

# GRC Scaling and Maturing

*Embedding proportionate and commercially sound foundations for success*

As organisations develop new products and solutions are created and they expand into new geographies and markets. Each development brings different risks, regulatory obligations and stakeholder expectations. To scale up companies seek capital and financing through new investors and capital raises, including IPOs. New investors and forms of financing are required. To meet new expectations companies must evolve, maturing their systems of governance, risk and internal control in a proportionate manner.

We understand the **priority of commercial success** and create GRC solutions that drive value.

We create flexible responses to regulatory expectations that are **proportionate to the business**.

We build **end-to-end enterprise risk and process control solutions** embedded in the business and owned by managers.

We **prioritise engagement with management** to ensure they identify with the risks and governance expectations.

We **embed monitoring and assurance** through articulating clearly second and third line activities.

We roll our sleeves up, support board directors with **honest insight**; and management through **pragmatic actions**.

## How we work with you

We focus on the unique needs and drivers for your organisation as you mature, seek new financing or move into new markets.

We get stuck in and develop governance, risk, control and assurance capability in your business, rather than bringing theory.

We develop the in-house capability and capacity to create ownership of governance, risk, control and assurance.

We share our passion for delivering real value, prioritising ways of working, underpinned by strong tools and methodology.

We identify ways for you to digitalise from the outset, using data and technology optimally for commercial value.

## Collaborating for success

*We collaborate with executive and interim resourcing firms to identify when organisations require capacity building, finding creative solutions and working through questions before appointments are made. This can provide a more flexible and adaptable capability set using experienced in-house practitioners on a flexible basis as the organisation matures. It provides agility with commercial focus.*

# Our network's experience in scaling GRC

## Creating a roadmap to underpin separation

In anticipation of the separation and sale of its exploration and production assets this company wanted to understand the strength of the processes in the first and second line to operate as an independent venture. A project plan needed to be developed prioritising activities for development that would facilitate the development of appropriate resources and capability alongside highlight areas of control weakness. We created an assurance plan that assessed the effectiveness over a period of time of each of the core process areas and provided a roadmap of actions to be taken such that the directors could have confidence in their ability to manage risks appropriately as an independent entity, whilst providing assurance to potential investors over the existing operational maturity of the business.

## IPO readiness: governance, risk and control

Under new leadership and with the likelihood of IPO around 18 months to two years out, this organisation required a clear view as to the improvements to be made in its governance, risk and control environment in order to be prepared for a potential IPO under the right economic circumstances. We worked with the Board to: evaluate the appropriateness of the governance forums at Board and executive level; to provide advice as to how effectively these forums were operating; and to provide an ongoing programme of assurance over the development of core processes in finance, data and IT security, safety and operational effectiveness in order that a view on readiness could be formed.

## Confidence in core financial controls

When facing an IPO or secondary listing, seeking investment, or evaluating M&A, it is critical to have confidence in the core financial control framework. For directors it is hard to get sight of the real position. We apply a risk lens, evaluating where the most likely points of failure are based on: the degree of judgement involved; key person risk; complexity of legacy systems; reliance on spreadsheets; reliance on non-financial staff to perform critical controls; and the capabilities of the team. In one organisation we were able to provide a clear view of the scope of the controls across all jurisdictions and businesses through a front end that enabled senior leaders to analyse and dig into any specific elements of their processes in their own time.

## Forming an enterprise-wide risk perspective

Companies must be able to describe and report on their principal risks, aligned to their strategic objectives, and with a view to longer term financial and operational resilience. We created the first enterprise-wide view of risks across a global and diverse group to: enable the directors to evaluate their potential single points of failure; ensure that appropriate controls were embedded in the organisation such that risk was managed within appetite levels; drive organisational success through empowering leaders to take risk where appropriate; and enable the Board to fulfil their stewardship obligations. We have a strong understanding of the tools and technology available to automate and digitalise the risk processes in order to create value at the right cost.

## Creating governance forums to meet expectations

We have worked organisations to evaluate the existing governance forums and to revitalise the Board and Committee structures to be fit for the future. In particular we have evaluated the impact of emerging expectations with regards to ethics, ESG and sustainable business. With new reporting requirements and a growing understanding of the fundamental role that people and purpose play in commercial success we help companies to ensure that adequate Board and executive time is given to these issues, that there is strategic alignment and appropriate MI. In one organisation we implemented a new committee forum focused on safety, ethics and the environmental issues that were critical. In another, we developed terms of reference and risk indicators, embedded in the business, to underpin meaningful evaluation of issues such as green financing, vulnerable customer groups and staff wellbeing.

## Post IPO maturing of the lines of defence

Following a transaction or IPO there is a need to ensure that the business can deliver on new expectations and continues to mature. For this company we created an outsourced internal audit capability to create insight for the Board and management team. The function evaluated and assessed the existing processes and controls to prioritise actions based on areas of significant weakness. We benchmarked the governance processes and advised the directors on proportionate improvements. Over time we provided a route-map to move monitoring and assurance more fully in-house as the organisation matured.