



Financial Management and Internal Control Improving operational excellence through internal control.

Module A Location Plitvice Lakes National Park November 16th to 18th 2006

Objective

The programme includes a combination of presentation, worked examples, case studies and practical exercises. There is also an opportunity for delegates to discuss experiences.

To gain an understanding of the basics for Financial Management and Internal Control (FMC) current methods and how to use them for competitive advantage, including

- A practical methodology to use immediately after the course
- The chance to practise internal control using real examples
- An understanding of how to implement internal control in a team situation

Who will benefit?

Staff, whom are involved in the planning and implementing of Financial Management and Internal Control improvement projects. Those who are new to internal control and need an overview will benefit from attending this course.

Teamwork – The participants will be split into groups of five and each group will work on their own to review and prepare their case study findings. They will be guided and supported by a mentor.

Day 1- November 16th

Programme outline

10.00 Registration and coffee

10.30 **Introduction, course outline and objectives**

10.45 **Session 1- Introduction to Financial Management and Internal Control**

- Legal Framework for PIFC
- Background to PIFC
- Public Accountability and Corporate Governance
- Definition of Internal Control What is control?
- Purpose
- Importance of internal control
- Internal control standards
- What internal control can do
- Limitations
- Key Terminology



- Key Points

11.45 *Break*

12.00 Session 2 – Organisational Roles - Raising Awareness and Training

- The need for Top Management support
- Role of FMC Manager
- Staff – everyone is involved
- Internal Audit their role in the Internal control process
- CHU – The need for direction
- Key Points -Who controls what?

13.00 *Lunch*

14.00 Session 3 – COSO Framework Overview

- Introduction
- Scope of Framework
- Five key components
- Definitions
- Self Assessment Questionnaire
- Key Points

15.30 *Break*

15.45 Session 4 – Focus on Control Activities

- Definition
- Categories of control
- Scope of Control
- Types of control- SOAPSPAM
- Example of Internal Controls in Payroll Process
- Key Points

17.00 Session 5 - Course review and summary

17.30 *End of Day 1*

▲19.00 *Dinner*



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Day 2- November 17th

Programme outline

9.00 Session 6- Risk Assessment 1

- Risks
 - Definition
 - Examples
- Processes
 - Determining processes
 - Critical success factors
- Risk assessment
 - Identification of Risk
 - Assessment of Risk
- