



### OBJECTIVE

Over the last few years a lot of accountants have been placed under increasing stress to bring their skills up to speed with IFRS, Mark-To-Market risk based accounting, Risk Based Audit and Enterprise Risk Management. This two day advanced course wraps these topics up into one powerful course that will give CFO's and accountants the leading edge when it comes to building a risk framework which can be used to integrate the needs of accounting, risk and audit.

### KEY AREAS

- Learn how to measure risk
- Include risk estimates in financial reports
- Understand how to audit exposures
- Best practice in control costing and risk based pricing of firm wide exposures
- Risk adjust financial forecasting
- Prioritize risks at a board level
- Build an audit dashboard to monitor potential threats
- IFRS & Risk Based Audit crossover

### FOCUS

#### RISK FRAMEWORK

The course has been design to allow financial departments to build a risk framework from the ground up that can then be integrated seamlessly into the other accounting, budgeting and reporting functions of the finance department.

#### DETAILED SCOPE AND BEST PRACTICE

Gain complete insight into both the top level view and the unique requirements to construct a risk audit / accounting function. The key elements are shown in a clear fashion with industry examples, case studies and spreadsheets that can be taken away and used in the office.

### WHO SHOULD ATTEND

- Treasury Staff
- Audit Staff
- Chief Financial Officers
- Cost & Management Accountants
- Risk Management Staff
- Trade Account Managers
- Management Accountants
- Business Owners

### About your trainer



Martin specializes in designing risk measurement and treasury systems with a particular focus on regulatory capital frameworks. He has more than 10 years experience developing bespoke knowledge / workflow and scorecard solutions for financial institutions in both strategic and processing areas of the business. He has a particular interest in lending products and in assisting companies reduce exposure on their balance sheets. Primarily he is banker with experience in both retail and commercial banking and he is currently working with small and large companies throughout South East Asia. In the capital markets arena Martin has worked closely with a stock exchange in the region assisting the exchange design a new energy instrument and futures contract. In addition to Martin's work within the capital markets and banking sector he is a credited trainer for the International Academy of Financial Management on structured finance, project finance, credit and operational risk.



## Day 1 Agenda

### OVERVIEW

This is a challenging day that leaves few stones unturned in the risk domain. All key areas of risk classification are covered and the various measurement techniques explained using real life examples.

### COMPLEX & EASY

While this is a definitive outline, step by step approaches are discussed to allow an ERM framework to be established.

### FOCUS POINTS

- Value at Risk
- Reserving practices
- Market Risk
- Credit Risk
- Operational Risk
- Liquidity Risk
- Complete ALM from an accounting perspective

## ERM Framework Fundamentals

### Morning

#### Top Level ERM Framework

Take a complete overview of an ideal ERM framework.

- What regulations have been established globally
- How does the COSO work
- Roles and responsibilities
- What functions need to be established.

#### Mapping & Risk Registration

Look at various definitions of risk and how they should be mapped in the organisation

- Complete definitions
- Build event score cards
- Construct a project system for reducing firm wide exposure

#### Risk Based Accounting

Learn about risk based accounting how to price risk and the effects of reserving capital for exposure.

- What is risk based accounting
- How can risk be priced
- The benefits of reserving and building capital tears.
- Look at a value at risk model.

#### Asset Liability Management

Asset Liability Management and the measurement of pricing / funding gaps has a standard approach for measurement.

- ALM and duration analysis
- How to show funding gaps
- What accounting effects exist
- Top level perspective of fund approaches to resolve risk.

### Afternoon

#### Market Risk for Commodities

Look at option pricing models for standing client contracts

- What is the real cost
- What exposures exist in the business & to hedge them

#### Operational Risk Audit - CSA

Understand how to price and measure operational risk control positions in the firm.

- Build an outstanding CSA scorecard
- How can potential op risk be inferred
- Look at Bayesian Belief Networks for measuring operational risk

#### Credit & Counterparty Risk

How to build a model that default adjusts standing obligations is key to being able to project cash flows.

- Understand the dynamics of counterparty and credit risk.
- How to quantify such exposure.
- How to establish a collection process that enhances return.

#### ALCO framework Firm Wide Capital

Look at how to construct an integrated framework for Asset Liability management across the institution.

- VaR interdependence
- The ALCO perspective.
- Report across credit, market and operational risk

## Day 2 Agenda

## OVERVIEW

The second day builds on the fundamental risk framework and adds the accounting layer so that risk can be expressed, audited and reported within international practice.

## CASE STUDIES

Report examples are given and spreadsheets are made available. Various options are investigated to fit the diverse business models that can be found across many industry types.

## FOCUS POINTS

- Look at IAS and risk reporting
- Understand how to present performance
- Measure and report strategic risk
- What are the pitfalls of Mark to Market reporting

## Integrating accounting

## Morning

## FX Exposures

Changes to FX rates pose risk for firms

- What accounting areas are normally affected
- How should FX risk be reported
- How can FX risk be managed

## Scenarios &amp; Stress Tests

How can scenario analysis improve the cover / float for treasury departments.

- How to build a what if model in excel for scenario analysis
- Use goal seek to solve financial problems such as sensitivity analysis.
- Understand how to correlate data and extrapolate for trend forecasting under specific scenarios.

## Performance Disclosures

How should earnings and EAR be reported, look at industry best practice for reporting.

- IAS 33 Earnings per share
- IAS 5 Discontinued Ops
- Segment Reporting

## IAS 39

The use of derivatives have potential upside for risk managers but require specific reporting requirements to be in place.

- Recognition measurement
- Forwards / Futures
- Requirements
- Hedge Accounting Rules
- FX and Interest Rate concerns

## Afternoon

## Disclosure &amp; Reports

Look at methods for reporting risk events to investors and the impacts on the P&L

- Bringing it together
- P&L Impacts
- Rationale and how to create report harmonisation
- Effects of risk on firm wide ratios and investor outcomes

## Strategic Risk and Forecasting

Look at the latest performance measures how are funds being applied and the generally accepted measures for reporting project failure

- Ratios and internal alpha
- How to combine funds to measure total expected return.
- How to use the various measures for different instruments & investments
- Look at strategic exposures from operational and capital leverage.

## Mark-To-Market Reporting

Risk based frameworks when applied in a firm have specific effects on market to market reporting

- Look at various valuation techniques
- How are distressed assets treated
- What are the risks of liquidation valuations