

IMPLEMENTATION OF A GOVERNANCE, RISK AND COMPLIANCE (GRC) SOFTWARE

The purpose of this assignment is to assist Development Bank of Nigeria Plc. (DBN) in the procurement and implementation of a Governance, Risk and Compliance (GRC) software. The specific requirements of the proposed solution are detailed below:

General Requirements

- a) Bidding companies must have a partnership with a Nigerian company through which payments will be made or should be incorporated in Nigeria.
- b) Integration of the audit and risk management components of the application is required.
- c) Number of Risk licenses – 6 users.
- d) Number of Audit licenses – 4 users.
- e) Number of users on both applications – minimum 60 users.
- f) A Software as a Service solution is preferable.
- g) Preferred bidders may be invited for a Demo and where necessary a Proof of Concept (POC) of the solution based on the requirements below as part of the Negotiation process.

Risk Management and Compliance Requirements

- a) Ability to Conduct Risk and Control Self-Assessment for all activities/processes in the Bank.
- b) Ability to determine residual risks and monitor corrective action plans.
- c) Ability to develop Key Risk Indicators for all activities in the Bank
- d) Ability to record and update the Risk Register and prepare the Risk Heat Map by department and Bank.
- e) Ability to record, store and analyze loss database.
- f) Ability to use the aforementioned database to compute capital charge for operational risk.
- g) Ability to provide Risk Dashboard for Management
- h) Ability to track/notify policies due for reviews
- i) Ability to Compute Capital Charge for Operational risk, Market risk, Credit risk and Pillar II risk exposures, and should be flexible for adoption of Basle III Capital charge.
- j) Ability to compute Economic Capital required for all risk exposures
- k) Ability to Compute risk adjusted return on capital for performance monitoring
- l) Ability to Compute Liquidity and Repricing Gap analysis
- m) Ability to Compute Behavioral analysis
- n) Ability to Stress Test – Balance sheet and the different Portfolios using different shocks developed by the Bank.
- o) Ability to carry out analysis of the Credit Portfolio and generate Facility Rating based on defined parameters.
- p) Valuation of collaterals and investments portfolio
- q) Risk Limits monitoring
- r) Risk analytics/modelling for major risks

- s) Computation of Net Open Position for foreign currency positions
- t) Aggregating risk exposures
- u) Checklist/requirements for Standards like ISO, BASEL, CBN, Best practices on risk management.
- v) Implement Basel and other best risk management practice requirements for Development Finance Institutions (DFIs)

Audit Management Solution Requirements

1. Audit Planning

- a) Ability to create an Audit Universe and develop an annual operational plan based on risk assessments or other criteria
- b) Ability to schedule annual audit programs
- c) Ability to report on deviations from audit plan and schedules
- d) Create a draft plan of the yearly audit schedule
- e) Ability to customize audit checklists

2. Electronic Workpapers

- a) Ability to record the following information associated with each audit project:
 - System / Process description
 - Objectives
 - Risks & mitigating controls
 - Tests to examine effectiveness of controls
 - Substantive tests
 - Evidence obtained in performing the tests
 - Results from tests
 - Recommendations
 - Management responses and agreed action plans for issues reported
 - Review notes and to-dos
 - Audit sign-off
- b) Ability to assign specific audit step to individual auditor
- c) Two-way cross referencing between documents, and support point to-point hyperlinks for Word, Excel, PowerPoint and PDF files.
- d) Ability to print completed workpapers, review notes, audit programs, and other electronic documentation created within the system.
- e) Provide flexibility to add/delete/modify audit steps in standard audit programs.
- f) Allow for search capabilities within audit findings, projects, and the document library.
- g) Ability to create audit risk ratings and assign them to findings.
- h) Ability to write review notes with links to targeted work papers.
- i) Must be able to attach scanned documents and annotate documents (Word, Excel, PowerPoint, and PDF)

3. Audit Reporting

- a) Provide standard reports for common inquiries such as:
 - Audit planning
 - Project tracking/status reports

- Outstanding issues
- Audit issues reports
- Audit reports
- b) Ability to easily customize the standard audit report and other ad-hoc reports
- c) Allow for custom reports to be saved in Word, Excel, or PDF formats
- d) Allow for distribution of reports via email.

4. Audit Response & Tracking

- a) Provision of on-line portal or reporting option that allows management responses to be automatically populated in the system
- b) Allow for customer surveys to be generated and feedback recorded
- c) Ability to track and report on issues in a variety of ways including audit project or departmental area.

5. Document Library

- a) Provide indexed and searchable repository for:
 - Standard audit programs
 - Policies and procedures
 - Test, controls and associated risks
 - Common findings
- b) Include standard audit programs from COBIT, COSO, IIA, and AuditNet/KnowledgeLeader or allow them to be imported.