

Governance, Risk & Compliance (GRC) Status Quo and Software Use: Results from a Survey among Large Enterprises

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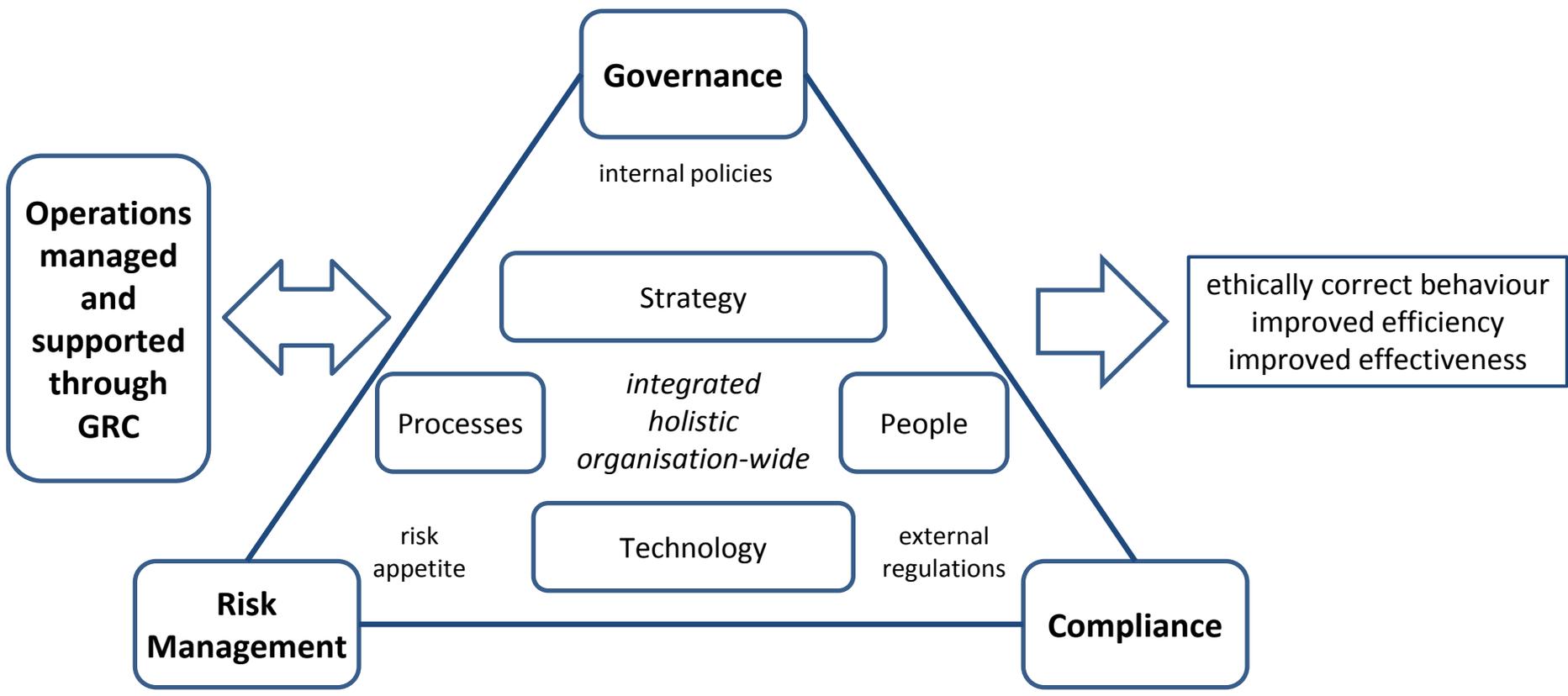
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What you will hear

