

# Controls Assurance and Understanding Controls

## WORKSHOP

*An organisation's internal control system is the main defence mechanism to control and manage risk. Reliance is placed heavily on critical and key controls yet little work is often performed in order to provide assurance that these controls are working effectively in protecting against key risks.*

*Controls are usually operated as part of day to day processes, and over time, sight of the real effectiveness of controls is lost. Controls will often be performed because "I was told to" rather than understanding "Why?" As a result, controls may become obsolete, irrelevant and ineffective over time.*

*This course is aimed at challenging your control framework and equipping you with the skills to provide assurance as to the ongoing effectiveness of controls. The course will focus on controls assurance as a function, that forms a critical part of an overall Enterprise Risk Management framework.*

## Course Highlights

### IN-DEPTH LEARNING

- An in-depth understanding of controls and risk and how the two relate
- An ability to map controls to risk, using the Bow Tie technique
- Knowledge of the factors that need to be considered when assessing the design and operating effectiveness of controls
- A detailed understanding of the way controls modify risk, intended or otherwise
- An appreciation of the cost of controls and how to assess it
- The ability to design and carry out a controls assurance program across your key controls
- How to integrate controls and controls assurance into the overall risk management framework

### PRACTICE

- Case studies and exercises are used throughout the course to reinforce concepts covered
- Example assurance testing programs will be developed during the workshop

## Meet Your Presenter - David Tattam



David Tattam is the Director of Research and Training at The Protecht Group and author of "A Short Guide to Operational Risk". He is recognised internationally as a specialist in all facets of risk management and in particular, enterprise risk management. Prior to founding Protecht in 1999, he held roles as the Head of Operations and Risk Management at two international banks, WestLB and The Industrial Bank of Japan.

His career also spanned 7 years with PwC. David is currently active in consulting to and training in a wide range of industries in relation to setting up risk management functions and implementing enterprise risk systems.

He has trained more than 25,000 people worldwide and he is now excited to be bringing Protecht's training to the UK.

# Course Outline

## 1. UNDERSTANDING OPERATIONAL RISK

- Objectives and Critical Processes
- Risks – Using Bow Tie Analysis
- An end to end process view

## 2. UNDERSTANDING CONTROLS

- Risk Treatment methods – the choices
- What is, and what is not a control?
- Critical, Key and Non-Key controls
- Types of control – Preventive, Detective, Reactive
- Adding controls to the bow tie
- Case Study: Building a Bow Tie

## 3. UNDERSTANDING THE EFFECT OF CONTROLS ON RISK

- Effect on Likelihood, Impact and Velocity.
- How each type of control works
- The unintended effect of controls.
- Control clusters and control dependencies

## 4. CONTROLS ASSURANCE

- Mandatory standards - Critical / Key controls
- Understanding control effectiveness: Factors that impact on effectiveness – case study
- Control Objectives, Design and Operating effectiveness

## 5. CONTROL OBJECTIVES

- Articulating control objectives – relating it to the bow tie
- Case study

## 6. DESIGN EFFECTIVENESS

- Characteristics to consider in assessing design effectiveness
- Additional risks created by the design of the control
- Understanding the total cost of controls

## 7. OPERATING EFFECTIVENESS

- Characteristics to consider in assessing operating effectiveness
- Factors that affect the ongoing effectiveness of controls

## 8. ASSESSING OVERALL CONTROL EFFECTIVENESS

- Combining Design and Operating effectiveness
- Assessing the cost / benefit of controls
- What is an “optimal” set of controls

## 9. CONTROL TESTING

- Determining tests for design and operating effectiveness
- Sampling techniques
- Determining and evaluating acceptable results
- Avoiding the pitfalls of testing
- Case study – designing a controls assurance test plan

## 10. REPORTING AND RESPONSE

- Reporting of assurance results
- Identifying issues and actions to remediate

## 11. ROLES, RESPONSIBILITIES AND CULTURE

- Who does what? Line 1, Line 2, Line 3
- Creating the right control cultures



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