Governance, Risk and Compliance (GRC)
2 days
On-line

Who should attend?

- Senior management responsible for GRC
- Functional managers who need a greater understanding of Corporate Governance
- Internal Audit Managers and senior auditors
- Compliance professionals
- Risk managers
- Quality audit professionals

After completing this course you will be able to

- Understand the requirements and benefits of GRC
- Develop and review the Corporate Governance process
- Manage risk at an enterprise level
- Implement effective techniques for the Identification, measurement assessment and management of risks
- Analyse and assess the effectiveness of controls in the business environment and ensure effective compliance
- Build an environment that supports business controls
- Ensure an effective framework is in place to assess the adequacy of internal controls

Course Level

- This is an intermediate/senior level course and delegates should have a broad business knowledge
- There are no minimum educational requirements
- No advance preparation is required
- Delivery method – Group-live (with exercises and role-plays to simulate scenarios and situations that business managers, risk professionals and others will encounter)

Course Outline

Day 1 - The Importance of Governance

Corporate Governance

- The increasing importance of Corporate Governance
- Corporate Governance explanation
- 6 core principles of governance
- 7 governance warning signs
- New corporate governance insights paper will be shared
- Meeting Stakeholder requirements
- Record of accountability
- Protecting the financial position
- Alliances, partnerships and contracts
- Fulfillment of promises
- Top down management of reputation
- Media management
- Business continuity
- Community and other stakeholder requirements
- Environmentally responsible sources / treatments
- Communication – internally and externally

Exercise 1 Corporate Governance evaluation

The role of Senior Management in relation to Governance

- Senior Management's role is to oversee the management and governance of the business
- Review and approve significant corporate actions
- Review and monitor implementation of management's strategic plans
- Monitor corporate performance and evaluate results compared to the strategic plans and other long-range goals
- Review and approve the Company's annual operating plans and budgets
- Review the financial controls and reporting systems
- Oversee the management of enterprise risk
- Review the ethical standards and legal compliance process
- Monitor relations with shareholders, employees, and the communities in which the business operates.
- A guidance paper on Board assessment of organizational governance will be provided

Exercise 2 - The challenges of Corporate Governance for senior management

Meeting Stakeholder expectations

- **Who are the stakeholders?**
- **Are stakeholders' expectations known?**
- **Are the expectations clear?**
- **How can you meet the widely differing expectations?**
- **Are there any areas where expectations could be exceeded?**
- **Are there any quick wins?**
- **What reports should be provided to stakeholders?**
- **A new paper on working with stakeholders will be shared**
- **What every Director should know– new guidance**

> **Exercise 3 Meeting the ever expanding needs of stakeholders**

Reputation management

- **The rise of reputation as a key risk**
- **The increasing importance of a positive image – the need to be admired**
- **Where does reputation come from?**
- **How do you measure it?**
- **The magnifying effect on reputation of business failures**
- **Global brands**
- **How to judge reputation**
- **The explosion of regulation and external assurance**
- **Identifying reputational risks**
- **Identifying Reputational Risks**
- **A checklist for reviewing reputational risk will be provided**

> **Exercise 4 Assessing reputational management**

The Audit Committee and Governance

- **The Audit Committee role**
- **The governance custodians**
- **Structure and independence**
- **Considering the reports of external audit and other external agencies?**
- **Reviewing the effectiveness of relationships between IA and EA and other bodies reviewed**
- **Assessing the effectiveness of the risk management environment and anti-fraud arrangements**
- **The Audit Committee / Internal Audit relationship**
- **Reviewing Governance statements and the annual statement of accounts to ensure both properly reflect the risk**
- **An Audit Committee checklist will be shared**

> **Exercise 5 The Audit Committee challenges**

Day 2	Enterprise risk management (ERM) and Compliance

The link between ERM and strategic objectives

- The need to understand the organisation's strategic objectives
- Developing a programme to reflect these objectives
- Risk appetite – the least understood aspect of risk?
- External risk statements – principal risk factors
- Examples of risk appetite statements will be provided
- Categories of risk
- Establishing a risk management framework
- The results of a Global RM study will be shared

Exercise 6 - Analysing a disaster

Establishing an Embedded Risk Management Process

- Risk management framework guide
- Surprises and risk
- Why financial risks are only the tip of the iceberg
- The widening of the risk portfolio
- Risk cultures
- IRM paper on risk culture assessment
- The challenges
- New and emerging risks- reputation, social, environmental
- Updating the risk strategy for your organisation
- Establishing the business case
- Selling the benefits to management
- The need for risk champions
- Risk and competitive advantage

Exercise 7 – Risk Taking In Action

Reviewing the wider risk process

- Reviewing the business objectives
  - Are the objectives comprehensive and SMART?
- Do the risks in the register relate properly to the objectives?
  - Are they specifically linked to the objectives and recorded?
- Are the inherent risks correctly evaluated?
- Are any key risks missing?
- Are the causes of the event identified?
- Have mitigating actions been recorded for each risk?
  - Is such mitigating detailed enough?
- Are there any actions in progress to deal with risk?
  - Are there any management decisions pending?
  - Has a target risk been established?
  - Assess confidence level in the potential for such actions to reduce the risk required

- ▪ **Is the target risk realistic?**

Exercise 8   The risk register

How to get senior management to take compliance seriously

- Promoting the benefits of effective internal control
- The directions of the board and senior management are implemented as intended;
- Operations and activities are carried out efficiently and meet their objectives
- The assets used in an organization are not only properly accounted for, but also that they are used effectively and efficiently
- Good internal control will also protect an organization and its staff against the temptations of dishonesty, fraud, and theft.
- The opportunity cost of poor internal control

Exercise 9 – Convincing management

Compliance with policies and procedures

- Developing and Documenting Policies and Procedures
- Requiring policies and procedures to be regularly updated
- Deploying Control Activities through Business Unit or Functional Leaders
- Conducting regular and Ad Hoc Assessments of Control Activities
- Inventory of Information Requirements
- Validating Information from External Sources
- Information from Non-Finance Management
- Creating and Maintaining Information Repositories
- Enhancing Information Quality Though a Data Governance Program
- Identifying, Protecting, and Retaining Financial Data and Information
- Adopts ISO 27000

Exercise 10 – Assessing information management

Ongoing evaluations to ascertain whether the components of internal control are present and functioning

- Develop a baseline for effective internal control processes
- Case study will be provided
- Have a mix of evaluations from different sources
- Use the most knowledgeable personnel
- Adjust scope and frequency
- Change the monitoring processes as the business activities and risk profile changes
- Develop metrics
- Consider a continuous monitoring/ audit approach
- The psychological problem with highlighting deficiencies
- The need to focus on benefits rather than problems

- **The need to drive action**
- **Creating rapport with your customers – tips and techniques**
- **The need to understand the people receiving the information**

Exercise 11: Dealing with the monitoring feedback