



2nd International Conference on Multidisciplinary Academic Research
(ICMAR-2019), Bali, Indonesia
ISBN: 978-0-6482404-5-7
Asia Pacific Institute of Advanced Research (APIAR)
www.apiar.org.au

A CONCEPTUAL MODEL OF INTEGRATED GOVERNANCE, RISK AND COMPLIANCE (GRC) FOR BANKING INDUSTRY IN INDONESIA

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Abstract

The environmental business Banking industry in Indonesia has been facing a very fast changing, complexity, uncertainty, and ambiguity. Its conditions are marked by increased business competition, emergence of fintech start-up companies, digitalization of banking operations, vigorous regulatory enforcements, and increased expectations for good corporate governance. Faced with these conditions, banking corporation need to makeefforts to transform the functions of corporate governance, risk management, and compliance in an integrated framework. Currently, corporate governance, risk, and compliance management (GRC) are carried out separately (silo). It is an arisingproblemssuch as inconsistency in methodology, duplication of activities, and non-uniform perspective on risk and compliance. In recent years, integrated GRC has been a serious discussion of Indonesia's banking industry players and regulators. Conceptually, integrated GRC implementation will be reliable achievement of company vision and strategic objectives, while addressing uncertainty and acting with integrity. This paper will explain a conceptual of Integrated GRC and then examine a relevant modelfor Indonesia's Banking corporation that fit in the principle of governance, risk management and compliance system established by banking authority.

Keywords: Banking Industry, Risk Management, GRC Implementation.
