



PRESENTS

Risk Based Internal Audit

Background	<p>The evolution of financial instruments and markets has enabled banks to undertake varied risk exposures. Capital maintained by a bank under new Basel Capital Accord will be more closely aligned to the risks undertaken and NRB moved towards risk-based supervision (RBS) of banks. A sound internal audit function plays an important role in contributing to the effectiveness of the internal control system. The audit function should provide high quality counsel to management on the effectiveness of risk management and internal controls including regulatory compliance by the bank.</p> <p>There is a need for widening as well as redirecting the scope of internal audit to evaluate the adequacy and effectiveness of risk management procedures and internal control systems in the banks. To achieve these objectives, banks will have to gradually move towards risk-based internal audit (RBIA) which will include, in addition to selective transaction testing, an evaluation of the risk management systems and control procedures prevailing in various areas of a bank's operations. The course begins with the basic understanding of what credit risk is and how it arises in many real business cases. The course looks at a range of quantitative techniques which are employed by class leading models.</p>
Duration	8 sessions(1.5 hours per day via On-line virtual classroom)
Target Audience	Chief Audit Officers, Internal Audit Seniors, Chief Risk Officers, Heads of Market, Credit, and Operational Risk, Compliance Officers, Internal Auditors.
Methodology	Virtual Learning Class
Date	29th June 2020 to 6th July 2020
Time	3:00pm to 4:30pm

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Overview of Risk Based Internal Audit

- Internal Audit Identity Crisis
- Changing the Focus
- What is Risk Based Internal Audit?
- IA – CM Levels
- Risk Principles

Understanding the Risk Environment

- What is risk
- Identifying risks
- Risk Tolerance
- Risk Culture
- Risk assessment
- Risk treatment
- RM Approach
- Integration of IA

Control Environment in Risk-based Internal Audit

- COSO Framework
- Components of COSO ERM Model
- Internal control environment
- Types of controls
- Documenting key internal controls

Risk Assessment Methodology

- Overview
- Risk Universe
- Phases of Risk Assessment
- Risk Assessment Process
- Inherent Risk and Residual Risk
- Risk Heat Map

Planning Risk Based Internal Audit

- Risk and Control Assessment Report
- Scope and objective of the audit
- Linking risk to audit scope
- Draft Risk Based Internal Audit Plan

Conducting Risk-Based Internal Audit

- Relationship of Risk with its Root Causes, Control in place and Test Program (Commonly known as Audit Program)
- Documenting test results
- Identification of issues that fail the test/ Audit Program

Risk Based Internal Audit Reporting

- Requirement of Effective Report
- Auditor vs. Reader Mindset
- Three Level Review of Report
- Other Considerations in Reporting
- Common Mistakes
- Pain Points
- Communication
- Risk Grading

Making your internal audit function strategically focused

- IA Framework
- Creating a Strategic Foundation for success
- Focusing on Tactical Execution
- Practical Exercises
- Case Study

FACILITATOR'S PROFILE

LUMB DHOJ MAHAT



LD Mahat is a Chartered Accountant, Financial Adviser and Risk Management Specialist possessing over 27 years of diverse experience across several sectors covering a wide spectrum of assurance, business advisory and taxation disciplines. LD is a committed, highly motivated and result-oriented professional, consistently developing and nurturing client relationships and building long-lasting relationships with diverse clients. He has the ability to define issues, propose customized solutions that significantly add value and contribute to client's success. LD has got master's in risk management from New York University, Stern Business School. He has undergone executive education at Harvard Business School and Insead Business School. He has done Risk Modelling course from Wharton Business School.

LD was risk management specialist in several Asian Development Bank Funded projects. He has provided risk management advisory services in various Nepalese corporate sectors. He has worked on large projects jointly with big 4 international accounting firms ~ PwC, Deloitte, Ernst & Young and KPMG in the field of Assurance, Diagnostic Review, Capacity Building, e-Government Procurement, e-Governance, Special Review, Investment Climate, and IFRS Implementation. LD has established Risk-based Internal Audit in Himalayan Bank Limited. He has led internal audit of 5 commercial banks for over 25 years.

DIBYA ACHARYA



Dibya Acharya is a Chartered Accountant, Accountant and Risk Based Internal Audit Specialist possessing over 15 years of diverse experience across several sectors. Dibya has conducted internal and statutory audit of banks and financial institutions in Nepal including Nabil Bank. He has worked with reputed international firms including KPMG, Deloitte and BDO and executed/ managed several Risk-based Internal Audit Assignments in the Middle East. He is currently a Faculty Member for MBA and MBA (Executive) at the British College and delivers "Accounting and Finance for Decision Making" Module under Leeds Beckett University, UK curriculum.

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