

# Governance, Risk & Compliance Workflow Diagram

Integrated GRC lifecycle for financial institutions

## CORE PILLARS



### Governance

STRATEGIC OVERSIGHT

Establishes accountability, decision-making structures, and policies that guide the bank's strategic objectives and ethical conduct.



### Risk

IDENTIFY · ASSESS · MITIGATE

Identifies, quantifies, and controls credit, market, operational, liquidity, and cyber risks across all business units.



### Compliance

REGULATORY ADHERENCE

Ensures adherence to Basel III/IV, AML/KYC, GDPR, RBI, SEBI, FATF, and other regulatory mandates with zero tolerance for violations.

## END-TO-END GRC WORKFLOW

01

### Strategic Objective Setting GOVERNANCE

Board of Directors and Senior Management define the bank's risk appetite, strategic goals, and GRC framework boundaries aligned with regulatory expectations.

Risk Appetite Statement

Board Charter

Audit Committee Formation

Policy Framework

02

### Risk Identification & Inventory RISK

Comprehensive identification of all risk categories across business lines — credit, market, operational, liquidity, cyber, reputational, and climate risks.

Risk Register

Process Mapping

Threat Intelligence

Business Impact Analysis

Scenario Planning

03

## Risk Assessment & Quantification RISK · ANALYTICS

Scoring identified risks by likelihood and impact. Quantitative modeling (VaR, stress testing) and qualitative analysis applied to prioritize risk response.

Risk Heat Maps

VaR Modeling

Stress Testing

RCSA

Credit Scoring

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## Policy & Control Design GOVERNANCE · COMPLIANCE

Develop and implement internal controls, policies, and procedures to mitigate identified risks within the approved risk appetite and regulatory requirements.

Internal Controls

SOPs

Maker-Checker Rules

Segregation of Duties

Data Governance

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## Regulatory Compliance Mapping COMPLIANCE

Map controls to applicable regulations. Track regulatory changes (Basel III/IV, AML, GDPR, DPDP Act, RBI circulars) and ensure timely implementation.

Basel III/IV

AML / KYC

GDPR / DPDP

FATF

RBI Guidelines

SEBI Regulations

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## Monitoring & Continuous Control Testing RISK · COMPLIANCE

Real-time monitoring of KRIs, transaction surveillance, and periodic control testing to detect anomalies, breaches, and emerging risks before they escalate.

KRI Dashboards

Transaction Monitoring

Fraud Detection

Compliance Alerts

Penetration Testing

07

## Incident & Issue Management RISK · OPERATIONS

Detect, escalate, investigate, and remediate GRC incidents. Log findings in a centralized incident management system with root cause analysis and closure tracking.

Incident Logging

Escalation Matrix

Root Cause Analysis

Remediation Plans

Breach Notification

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## Audit & Assurance

GOVERNANCE · ASSURANCE

Independent internal and external audits validate control effectiveness, ensure regulatory adherence, and provide assurance to the Board and regulators.

Internal Audit

External Audit

Regulatory Inspections

Control Effectiveness

SOX / ICFR

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## Reporting & Disclosure

GOVERNANCE · COMPLIANCE

Generate comprehensive GRC reports for Board, regulators, investors, and stakeholders. Ensure timely regulatory filings and disclosures in prescribed formats.

Board MIS

Regulatory Filings

Capital Adequacy Reports

ESG Disclosures

ICAAP

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## Continuous Improvement & Review

GOVERNANCE · CYCLE CLOSE

GRC framework reviewed annually or upon trigger events. Lessons learned integrated, policies updated, and the cycle restarts with refreshed risk appetite and enhanced controls.

Framework Review

Lessons Learned

Policy Updates

Training Programs

Culture Assessment

### KEY STAKEHOLDERS



#### Board of Directors

Oversight &amp; Approval



#### CEO / C-Suite

Strategic Direction



#### CRO

Risk Management



#### CCO / Compliance

Regulatory Adherence



#### CISO

Cyber &amp; InfoSec



#### Internal Audit

Assurance



#### Regulators

RBI / SEBI / FATF



#### Finance / CFO

Capital &amp; Reporting

Capital Adequacy Ratio

≥ 12%

Basel III minimum (CRAR) — as prescribed by RBI

Compliance Score

≥ 95%

Regulatory obligations met on time

Audit Findings Closed

≥ 90%

Within agreed timelines

Gross NPA Ratio

< 3%

Target for healthy credit portfolio

Incident Resolution Time

< 48 hrs

Critical GRC incidents resolved

STR Submission

100%

Suspicious Transaction Reports filed on time

REGULATORY COMPLIANCE LANDSCAPE

REGULATION	SCOPE	FREQUENCY	OWNER	STATUS
Basel III / IV	Capital, Liquidity, Leverage	Quarterly	CRO / Finance	● Active
AML / KYC (PMLA)	Anti-Money Laundering	Ongoing	CCO	● Active
GDPR / DPDP Act	Data Privacy	Ongoing	CISO / DPO	● Transition
RBI Master Circulars	Banking Operations	Annual + Triggers	CCO	● Active
SEBI Regulations	Capital Markets	Quarterly	Compliance	● Active
FATF Recommendations	Financial Crime	Biennial Review	CCO / Risk	● Active
ISO 27001	Information Security	Annual Audit	CISO	● Renewal