

Next Generation Techniques in Corporate Governance, Risk Management & Regulatory Compliance (GRC)

Leveraging proven best practices and new next generation techniques and lessons learned

- To improve risk management in finance for organizations of all sizes and complexities, private, and public.
- To improve internal controls impacting financial reporting and transparency mandated in most all European countries, public companies and government agencies.



Unlock the GRC Code

Instructor



Anthony Tarantino, Ph.D

- 30 years of experience in risk management, governance & regulatory compliance
- Authored three highly acclaimed books
- Six Sigma Black Belt

Co-Instructor



Kersi Porbunderwalla

- 30 years experience in blue chip corporations
- Hands-on experience in implementing regulatory controls
- Developed several GRC IT Tools

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OBJECTIVES

The world is now suffering through the worst economic crisis since the Great Depression of the 1930's. The most sophisticated risk management strategies and techniques in the hands of global financial industry leaders have failed in a spectacular and catastrophic manner. Quantitative and qualitative modeling, the core foundation of computational finance, also failed, even though it was in the hands of the most respected scientists and mathematicians utilizing massive computing assets and resources.

The catastrophic failure in risk management and computational finance among the world's leading financial institutions demonstrates the need for a more holistic and inter-disciplinary approach to risk management which combines accounting, mathematics, and operations management. It also demonstrates the need for an ethical and moral foundation in risk management. Ironically, those organizations that took the ethical high ground have fared the best during the global financial crisis.

To avoid repeating the painful failures in risk management, it is essential for today's business, IT, risk, compliance, and audit managers to understand the big picture of risk management and to accept that risk management goes along with every position in business, technology, accounting, and finance. This is also true for many managers in the not-for-profit and government sectors.

The global crisis of 2007-2009 demonstrates the severe consequences when the most sophisticated risk management tools in the hands of risk management experts fail in a catastrophic manner.

This workshop is designed to provide an introduction to financial risk management including operational, credit, market, reputational, and legal risk. Attendees will acquire an understanding of the major areas of risk exposure that all organizations, both public and private, face in operating in today's complex global marketplace. Risk management is an essential element in all business activities

The workshop involves an analysis of contemporary theories and techniques in risk management used in a variety of industries. It also provides oversights into best practices and next generation techniques based on the instructor's three books and 30 years of industry and consulting experiences.



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Next Generation Techniques in Corporate Governance, Risk Management & Regulatory Compliance (GRC)

DAY ONE

Session 1: Introduction to Financial Risk Management

- The Relationship among Governance, Risk, and Compliance (GRC)
- Tone at the Top is Key in GRC - The Ethical and Moral Foundation in Risk Management
- Simple Solutions to Rank and Prioritize Risk and its Management
- Case Study: The Global Financial Crisis – The Failure of Wall Street's Best and Brightest

Learning Objectives: *An understanding of how risk management must be a holistic process championed by senior management and key in improving regulatory compliance and corporate governance.*

Session 2: Operational Risk Management

- Categories of Operational Risk
- Op Risk in Financial Services: Basel II and Solvency II to improve capital and solvency adequacy
- A Simple System of Quantitative Risk for Big and Small Company Alike
- Advanced techniques: Lean Six Sigma, Bayesian Networks, Quantitative Tools, BPM, EPM,
- Case Study: AIG – Flawed Quantitative Risk Models destroy world's largest insurance Firm
- Case Study: Operational Risk Exchange (ORX) - Banks share loss data to comply with Basel II AMA

Learning Objectives: *Recognition of the categories and types of operational risk and the threats they present various types of industries, an understanding of a simple means to quantify and rank risk, an introduction to six sigma and Lean as a great resource in op risk management*

Session 3: Market, Credit, Solvency, and Reputational Risk

- Market Risk for all Industries
- Credit Risk in the global financial crisis - Value at Risk (VAR)
- Reputational Risk and Text Analytics Tools
- Case Study: Lehman Brothers Collapse – Firm's Reputation Destroyed in 48 hours
- Case Study: Meryl Lynch's Solvency Crisis

Learning Objectives: *Understand how the mismanagement of market and credit risk can undermine companies; realize the special nature of reputational risk that can destroy a company overnight in the age of blogs and 7 X 24 media coverage.*

Session 4: Litigation and Legal Discovery Risk

- US Litigation Nightmare comes to Europe and the rest of the world
- The Rise of Warrior Lawyers and the Sue First Mentality
- Case Studies: Columbia Studios vs. Justin Bunnell, Zubulake v. UBS Warburg, Rowe Entertainment, Inc. v. William Morris Agency, Kuest Corp. v. Airtrol, and other precedent setting cases that impact litigation in the US, Europe, and Asia

