

Assessing Business Risks

For Internal Auditing, ERM, and Management

Course Overview

See outline which follows for course flow

MAJOR TOPICS

- Risk Terminology
- Roles of IA, ERM, management
- Risk-based Auditing
- Macro-level Risk Assessment
- Micro-level Risk Assessment
- Entity-level Internal Controls – The COSO Map
- Identifying Risks Efficiently and Effectively
- The Risk Matrix and Risk Mapping
- Risk Assessment Errors

This course provides several approaches for performing risk-based auditing and Enterprise Risk Management workshops. Discussion includes both macro-level risk assessment (identifying audits to perform in an organization) and micro-level risk assessment (performing a risk-based audit and conducting ERM workshops). Micro-level risk assessment is the focus, using a residual risk matrix approach. The course also provides an understanding of the many different ways “risks” are considered in auditing, in internal controls, and in risk management. A COSO Map is used to identify Entity-level controls, an often-bypassed pre-requisite for risk assessment.

Major components of this course are based on:

- The COSO internal control, ERM, small company, and monitoring guidelines.
- “Risk Assessment is not a Math Game”, published in February 2009 issue of *New Perspective* magazine.
- “The Matrix Revisited”, published in April 2009 *Internal Auditor* magazine.

The course can be one to two days, depending on the selection of exercises and case studies.

OBJECTIVES

- Improve ability to focus internal audit plans, ERM efforts and individual projects and on the most important business areas and risks
- Understand that risk identification is only part of internal controls and risk management
- Increase skills in using risk assessment and control activities worksheets (Risk Matrix)
- Sharpen control identification and evaluation skills
- Learn ways to engage business management in risk assessment

“Larry’s Residual Risk Matrix approach makes perfect sense and answers all types of questions.”

COURSE FLOW

Introduction

- Risk is a Confusing Term
- Risk-Based Auditing
- Risk Management
- Risk Assessment as part of Internal Control/ERM
- Fraud Risks

“Finally all the talk about risk assessment makes some sense!”

Enterprise (Macro) Level Risk Assessment

- Applicable Internal Audit *Standards*
- Identifying Auditable Activities
- Risk Factors & Judgment
- Sample AAP
- Keys to Annual Audit Planning

“Our Risk Matrix was so confusing – but now it is clear.”

Engagement (Micro) Level Risk Assessment

- Applicable Internal Audit *Standards*
- Developing Testing Programs

Control and Risk Fundamentals

- Control and Risk Frameworks
- The COSO Map
- Risk Matrix Alternatives
- Risk Mapping
- Risk Assessment Errors

Course Leader:

Larry Hubbard is a professional trainer and consultant with a broad background in accounting, auditing, and finance. Prior to founding Larry Hubbard & Associates, Larry's work experience included Mobil Corporation and Ernst & Young.



WHAT'S SPECIAL ABOUT LARRY HUBBARD'S COURSES?

- He's done what he teaches
- His experience, from leading hundreds of different subjects, lets him “fit things together” in very clear ways
- He is solid on theory, but also knows the practical aspects of risks and controls
- He will listen to what you say, then will tell you how to improve your procedures

Administration:

No advance preparation or prerequisites are necessary for this course. The program level is basic. The delivery method is Group-Live and 7 to 15 CPE hours in the Auditing field of study are available.

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