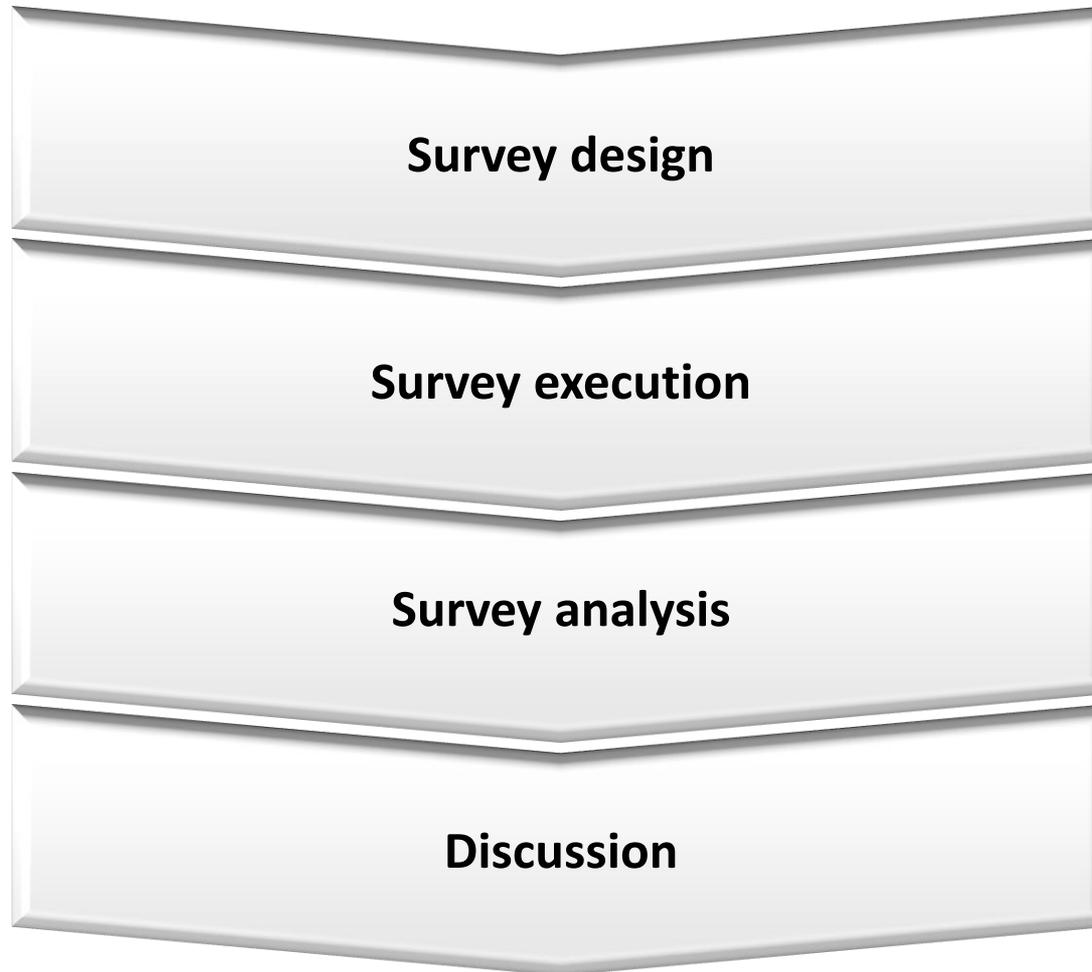
- Our understanding of **GRC** as an integrated approach
- **Survey about GRC integration** among professionals of 49 large enterprises
- Derivation of **five key findings** concerning integration of GRC, GRC software and GRC reporting
- Suggestion of **actions for research**
- **Questions and discussion**

Frame of reference for research of integrated GRC



Racz, Weippl & Seufert: A Frame of Reference for Research of Integrated GRC. CMS 2010.
 Available at www.springerlink.com

Research methodology



Survey design

- Questionnaire structure

Group	Topic	Questions (Q) & Statements (S)
1	Respondent's organisation	Q1, Q2
2	Status of integrated management of GRC	S1 to S5
3	GRC software platforms	S6 to S12
4	Benefits and disadvantages of GRC	S13 to S17
5	Benefits and disadvantages of GRC software	S18 to S26

