

TOP 10 THEMES

That should be part of your GRC programme in 2023!

We head into the new year against a backdrop of significant inflation, a major war in Europe, a huge energy shock, pandemic fatigue, political uncertainty, global debt, rising interest rates, a new vigour for flexible working and what feels like an unending stream of climate-induced obligations. As we look to update our risk registers & obligations libraries with the latest emerging risk & compliance requirements, organisations should address these geo-political issues as part of their GRC programmes.

To make things easier we have pulled together 10 key themes that should be part of your GRC programme in 2023.

Operational Excellence

With a recession looming, organisations need to find new and innovative ways to create value from their existing business models by improving & streamlining processes. In the context of GRC this means optimising performance, by reducing wasted time and effort.

Centring your GRC programme around your enterprise performance goals is a great way to uncover efficiencies & create value. Most GRC tools enable you to pull in other operational and transactional data into the platform from other systems & spreadsheets - enabling you to set KPI's and KRI's based on live data. This enables organisations to detect risk early and spot trends to make performance improvements that would otherwise have gone unnoticed.

Adopting a GRC tool to replace spreadsheets and manual processes can in itself provide efficiencies & cost savings. The online forms and automation reduces time spent on admin, data input, and reporting, allowing employees to spend their time analysing the data and making improvements to optimise performance.



1

Using Risk to Uncover Opportunity

Risk management is essentially looking at things that could happen and trying to manage and mitigate the bad outcomes that could negatively impact the business. But, what about the good outcomes? In 2023 we expect to see further organisations using their risk data to take calculated risks that could create positive long-term outcomes for the organisation.

In highly regulated industries there are so many rules that risk management teams end up taking a compliance-based approach to ensure they tick all the boxes. But that fear of being 'non-compliant' can actually prevent organisations from taking certain risks that could be beneficial to the organisations long term sustainability. When making decisions, opportunities should be presented alongside any potential negative outcomes or 'risks' to help leadership teams make informed decisions - as they may wish to take some level of risk in pursuit of their objectives. To enable this, risk teams will need access to the right data and choosing a GRC tool that offers advanced analytics & reporting will help proactive organisations to seize those important opportunities.

2

Cost-of-living Crisis

The cost-of-living crisis is putting a huge strain on businesses and employees. Not only are firms battling to keep up with their own increasing costs for energy and raw materials, but they are struggling to maintain a happy workforce with employees hunting for higher paid jobs and more flexible working conditions to make ends meet. In the latter half of 2022 in the UK, we have seen rail, healthcare, and postal workers striking, and it is expected to continue into 2023 as more employees battle for pay increases in line with inflation and fairer working conditions.

Organisations that fail to address this impending crisis will leave a large gap in their risk register. Operating models must be adjusted to manage costs, processes must be assessed to ensure they are as efficient as possible to reduce waste, and spend must be carefully monitored. In addition, employers need to focus their attention on maintaining a happy workforce. Firms need to consider flexible working, benefits, healthcare, and pensions to maintain good employees and weigh up wages vs inflation to ensure valued staff remain with the business.

3



Operational Resilience & BCM

The last 2 years have certainly shown us that organisations need an operational resilience plan. Unexpected events like the pandemic, increased energy costs, and significant inflation have led organisations to the realisation that they need to get visibility of strategic risks early, make contingency plans, and map out a strategy for the future - as they evolve their business models to keep pace with the latest technology and customer demands.

This need to understand and react to strategic risk has seen many organisations looking to link risk management to the organisation's strategic goals & objectives. By linking these 2 disciplines, organisations are empowered to take strategic risks to grow the business, enabling them to change business processes or remap their strategy and quickly communicate changes. This agile approach enables organisations to respond quickly, mitigating potential risks before they occur. Recent events have also bought business continuity into sharp focus for leaders and many more firms are mapping out business continuity plans and aligning the process with risk management to understand the likelihood and impact of an unforeseen event or outage.

4

Building AI & Automation into GRC

One trend we recently saw at the #RISK event in London was the desire to further automate risk management programmes and to use artificial intelligence to monitor risk. The expo bought to light just how many organisations are still using spreadsheets & manual processes to manage risk, and this trend of moving from spreadsheets to GRC software will continue to grow in 2023.

Knowledge is power, and the more risk data an organisation can amass & analyse the better their risk informed decision making becomes. GRC tools help teams from across the entire organisation feed into a risk management programme. The tools pull in data from other systems & sources via APIs to monitor KRI's and KPI's based on live transactional data. In addition, the tools offer a wealth of automated reports & dashboards to help risk teams and their boards to understand risk and make the right decisions for the organisation, uncovering efficiencies & opportunities in the process.

5



Consolidating Third-party Risk

The pandemic saw supply chains crumble and an ever-increasing reliance on technology to continue business operations. These 2 factors drove an uptake in organisations looking to improve their third-party risk programmes - this trend is likely to continue into 2023 as the war and geo-political events and even the climate continue to impact the production of food, raw materials, and energy supplies.

To manage the risks associated with the use of their substantial network of vendors, organisations must build a central repository of all their suppliers, and capture critical details regarding cost, contract length, SLAs, and their criticality to the organisation. Results of risk assessments & questionnaires relating to each vendor should be captured & monitored, and issues should be addressed. To formalise this process, many organisations use GRC software solutions to create a best-practice framework to automate the process. This enables them to use automated control monitoring to track KPI's and SLA's and use online forms for staff to log vendors and perform risk assessments - making it easy to capture the information and report on it. Many solutions offer on-line portals meaning suppliers themselves can answer questionnaires & surveys online with the results feeding directly into the solution.

6



Substantiating ESG Credentials

The prominence of Environmental, Social and Governance (ESG) initiatives has been gaining traction over the last few years with many companies making bold claims about their sustainability related pledges. This has prompted regulators to investigate some of these bold statements to check their validity, leaving organisations scrambling to generate the data to back up their claims. The word 'greenwashing' was coined to target those who make inflated claims about their environmental credentials.

The need to generate & report on ESG data will continue to rise in 2023 and many more organisations will be looking to utilise specially designed software solutions to manage their ESG requirements and produce reports. These solutions help to map out an ESG strategy and understand your compliance obligations and consolidate ESG data from across the business into a central location - making it easy to report on. Data can be captured through online surveys, questionnaires, forms, and tasks from stakeholders across the business or pulled in via API connections with other systems and data sources. Once the information is captured ESG leaders can easily understand the progress against their ESG goals and demonstrate compliance & legitimacy to regulators.

7



Maintaining a Happy Engaged Workforce

As Richard Branson once said 'Employees come first. If you take care of your employees, they will take care of the clients' and this has never been more relevant as employees strive for higher pay, added benefits and flexible working to help them during the cost-of-living crisis and support a healthy work/life balance.

Unhappy employees can lead to a wealth of problems and risks for organisations. Surveys show that the productivity of unhappy employees drastically decreases, and employees who are stressed are prone to making mistakes and provide poor customer service. In extreme cases unhappy staff can result in stress related absences or employees committing fraud - vacant roles cost a business time and money. Recruitment fees and hours spent training and onboarding a new employee significantly affects output and adds unforeseen costs into the equation. Organisations that fail to focus on their people and manage the associated risks could see their businesses suffer in 2023.

8



Flexible Working

The pandemic has seen a shift to remote working, leaving many employees to re-evaluate their work/life balance and organisations that have continued to offer increased flexibility to their employees have noticed a positive and more engaged workforce. Staff appreciate the flexibility offered and are more engaged - creating better results for the company. In contrast dis-engaged employees not-only do less work - but are likely to look for a more flexible job elsewhere leaving their organisation with recruitment fees and hours spent on-boarding new employees.

Boards should consider flexible working as part of their strategic plans in 2023. Flexible working offers a wealth of benefits for both employees and staff including cost savings on office rental, utility bills, and office equipment for employers, and less time & money spent on commuting for employees. But it also creates new risks in terms of data privacy, those who monitor all angles of flexible working in 2023 and optimise the benefits and carefully monitor the associated risks are likely to survive and thrive.

9



Monitoring the Cyber-Threat Landscape

Advances in technology & software have seen more and more organisations using multiple technology solutions & services to ensure the smooth running of their organisations. The increase in homeworking through the pandemic widened the digital threat landscape and hackers are taking advantage. This digital era has forced organisations to put cyber risk at the top of their agendas. Throughout 2023 we expect to see more organisations strengthening their approach to cyber risk to protect their organisations and meet the ever-increasing list of compliance requirements relating to the protection of personal data.

Recent developments like the Senior Manager Certification Regime (SMCR) in the financial services industry are now holding individuals accountable for their actions according to FCA guidelines. As a result of increased regulations and guidance relating to cyber risk and data privacy, many more firms will be looking to implement solutions to provide a framework to easily manage these requirements and produce instant reports for regulators to ease the burden.

10



Does your GRC programme consider everything in our top 10?

If there are some areas in our top 10 that haven't quite made it into your GRC programme yet, it might be time to start to think about automating your risk & compliance processes and taking advantage of some of the latest technology available to simplify GRC. Contact Camms and request a demo to find out how we can reshape your GRC programme for the future.

[Request Demo](#)