

Internal Control (IC) Working Group Meeting

Tashkent, Uzbekistan, 19 October 2023

Jean-Pierre Garitte, Audit Committee Chair, former Chairman IIA Global



Let's refresh Risk Management

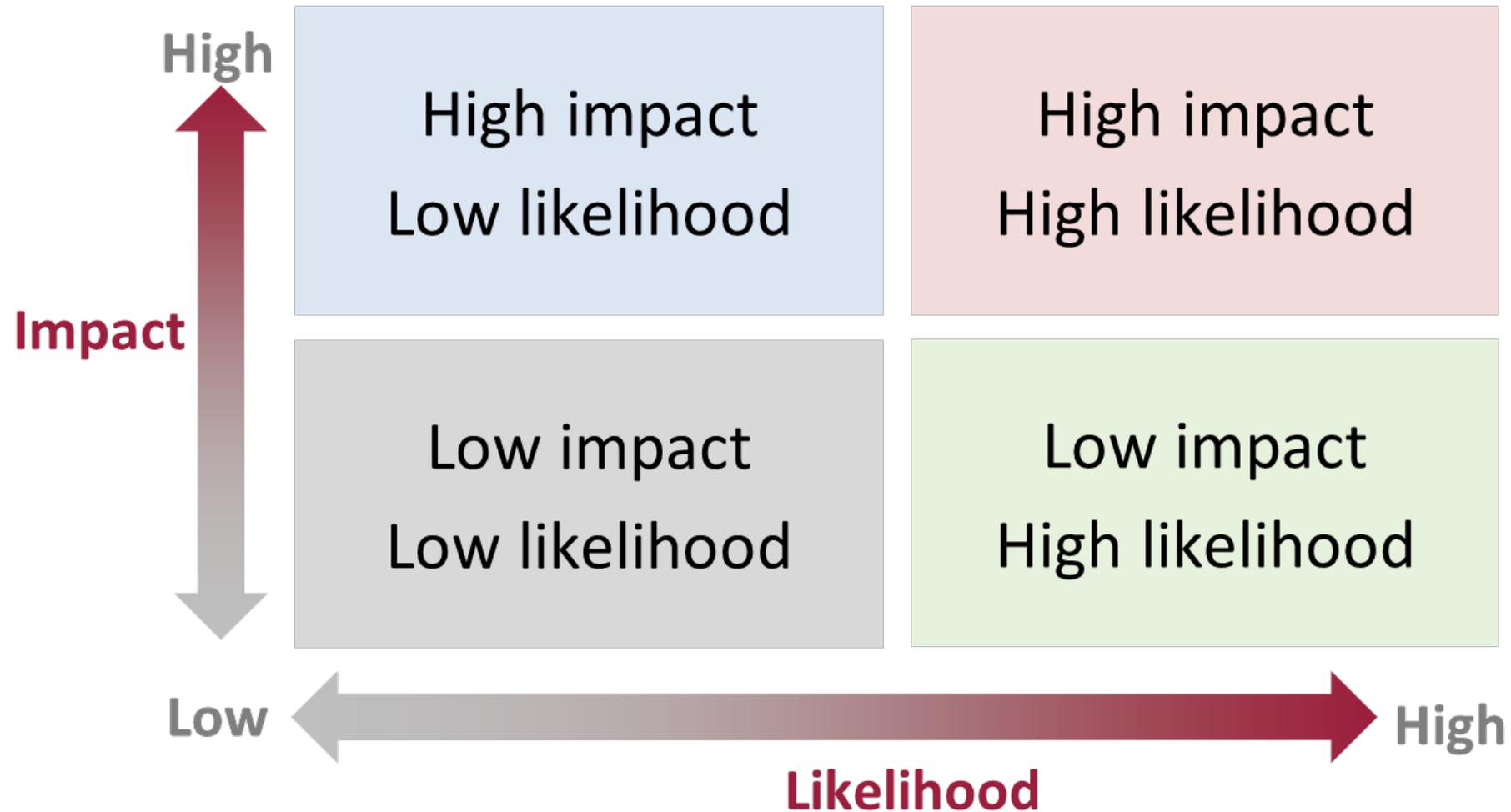
What is Risk Management?

“A process to identify, assess, manage, and control potential events or situations, to provide reasonable assurance regarding the achievement of the organization’s objectives.”

Understanding risk

- ❑ Risk begins with strategy formulation and objective setting.
- ❑ Risk represents a range of possibilities.
- ❑ Risk may be preventing bad things from happening or failing to ensure that good things happen.
- ❑ Risks are inherent in all aspects of life; risks associated with conducting business are considered business risks.

