

'Realign GRC framework to address challenges of changing market dynamics'

Doha Bank Group CEO Dr R Seetharaman has said governance, risk, and compliance (GRC) should be realigned to address the challenges arising from changing market dynamics.

As guest speaker of the Qatar GRC Roundtable held at the Grand Hyatt Doha, Seetharaman provided insights on the GRC framework and how global and corporate governance have developed in recent years.

Seetharaman was joined by GRC subject matter experts, research analysts, and industry practitioners from across Qatar and the Middle East at the Roundtable, which was hosted by Finesse and Metric Stream.

He said GRC is an organisation's integrated approach to governance, risk, and compli-

ance and typically encompasses activities such as governance, enterprise risk management (ERM), internal controls, regulatory compliance, and internal audit.

GRC improves the alignment of risk activities to the strategic objectives of the business, he said, adding that companies are now being forced to align in order to close gaps and eliminate overlaps, while focusing on the risks that matter and create value.

Seetharaman said the fines, penalties, and settlements faced by global financial institutions recently have reemphasised the importance of regulatory compliance dimension of GRC framework.

"GRC framework should be realigned to address challenges arising from changing mar-

ket dynamics," Seetharaman stressed.

He said global governance was redefined after the economic crisis and created an impact on corporate governance. "The failures of Lehman & Madoff have indicated how corporate governance failure can contribute to systemic risks."

He added, "The financial markets have become gambling grounds and individual regulatory systems have been revamped to better monitor threats to the whole financial system. Economies, institutions, and individuals need to follow governance. It can be called corporate governance for institutions and global governance for economies."

He also explained that individuals are affected by corporate governance and global governance due to the links with in-

stitutions and economies, respectively. The Anglo-American model of corporate governance is being promoted as the global standard, Seetharaman added.

"However there is no 'one-size-fits-all' corporate governance approach," he noted.

Seetharaman highlighted the segments in corporate governance, which required attention after the crisis. He said risk management, remuneration, and incentive systems, board skill's and independence and shareholder engagement are the key areas that need to be revisited.

The board, he said, should review and provide guidance about the alignment of corporate strategy with risk appetite and the internal risk management structure while steps must be taken to ensure that remuneration is

established through an explicit governance process.

Seetharaman also said traditional GRC technology solutions were aimed at providing organisations with a single issue solution but leading companies today utilise GRC technologies for multiple purposes such as audit management, regulatory compliance, IT governance, performance improvement, and policy management.

On the evolving models of board excellence, Seetharaman said: "The key evolving areas in boardroom excellence models are integrity, assistance of board committees, board diversity, and governance framework."

He added that global trends indicate a gradual increase in the percentage of companies that have women on their boards.



Doha Bank Group CEO Dr R Seetharaman speaking at the Qatar GRC Roundtable in Doha.