Learning Objectives: *An awareness that the poisonous litigious environment of the US will become a major cost of business for anyone exporting to or doing business in the US; what you can do to protect your organization.*

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DAY TWO

Session 5: Risk Management and Corporate Governance

- Executive and Board Management Organization, Succession, and Compensation
- COSO, COBIT, ITIL Risk Frameworks
- The Globalization of Sarbanes-Oxley
- Corporate Governance in European countries
- Case Study: Enron – Abuse of Off-Balance Sheet Arrangements
- Case Study: Wells Fargo's Split CEO/CoB Model
- Case Study: Stock option abuse in high tech companies

Learning Objectives: *Comprehend the critical role corporate board directors play; why executive succession planning is as important as executive compensation; how the major financial risk frameworks have fallen short; and how countries in Europe are progressing in improving their risk management and corporate governance.*

Session 6: Fraud and Corruption in Europe

- The Root Causes of Corruption and How to Reduce Its Impact
- Fighting Fraud and Financial Crimes - The critical role of Whistle Blowers
- Case Study: Bernard Madoff Scandal – Even sophisticated investors get fooled
- Case Study: Medical Device Company – Employee Theft in service repairs

Learning Objectives: *A realistic awareness of the root causes of corruption; accept that corruption is a symptom of larger problems that are not easily solved; how to defend against financial crimes*

Session 7: Best Practices Data Governance and Quality

- Data Governance, Quality and Security in Risk Management
- IT Risk Frameworks – COBIT, ITIL, ISO
- Database Risks
- Application Software Risks
- Case Study: Jerome Kerviel's \$7 billion loss at Societe Generale
- Case Study: Mid Size Industrial Manufacturing Company – SOD Failure Leads to Corruption

Learning Objectives: *Understand the big picture about data and its governance; and the risk frameworks in widespread use to control data; and finally why so many companies do such a poor job in data management.*

Session 8: Technology Tools in Risk Management

- Access and Database Controls - Segregation of Duties
- Business Process Management – Workflows and eForms
- Enterprise Content Management – Documents, Records, and Forms
- XBRL – XML Business Language
- Case Study: High Tech Company – Automated Preventative Controls Reduce Risks
- Case Study: Bank of America – Federated Content Management and Digitization

Learning Objectives: *The realization that there are a variety of technology tools to improve risk management that can be utilized by smaller and larger organizations; understand the costs versus benefits in their deployment.*

Next Generation Techniques in Corporate Governance, Risk Management & Regulatory Compliance (GRC)

PART II

Next Generation Techniques in Financial Risk Management

Leveraging proven best practices and new next generation techniques to improve risk management in finance for organizations of all sizes and complexities, private, and public

SESSION OBJECTIVES

Core to financial compliance in every major economy is the need to assure that internal controls are in place for all processes that impact financial reporting. This is not just a requirement for public companies but also essential for government agencies, non profits, and private companies. Private companies will benefit from improving internal controls with lower bowering and insurance costs.

This workshop will provide the basics of creating, documenting, managing, and auditing internal controls that impact financial reporting and transparency. It will include best practices frameworks, case studies, and industry-specific internal control issues.

Actual audit procedures, narratives, risk-control matrices, and workflows will be provided as well. An overview will be provided of leading frameworks over financial compliance and internal controls – COSO, COSO II/ERM, CoBIT, ITIL, and ISO. The following subjects will be included: tone-at-the-top, ethics, fraud and corruption, accounting and auditing standards, and issues around revenue recognition, stock options, and off-balance sheet arrangements.

Attendees will be able to describe how internal controls and transparency impact financial reporting in public and private organizations.

They will also be introduced to lessons learned, best practices, and next generation techniques to improve internal controls. This not only improves the odds of passing audits and complying with national laws, regulations, and standards, but will also help to improve efficiencies; lower operating costs and reduces the chances of fraud and unintentional errors.



