveness to risk and new regulations also reduces cost and can prevent costs resulting from re-active damage control.

To pinpoint one area inside GRC; proper contracts (supplier & customers) management ensures less fraud, better spending and control. . This alone is normally a huge saving and benefit to any organization.

Less quantifiable but very important nonetheless; moving an organisation towards a GRC culture will increase the human capital resource to work faster, safer and have less audit findings and associated costs to be concerned about.

In conclusion

About Microsoft Dynamics 365

Microsoft Dynamics 365 is a comprehensive enterprise resource planning (ERP) and customer relationship management (CRM) solution for midsize and larger enterprises that empowers people to work effectively, manage change, and compete globally. It makes it easy to operate across locations and countries by standardizing processes, providing visibility across your organization, and helping to simplify compliance.



About "shreq"

In the swamp of global legislation and local regulations; enterprises face dangers, ogres, costs and litigation. Using formal software with deep functional reach will reduce these dangers significantly. If the software is integrated and part of an ERP/CRM application such as Dynamics 365, then dangers facing enterprises become opportunities. Our GRC 365 module is part of the shreq (safety, health, risk, environmental & quality) suite. It is built as "best of breed" but is part of, and integrated with Dynamics 365.



About Axnosis

Axnosis provides vertical solutions and consulting services to manufacturing, public enterprises and asset intensive organisations; whether corporate companies, public concerns or medium-sized businesses. This is achieved using world class software applications from Microsoft (Dynamics), developing deep industry specific software inside Dynamics and applying decades of business consulting, project management and systems integration skills to this environment. Axnosis consultants have industry knowledge, technology experience and methodologies to deliver these solutions successfully.