

Department of Accounting
NUS Business School
National University of Singapore

ACC3612 Risk Management and Internal Control
Semester 2, 2015/2016

COURSE OUTLINE

Instructors: Mr Paul C G Gwee
Mr Richard Tan

Aim

This intermediate course in accounting provides students with the ability and competency to exercise judgment in evaluating control techniques encountered by accounting professionals in the area of enterprise risk management. This course should provide students with skills & tools to evaluate risk management practices of an organisation, including the reporting of risk & risk management activities in financial reports, and the role that internal controls, control processes and control environment factors (such as integrity, ethical values, management philosophy) play in the management of these risks. Although the main perspective adopted here is that of the Chief Risk Officer and internal auditors working in a large organisation, the viewpoints of other stakeholders, such as external auditors, regulators, the public, the interest groups and investors and consumers will also be considered. At the end of the module, students would have acquired the capacity to understand and apply the Enterprise Risk Management – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Course Overview

The course begins with a discussion of the historical development and importance of auditing, internal control and enterprise risk management, including a brief introduction of the role of the Committee of Sponsoring Organizations and its releases of the influential frameworks on internal control (1992) and enterprise risk management (2004).

The course continues with a more in-depth analysis of the eight components of COSO's ERM framework. Students are also introduced to ISO 31000 – the risk management standard issued in 2009, and the basic components of comprehensive crisis management and business continuity management plans. The course ends with a discussion on the limitations and the future prospect for COSO's ERM.

Texts and Readings

The textbooks used in this module is:

1. COSO Enterprise Risk Management by Robert R. Moeller, 2nd Edition, published by John Wiley & Sons(2011).

In addition, the supplementary/reference texts are:

1. Auditing for Managers: The Ultimate Risk Management Tool by KH Spencer Pickett and Jennifer M Pickett, published by John Wiley & Sons, Ltd (2005)
2. Audit Planning: A Risk-Based Approach by KH Spencer Pickett, published by John Wiley & Sons, Ltd (2006)
3. Implementing Enterprise Risk Management: Case Studies and Best Practices, John Fraser, Betty Simkins, Kristina Narvaez, Wiley Publishing, October 2014

Additional readings will be assigned by the instructor from time to time. Students are also encouraged to develop library and internet research skills to search for relevant articles related to the various topics.

Assessment

Class participation	10%
Pop Quiz	..15%
Group project + presentation	15%
Mid Term	30%
Final Exam	<u>30%</u>
Total	100%

Course Outline

1. The importance of internal control and enterprise risk management
2. Internal control and an overview of COSO's internal control framework
3. Risk management fundamentals: risk management standards, risk mapping & event identification
4. Establishing the context, setting objectives, risk appetite and risk tolerances
5. Data analysis for risk management
6. Quantitative techniques: flowcharts, event tree analysis, fault tree analysis
7. Risk responses I: risk control techniques
8. Risk responses II: risk financing techniques
9. Project Presentations
10. Crisis management and business continuity management
11. Control activities, information & communication, and monitoring
12. Ethics & the internal environment: establishing an effective risk culture
13. Limitations of ERM, future prospect for COSO ERM & course review

A detailed reading list for each topic and homework questions will be provided separately. The assignment questions and the group project will be provided in separate hand-outs.