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DAY ONE

Session 1: Internal Controls over Financial Reporting

- COSO I and COSO II Frameworks
- OECD Principles as a Best Practice
- EuroSox, US, China, Japan Compliance mandates
- Government Agencies Efforts to Improve Internal Controls – US and EU Examples
- Case Study: US SOX Failure in Preventing Sub-Prime Abuses
- Australia's Big Banking Scandal (Source: GRC Handbook Ch)

Learning Objectives: *Comprehend the nature of internal controls over financial reporting, the frameworks, and best practices in use today, and the globalization of SOX-like regulations in companies and government agencies.*

Session 2: Best Practices in Internal Controls and Corporate Governance

- Australia's AX 10 Principles India's Clause 49
- European regulations related to Comply or Explain
- The UK's Combined Code
- Case Study: Denmark's IT Factory and other European Scandals

Learning Objectives: *See the common points in the leading best practice frameworks and how they can help any organization, regardless of the size or complexity*

Session 3: European Efforts to improve Internal Controls and Corporate Governance

- Key Components of the 4th, 7th & 8th directive (EuroSox)
- Critical Sections of the EU directives
- EuroSox and related International legislations
- Case Study: Financial Institutions Compliance and Financial Crimes

Learning Objectives: *In this segment the key sections, concepts and terms of the European Union's 8th Directive are introduced. The similarities and differences between SOX and EuroSox are discussed. References are also made to other directives that together form the platform of EuroSox. Obtain a survey of the major work underway to improve internal controls, financial reporting accuracy and transparency, and the major hurdles that lie ahead.*

Session 4: International Accounting Standards Impact

- Rules Based vs. Principle Based
- Revenue Recognition Issues
- Share-Based Compensation Issues
- Issues in Transitioning to the IFRS from Local GAAPs
- Case Study: High Tech Company – Automated Controls Reduce Audit Costs
- Case Study: Commercial Real Estate Company – Benefits of Internal Audit Function

Learning Objectives: *See how the IFRS will facilitate global trade and improve financial reporting and transparency, gain an awareness of some of the major issues in transitioning for local and rules-based GAAPs to the IFRS.*

Video Presentation Enron:

The Smartest Guys in the Room (Part One)

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DAY TWO

Session 5: Audit Practices and International Auditing Standards

- Typical Documentation in Statutory Financial Audits
- Role of Internal and External Auditors
- US PCAOB AS 1-7
- IFAC and ISA's 240, 300, 315, 320, 330
- Case Study: High Tech Company – Automated Controls Reduce Audit Costs
- Case Study: Commercial Real Estate Company – Benefits of Internal Audit Function

Learning Objectives: *Receive a high level view of auditor roles, responsibilities, and documentary evidence of their efforts; grasp the key points in the major US and International auditing standards.*

Session 6: Compliance and Audit Operation Tools

- Database Controls
- Access, Change, and Segregation of Duty Control Tools
- Audit Operations Tools
- Document and Records Management Tools
- Case Study: Mid Size Industrial Manufacturing Company – SOD Failure Leads to Corruption
- Case Study: Software Provider – Benefits of Audit Operation Tool

Learning Objectives: *Understand the benefits of automating the work of auditors, risk, and compliance managers*

Session 7: Best Practices in Product Compliance in Europe

- RoHS, WEEE, and REACH Environment Compliance
- Environmental Compliance in China and India
- Product Life Cycle Management
- Supply Chain, Logistics, and Freight
- Combining Business Process Management (Workflows) with and Lean Six Sigma
- Case Study: Mid Size Industrial Manufacturing Company – SOD Failure Leads to Corruption

Learning Objectives: *Comprehend the major regulatory issues and opportunities in developing products, and bringing them to market through their entire life cycle.*

Session 8: Compliance Best Practices in European and International Financial Services Industry

- Basel II for Banking
- Solvency II for Insurance
- Islamic Banking Laws
- Quantitative and Qualitative Tools
- Client and Customer Privacy Protections
- Case Study: ROI for Mid Size Bank Adopting Basel II

Learning Objectives: *Understand the special requirements that regulators, auditors, and analysts place on the financial services industry, the benefits in Islamic banking laws, why privacy protection will become an issue in the EU, Asia as well as US, Leveraging proven next generation techniques and painful lessons learned to improve internal controls impacting financial reporting and transparency mandated in most all European countries, public companies, government agencies and non-profits.*

Video Presentation Enron: The Smartest Guys in the Room (Part Two)



Anthony Tarantino, Ph.D

Dr. Tarantino has 30 years of experience in risk management, regulatory compliance, and business transformation on both the consulting and industry side. He has led multiple Sarbanes-Oxley, audit operations, risk management, and process optimization projects. He has been a senior advisor to business, IT, and accounting executives for many years, most recently as the senior advisor to IBM's Governance, Risk and Compliance Center of Excellence. Dr. Tarantino became a six sigma black belt in 2006, He is a frequent keynote speaker and workshop leader at both US and international conferences in compliance and risk management. His articles have been published in Inside GRC, the Institute of Industrial Engineers, Accounting Today, Cutter IT Journal, and the Institute of Supply Management (ISM).

