A source of some confusion and misunderstanding related to GRC has been the lack of a basic conceptual model or framework. To address this problem, the Strategic Risk Management Lab at DePaul University developed the Strategic Governance, Risk, and Compliance Framework. The framework has three basic components:

- A *strategically focused top*, which ties into ultimate shareholder value.
- A *middle section that represents the individual GRC functions*.
- A *bottom that comprises common, integrated processes*.

The top, strategic section, and in particular the board-level risk policy segment, represents a key element of the framework. It requires a common view of organizational value creation and protection and provides a set of shared, high-level risk policies to ensure consistency of purpose and thinking across GRC functions. This top-down approach also drives greater communication among GRC functions and more consistent reporting. Bottom-up approaches, by contrast, can easily fail as they increase the likelihood that siloed units may continue to pursue their own goals and objectives in the absence of a policy from the top. Without this strategic umbrella in place, achieving GRC benefits can be very difficult.

The middle portion of the framework recognizes that individual functions have unique roles that must be maintained for the integrity of organizational governance. This component is especially relevant for internal auditing. Without a clear acknowledgment of each function’s value, organizations simply looking to cut costs may be tempted to distort internal auditing’s role or merge it with other GRC functions.

The framework’s bottom section identifies core processes that can be leveraged across GRC functions. It also emphasizes that, once the strategic framework is in place and understood, the organization should consider whether future investments in knowledge capabilities and technology can be made on a collaborative basis.

The GRC framework can be a useful tool for internal auditors seeking both to foster understanding and facilitate implementation of GRC initiatives. Auditors and their clients should keep in mind, however, that while the framework helps organizations think and act with high-level consistency, it is not meant to serve as an organizational chart around which to restructure.