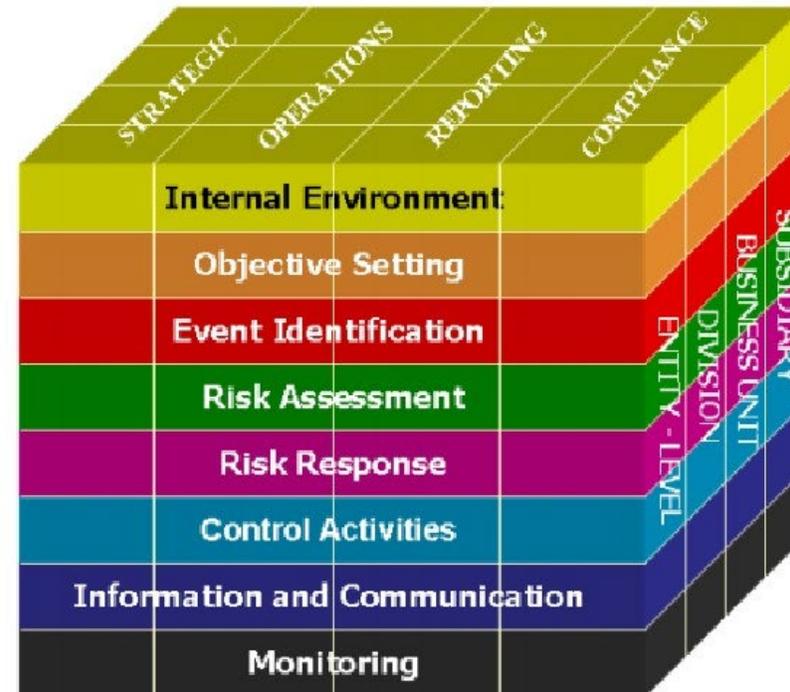
Risk Map for Likelihood and Impact



COSO ERM Framework

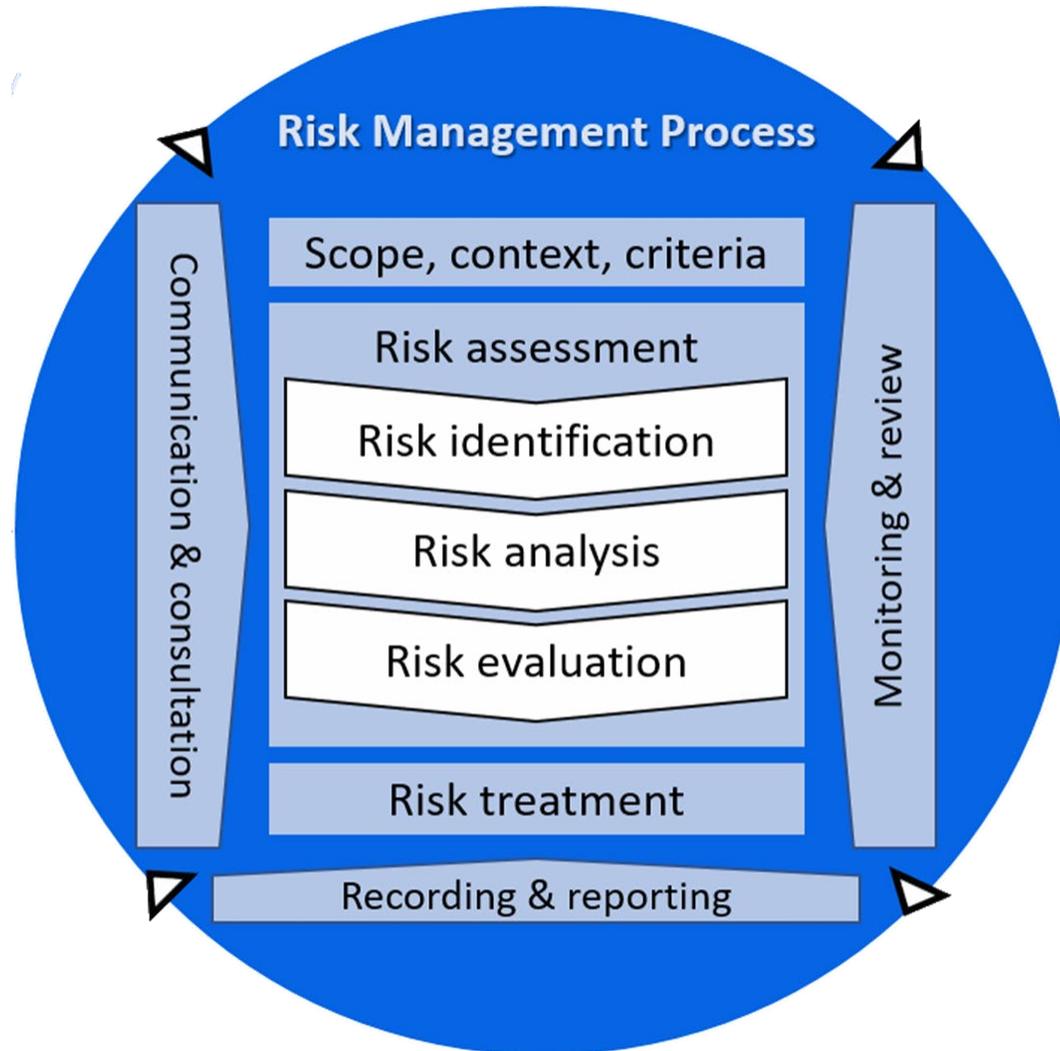
COSO ERM Framework

Internal Environment	•What is the internal philosophy and culture?
Objective Setting	•What are we trying to accomplish?
Event Identification	•What could stop us from accomplishing it?
Risk Assessment	•How bad are these events? •Will they really happen?