He is the author of *Manager's Guide to Compliance*, (John Wiley & Sons, March 2006, 300 pages), the *Governance, Risk, and Compliance Handbook*, (John Wiley & Sons, March 2008, 1,000 pages), co-author of *Risk Management in Finance, Six Sigma and Other Next Generation Techniques* (John Wiley & Sons, April 2009), and co-authored the college finance text, *Sarbanes-Oxley*, (Prentice Hall, August 2009, 250 pages.)

Dr. Tarantino has been an adjunct professor of business and is now on the steering committees and boards for two new university centers to promote financial risk management, innovation, investment, and computational techniques: Santa Clara University's Center for Innovation in Finance and Investment; and the University of California, Santa Cruz, Sury Center for Risk Management and Computational Finance. These centers will take an interdisciplinary approach incorporating finance, mathematics, and computer sciences and offer executive seminars, training camps, and best practice templates.



Kersi Porbunderwalla

Kersi Porbunderwalla is a Corporate Governance, Risk and Compliance (GRC) consultant with extensive experience in analyzing, documenting, structuring, processes and procedures, risk assessment and project management. He is also a recognized speaker and GRC expert on operational and IT issues throughout Scandinavia and Europe. His consultancy, courses and development of compliance tools is based on over 30 years of accounting & finance experience as CFO/CEO in Blue Chip corporations.

After his early retirement as Business Controller from ExxonMobil in 2005, Kersi has solved governance, risk, compliance and IT issues with several major multinationals like IBM, Shell and Volvo. During his professional career in GRC related activities, he has also; Custom-made Compliance, Risk and Governance, ISO 2700X and ITIL presentations for management of IBM, Danish Financial Analyst Association, Shell, Ångpannaforeningen, Resouces Global Professionals, Lundin Mining, NetCompany, Encore, Software Innovation, US Embassy, Skanska, SCA, and several others.. Acted as Principal Keynote speaker on Compliance, Risk and Governance conferences in Prague, Warsaw, Lisbon, New York, Copenhagen, Stockholm and Oslo.

Kersi is graduate in Accounting and Finance, member of the Danish Financial Analyst Association, Confederation of Danish Industries, Danish Management Council, Association of Certified Fraud Examiners.

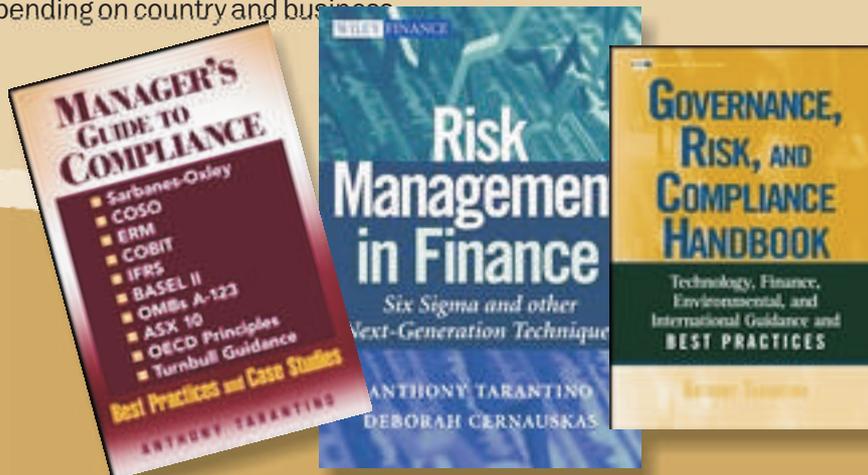
Dr. Anthony Tarantino has produced a classic reference volume on governance, risk, and compliance. His book provides a comprehensive overview of current practices across the globe. This book is a must for practitioners, risk managers, and senior executives.

**June Yee Felix, General Manager,
General Manager Global Banking Solutions and Strategy, IBM**

“ The growing importance of risk management has brought into focus the need to leverage Six Sigma as a best practice framework. This pioneering work provides introductions to Six Sigma, operational risk best practices, and the quantification of risk management which is essential reading for any organization needing to meet risk-based regulatory requirements while improving operating effectiveness. ”

**Dr. James Harrington,
Master Black Belt, Founder of the Leading Six Sigma Training Program in the US.,**

The timings and topics are our suggestions, subject to adjustments to meet your requirements for implementing GRC mandates. Besides the lead instructor additional 2-3 qualified instructors will contribute to clarify the subject matters, depending on country and business.



Contact information:

Contact us for a proposal to assist you in the design of complete training program in the fields of Governance, Risk, Compliance, EuroSox®, or Internal Controls. Our proposal will elaborate on methodology, course materials, workshops, tests and certification for your staff and organization based on your current needs.

For additional information, available dates and prices.



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