COURSE OUTLINE

Instructor: Dr Er Jwee Ping

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. Important topics such as fraud risk and reputation risk management are covered in detail. Students are also introduced to the basic components of comprehensive crisis management and business continuity management plans. The course ends with a discussion on a examination of the limitations and the future prospect for COSO’s ERM.
Texts and Readings
The textbooks used in this module is:

In addition, the supplementary/reference texts are:

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
Midterm 20%
Class participation 10%
Assignments/homework 10%
Group project + presentation 20%
Final Exam 60%
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 Tolerance
5. Data analysis for risk management
6. Quantitative techniques: Flowcharts, Event Tree Analysis, Fault Tree Analysis and PERT/CPM
7. Risk responses I: Risk control techniques
8. Risk responses II: Risk financing techniques
9. Crisis management and business continuity management
10. Control activities, information & communication, and monitoring
11. The internal environment and establishing an effective risk culture
12. Limitations of ERM, future prospect for COSO ERM & course review
13. Project Presentations

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 a separate handout.