Risk Response	•What are our options to stop those things from happening?
Control Activities	•How do we make sure they don't happen?
Information and Communication	•How [and from/with whom] will we obtain information and communicate?
Monitoring	•How will we know that we've achieved what we wanted to accomplish?



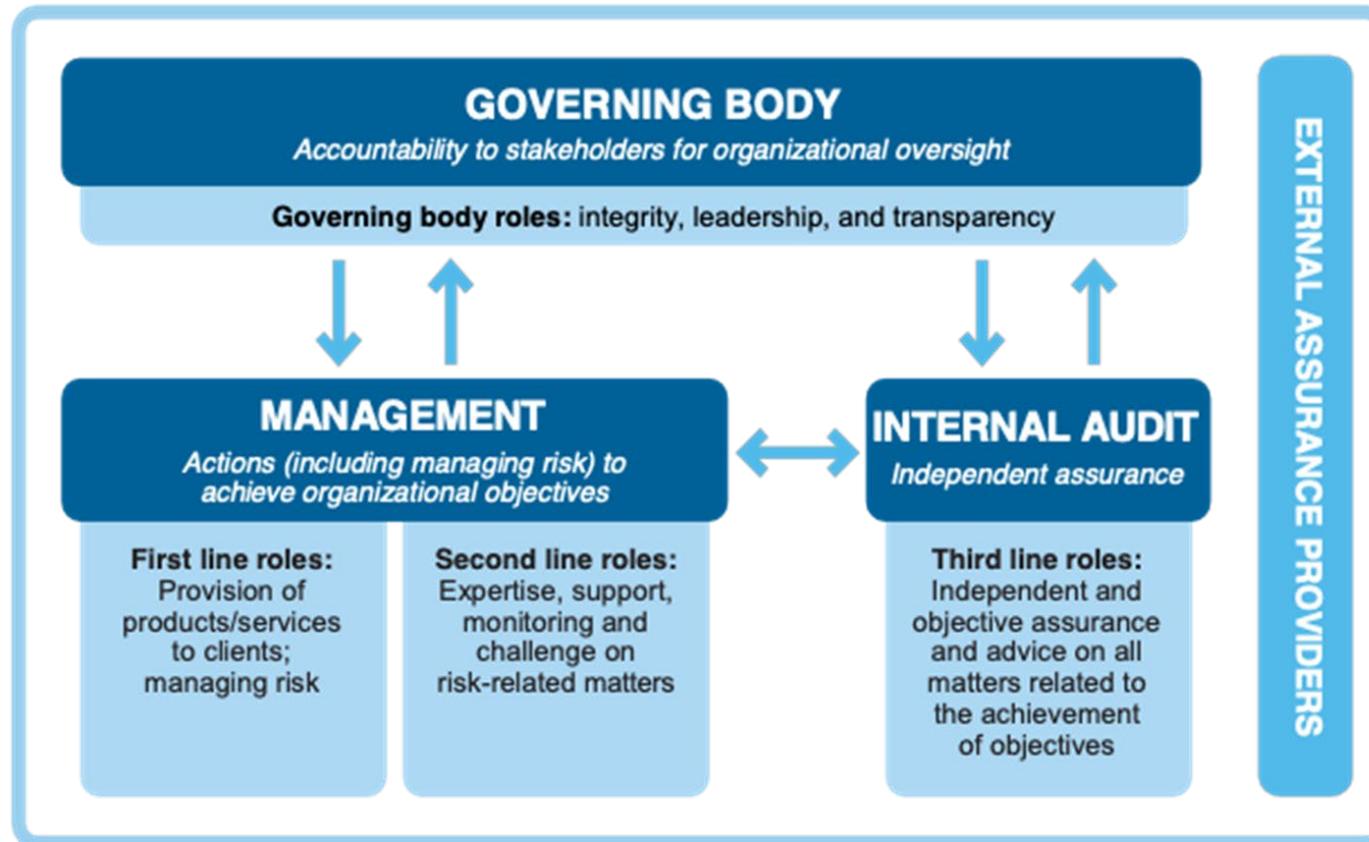
Source: Committee of Sponsoring Organizations of the Treadway Commission www.coso.org.

