



Audit Committee Awareness 1 day

The modern role of the Audit Committee is to provide oversight to stakeholders and comfort to the Board that Governance requirements are being delivered

As all organisations and the world they operate in become more complex, it follows that greater assurance is required by regulators and other stakeholders

The Audit committee has a crucial role to represent the stakeholders and support the Board in driving an effective Governance culture for the business

This awareness session for Audit Committee members is designed to provide a road map of actions and challenges which should be undertaken.

Course Director **Phil Griffiths**

Phil delivers training and awareness sessions in the fields of Risk Management, Internal Audit and Governance for Boards, senior managers and assurance professionals

He has been spreading the message of successful Internal Audit, risk management and assurance for more than 30 years and has worked all over the world with some of the most prestigious organisations in both the public and private sectors.

He has extensive experience of the GCC market having worked with over 600 organisations in the region during the past 18 years

Course Outline

The Audit Committee Role

The Audit Committee/ Internal Audit relationship

- The need for the Committee to approve (but not direct) internal audit strategy, plan and performance
- How the Audit Committee should assess IA performance
- The annual Internal Audit report for the Audit Committee – best practice ideas
- The need for at least one Audit Committee meeting per year exclusively for Internal Audit
- The need for one –to –one meetings between the Chairman of the Audit Committee and the Chief Audit Executive
- Ensuring effective relationships between IA and External Audit and other external bodies
- Assessing the effectiveness of the risk management environment and anti fraud arrangements assessed – what information should be provided to the Committee
- Ensuring that Corporate Governance statements and the annual statement of accounts properly reflect the risk
- 2 new Audit Committee evaluation checklists will be provided

Round Table Discussion 1 – Assessing the Audit Committee / Internal Audit relationship

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 you provide to stakeholders?
- A new paper on working with stakeholders will be shared

Round Table Discussion 2 – Meeting the ever expanding needs of stakeholders

Corporate Governance and the AC Role

- The core principles of Governance
- The Governance challenges for the Gulf region – Hawkamah research
- Developments in Corporate Governance – new paper
- Coordination between the assurance providers (risk management, health and safety, QA etc)
- A guidance paper on assessing organization governance will be provided
- New corporate governance insights paper will be shared
- Assessing the effectiveness of Fraud prevention initiatives
 - Do the goals and values of the business, as well as its principal policies on conduct, sufficiently address the main areas of reputational risk?
 - Are corporate values shared?
 - How is sufficient coverage of different business issues achieved within the policy statements and codes of practice, and is reputational risk addressed appropriately in each case?
 - Is there an appropriate contingency plan ready to be used to manage a crisis?
 - A governance toolkit will be provided

Round Table Discussion 3 – The challenges of Corporate Governance

Risk Management

- The need to focus attention towards the most significant risks
- Establishing the position regarding RM in the business
- Reviewing corporate targets and monitoring overall progress
- Keeping the Board apprised of the most significant risks
- Assessment of RM capabilities
- Ensuring actions to treat exposures implemented
- Ensuring all functions evaluate their risks consistently
- Evaluating the results and challenging where necessary
- A Risk management evaluation tool will be provided

Round Table Discussion 4 – What are the challenges in driving better risk awareness?

Risk challenges

- The need to define risk as the need to get things right – not what can go wrong
- ‘Ring fence’ risk exposure - never allow one part of the business to impact the whole organisation
- Define your corporate risk appetite carefully

- **Determine and communicate your attitude to risk and your required risk culture to stakeholders**
- **Recognise that reputation is both your biggest asset and the biggest risk you face – and one you cannot insure**
- **Do not wait until you are required to provide evidence of effective risk management by regulators or legislation – this will usually be too late**
- **Identify as many risks on the horizon as you can before they can impact you**
- **Invite all your key stakeholders to a risk workshop**
- **Twice a year ask all executives to identify 3 opportunities and ensure a high level workshop is held to discuss and prioritise them**
- **Develop a corporate opportunity register**
- **Ask about the major surprises and near misses that you have had in the last 12 months (and how they will be reduced going forward)**
- **Prepare media statements in advance to cover all possible crises**

Round Table Discussion 5 – How can the AC help to manage the key risks more effectively?