The Case for Investing in a Web-Based Risk and Compliance Management Software Solution

Organisations often come to the realisation, through internal and external audits or reviews, that they have weaknesses in the management of operational risks and legal compliance.

Given the nature and size of many businesses, ensuring compliance with industry specific obligations and managing risks to ensure they are aligned with the company’s risk appetite, is an onerous task.

The consequences of failure can be as dramatic as the prosecution of directors, senior staff and others; the loss of licenses required to operate; significant damage to an organisation's reputation; or even the death of a staff member.

IMPLEMENTATION DRIVERS

With this in mind the key drivers for implementing a software solution to help automate and streamline the management of operational risks and legal compliance include:

• **Keeping obligations current**
  Organisations need to comply with thousands of obligations and regulatory changes each year. This is compounded by governments introducing new regulations, particularly in election years. Current examples of this include the MySuper legislation, environmental related changes such as the carbon tax and carbon unit trading, and the harmonisation of workplace health and safety laws. Trying to keep on top of these changes can often be overwhelming and, when changes are updated manually, the risk of being unaware of current requirements increases.

• **Mapping obligations and controls to procedures**
  It is one thing to know what your obligations and controls are, but procedures should be mapped back to the obligations and controls to ensure there are no gaps. An online process ensures that where an obligation or control requirement changes, a procedure owner can be automatically notified that they need to review their procedure.

• **Increasing employee understanding and awareness**
  As individuals access data and reports on their desktops, they become more aware of what they need to do and why, as well as reducing the burden on risk, compliance, secretariat and senior staff when tracking compliance, monitoring risks and generating reports.

• **Reinforcing ownership of risks and obligations**
  The requirement for employees to verify within a system “Have you done x, y and z?” quickly reinforces the need for those individuals to take responsibility and accountability for the obligations, risks and control mechanisms relevant to their role. This supports more rapid organisational culture change and greater staff awareness.

• **Minimising organisational ‘blindspots’**
  The old phrase of “we don’t know what we don’t know” is relevant for many senior managers, as they rely on their staff to have the appropriate knowledge and mechanisms in place. Maintaining obligations and risks in a spreadsheet which sits on someone’s personal hard drive is inefficient and is likely to become out of date.
• Tracking status and addressing areas of weakness
  Risk and compliance management software allows automatic escalations and notifications of problem areas in addition to easily producing graphical and detailed reports. This enables senior managers to manage their resources more effectively and proactively address areas of weakness before a significant incident or event occurs.

BUSINESS CASE ARGUMENTS
A challenge for many Risk and Compliance Managers is convincing their Board and Executive Committee that investment in a software solution is worthwhile and will provide benefits, rather than just being an unnecessary expense.

Based on the above implementation drivers, persuasive business case arguments include:
• Enables effective and efficient management of risks, controls, compliance obligations, incidents and action items;
• Simplifies the link between legislative requirements and procedures;
• Enhances the monitoring ability by senior managers, executive, committees and the board;
• Improves reporting and dashboards for all levels of the organisation;
• Improves staff awareness of what risks and obligations are relevant to them;
• Reduces the risk of compliance breach;
• Increases operational efficiency and effectiveness;
• Allows risk and compliance staff to be proactive rather than reactive;
• Drives a culture of proactive risk and compliance management; and
• Allows for regulatory and operational change to be managed more efficiently.

As a result, the initial establishment costs of a software based framework are outweighed by the longer term benefits and most organisations readily achieve a positive return on investment within the first 12 months.

GRC MANAGER: THE SOLUTION
SAI Global Compliance provides risk and compliance solutions to over a third of Australia’s 100 largest companies. GRC Manager, SAI Global’s risk and compliance software is the preferred solution to monitor key operational risks and regulatory compliance obligations.

As the software is template based and completely configurable, no single framework is imposed on our clients. It is the organisation’s own terminology, workflow and risk management framework that are automated through GRC Manager.

The software allows our clients to store, update and communicate their obligations data to provide a dynamic and continuous picture of the status of compliance and, where non-compliant, record and monitor what actions will be done to achieve compliance. Flexible, integrated workflow capabilities enable targeted alerts to be delivered to those accountable so they can ensure that internal documents and procedures are in line with the most current version of the obligations, supporting an ongoing culture of compliance and risk ownership throughout the organisation. Clients can establish a process to identify and log risks using GRC Manager’s adaptive nature to manage risk appetite and align programs to their risk framework. Customisable reporting, including dashboards and risk heat maps, provide at a glance graphical evidence of compliance status to boards and executive teams.

Our consulting services can also assist organisations in ensuring a best practice implementation with adherence to Risk and Compliance standards such as AS 3806 and ISO 31000.