



AUD107

Enterprise Risk Management Best Practices - 8 hours

Objectives

The objective of this course is to demystify enterprise risk management (ERM) and the risk management process in order to eliminate implementation apprehension. The goal is to simplify the explanation of related concepts and provide guidance that demonstrates a practical, cost-effective process that can be utilized by any organization.

The material addresses the development of programs in two major areas: ERM and ongoing compliance. This course provides explanations and the basis for a solid understanding of critical components of an effective ERM program that will assist with strategy execution and achievement of overall entity objectives.

Course Outline

Chapter 1: Enterprise Risk Management Overview.

After completing Chapter 1, you should comprehend the following:

- ERM Introduction.
- Guidance: History and Relationship.
- Organization View.
- ERM Today.
- Increased Pressure to Manage Risk.
- Additional Evidence.
- Perceived Barriers to Risk Management.
- Building the Business Case for ERM: Value and Benefits.

- Keys to Success.

Chapter 2: Corporate Governance and Roles and Responsibilities.

After completing Chapter 2, you should comprehend the following:

- Board Behavior.
- Corporate Culture.
- Roles and Responsibilities.

Chapter 3: ERM Defined.

After completing Chapter 3, you should comprehend the following:

- Definitions and Concepts
- Risk Categories.
- The Internal Environment.

Chapter 4: The ERM Process: Step by Step.

After completing Chapter 4, you should comprehend the following:

- Step 1: Strategy and Objective Definition.
- Step 2: Event Identification.
- Step 3: Risk Assessment.
- Step 4: Risk Response.
- Step 5: Communication.
- Step 6: Monitoring.
- Oversight.

Chapter 5: COSO Framework and Financial Controls.

After completing Chapter 5, you should comprehend the following:

- Focus on Financial Controls.
- Control Environment.
- Integrity and Ethical Values.
- Board of Directors.
- Management's Philosophy and Operating Style.
- Organizational Structure.
- Financial Reporting Competencies.
- Authority and Responsibility.
- Human Resources.

Appendix 5A: Whistleblower Program.

- Reports Regarding Accounting Matters.
- Investigation of Suspected Violations.
- Discipline for Violations.

Appendix 5B: Excerpt from a Code of Ethics Policy.

- Our Guiding Principles and Values.
- Conflicts of Interest.
- Confidential Information; Intellectual Property.

Appendix 5C: Approval Policy and Procedures.

- Policy.
- Purpose.
- Scope.
- Approvals/Documentation.

Chapter 6: Financial Controls and Risk Assessment.

After completing Chapter 6, you should comprehend the following:

- Risk Assessment.
- Financial Reporting Objectives.
- Financial Reporting Risks.
- Fraud Risk.
- Entity-Level Controls.
- Example: Risk Assessment and Financial Controls.
- Evaluating Deficiencies.

Appendix 6A: Entity Level Control Assessment.

- Control Assessment Overview.
- Control Environment.
- Overall Evaluation of Control Environment.
- Risk Assessment.
- Overall Evaluation of Risk Assessment.
- Control Activities.
- Overall Evaluation of Control Activities.
- Information and Communication.
- Overall Evaluation of Information and Communication.
- Monitoring.
- Overall Evaluation of Monitoring.
- Summary Assessment.
- Overall Assessment of Internal Controls.

Appendix 6B: Accounts Payable: Preliminary Controls Assessment Questionnaire.

- Purchasing Controls Questionnaire.
- Internal Control Assessment.

Appendix 6C: Fraud Risk Factors: AU Section 316.

- Risk Factors Relating to Misstatements Arising from Fraudulent Financial Reporting.

Chapter 7: Ongoing Compliance Overview.

After completing Chapter 7, you should comprehend the following:

- Origin of Sarbanes-Oxley Act.
- Generating Value from Compliance.
- Moving beyond Initial Compliance.
- Reevaluating the Compliance Program.

Chapter 8: Ongoing Compliance Challenges.

After completing Chapter 8, you should comprehend the following:

- Future State Opportunity: Compliance Optimization.
- Issues to Consider When Optimizing Compliance.
- Ongoing Compliance Plan.
- Role of Internal Audit: Balancing the Compliance and Audit Functions.
- The Evolving Role of the Audit Committee.

Chapter 9: Addressing Compliance and Risk Management Challenges through Automation.

After completing Chapter 9, you should comprehend the following:

- Software Can Add Value beyond Compliance.
- Monitoring Software.
- Utilization of Continuous Monitoring: Control Testing and Control Automation.
- Benefits of Continuous Monitoring.
- Continuous Monitoring Tool Considerations.
- Continuous Monitoring Process.
- Risk Management Software.
- Unifying Financial Statements, Close Tasks, and SOX Controls.
- Determining the Right Solution.

Chapter 10: Ongoing Compliance and IFRS

After completing Chapter 10, you should comprehend the following:

- International Financial Reporting Standards.
- Communicating the Impact.
- Preparing for International Financial Reporting Standards.
- Comprehensive IFRS Transition Approach.
- Key Elements of an Effective IFRS Implementation.