ISO 31000



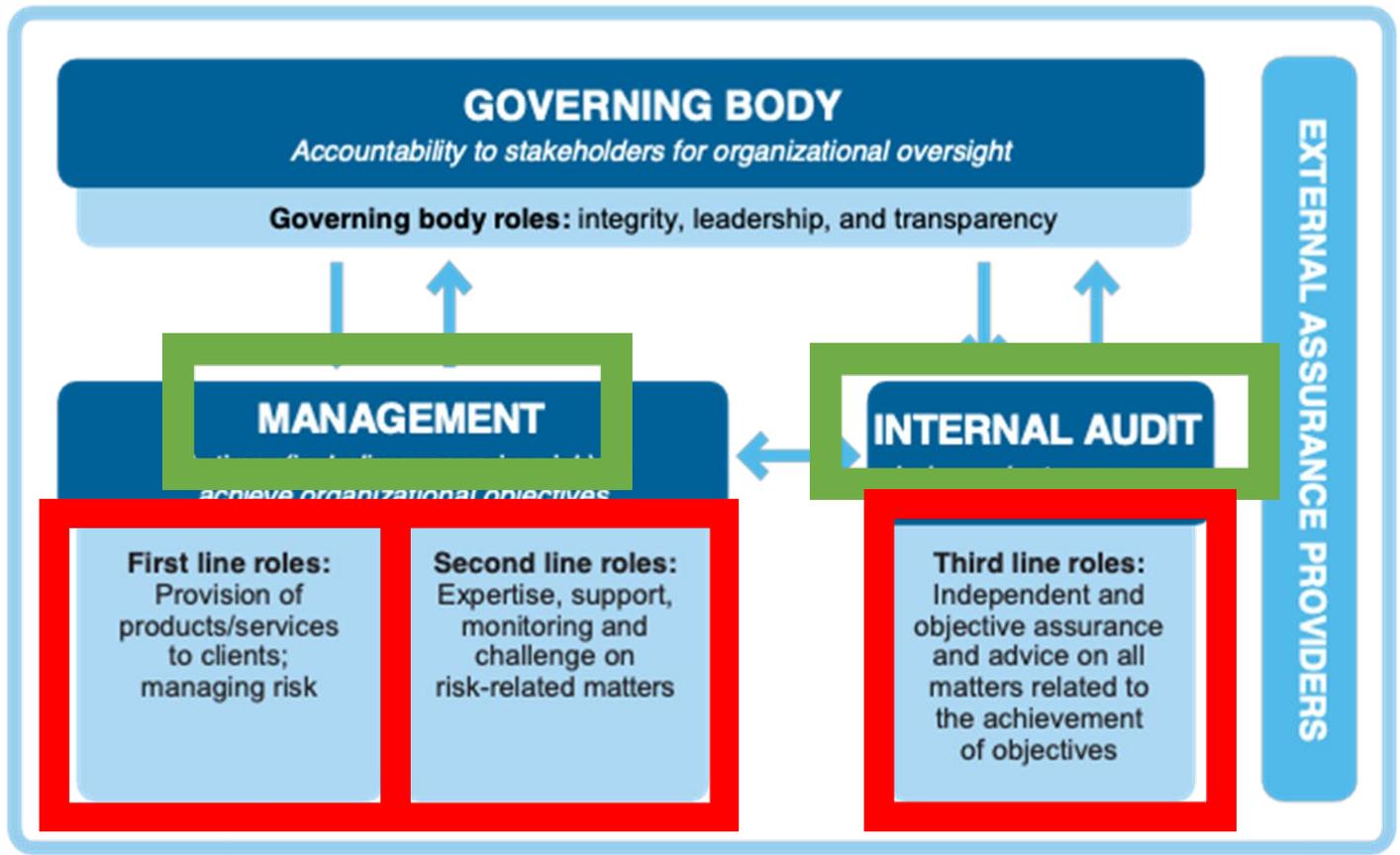
The Three Lines Model

The IIA's Three Lines Model



KEY: ↑ Accountability, reporting ↓ Delegation, direction, resources, oversight ↔ Alignment, communication coordination, collaboration

The IIA's Three Lines Model



KEY: ↑ Accountability, reporting ↓ Delegation, direction, resources, oversight ↔ Alignment, communication coordination, collaboration

THANK YOU!