Survey design

- Exemplary statements

#	Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
S1	My organisation has a central GRC department or team.		x			
S2	My organisation takes a siloed approach to governance, risk, and compliance.				x	
S3	My organisation attaches importance to an integrated GRC approach.				x	
S4	In my organisation GRC is reported to executives in an integrated manner.			x		
S5	We use results from GRC monitoring for planning.		x			

- Test with draft of 30 statements
- 26 statements in final questionnaire

Survey execution

- Identification of participants (authors of publications, recommended experts, professionals on social networks)
- 151 people indicated interest in participation
- Online questionnaire link sent via email
- Survey remained online for one month in early 2010
- 99 returned answers (response rate 65.6%)

Survey analysis

- 48 of the 99 respondents working for large enterprises with >10,000 employees
- Statement evaluations were combined to derive five key findings

Key findings	Statements (S) used
KF1	S1, S2, S3, S6
KF2	S13, S14, S15, S16, S17
KF3	S6, S7, S8, S9, S10, S11
KF4	S12, S18, S19, S20, S21, S22, S23, S24
KF5	S4, S5, S25, S26

Survey analysis: Key finding 1

- KF1: Efforts to integrate the three disciplines governance, risk management, and compliance with each other are more advanced on the organisational than on the process or information technology level, as many organisations are undetermined concerning the importance of an integrated GRC strategy.
 - 42% of respondents are undetermined concerning the importance of GRC integration
 - Only 27% integrate GRC on the process level
 - 44% already have a central GRC department
 - Only 5 of 27 enterprises have integrated GRC processes or software without having amended the organisational structure

Survey analysis: Key finding 2

- KF2: Integrated GRC is deemed useful, as it acts as a link between strategic objectives and daily operations (61%), and as it improves risk management and even creates competitive advantage (81%).
 - GRC enables better transparency in risk management: 57%
 - Integrated approach prevents risks: 75%
 - Costs of integrated GRC approaches are higher than benefits: 73% disagree, only 4% agree

Survey analysis: Key finding 3

- KF3: Nearly half of organisations use software labelled “GRC”; in-house developments are preferred over standard solutions.
 - 46% have deployed GRC software covering multiple aspects
 - Only 14% use standard GRC software
 - 40% rely on in-house developments
 - 73% use a separate compliance applications
 - 64% use separate risk management solutions

 - 29% (14) integrate all GRC activities on a single platform
 - Of these 14, only 6 use standard software

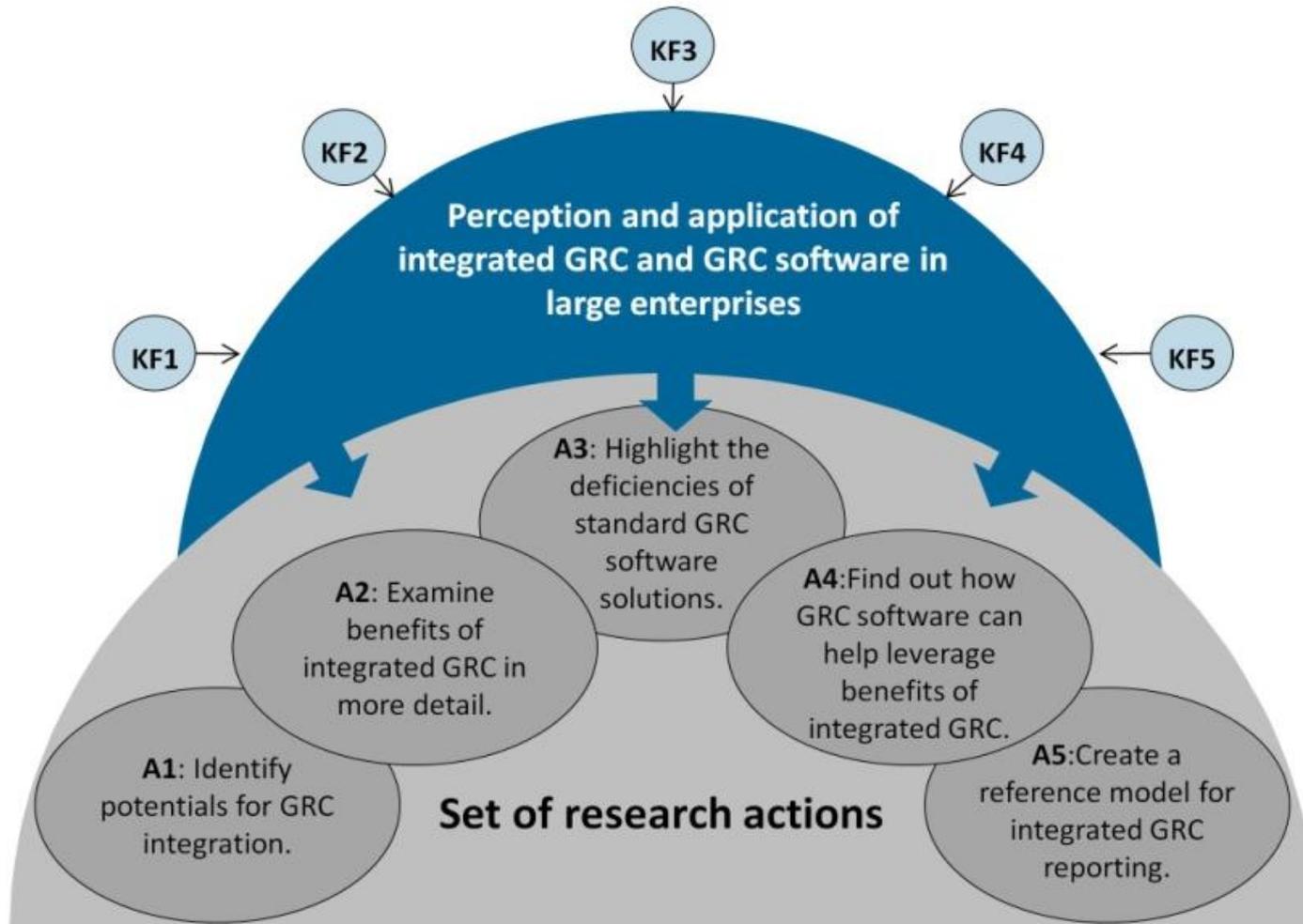
Survey analysis: Key finding 4

- KF4: The application of integrated GRC software helps leverage the benefits of integrated GRC.
 - Integrated platform improves risk management (71%) and compliance (63%)
 - GRC software offers an organisation-wide view of GRC processes (52%; 12% disagree)
 - GRC software highlights interrelation of risks across the enterprise (54%)
 - GRC software links risks and regulations (46%)
 - Enterprises with standard solutions are more satisfied with their GRC software than companies with proprietary solutions

Survey analysis: Key finding 5

- KF5: Integrated GRC reports are in use, but reports generated through existing solutions are not considered adequate.
 - Integrated GRC reports for management: 40%
 - GRC software helps automate documentation and reporting: 58%
 - Reports generated through GRC software solutions are insufficient: 57%
 - Standard GRC software users: 29%
 - Custom tailored software users: 60%

Recommended actions for research



Critique & contribution

- Critique:
 - Respondents' expertise can only be assumed; many “neutral” answers leave doubts about expertise
 - Survey remains at a high level; e.g. reasons for answers were not identified

- Contribution of the research paper:
 - First scientific survey on GRC integration among large enterprises
 - Key findings provide an overview of the status quo of GRC in large enterprises
 - Recommended actions can be followed up to gain more insight

Future research

- Our research:
 - GRC Software – An Exploratory Study of Software Vendor and Market Research Perspectives. 44th Hawaii International Conference on System Sciences, 2011.
 - Case study: Integrated IT GRC management in selected large enterprises
 - GRC reporting: A Balanced Scorecard for Compliance – Requirements of a Comprehensive Compliance-Reporting. 16th Americas Conference on Information Systems, 2010.

- Recommended GRC research topics:
 - See recommended actions
 - We encourage other researchers to pick up the integrated approach
 - lots of research potential
 - practical relevance

Thank you!

In case of questions please contact:

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Survey analysis: Key findings – summary

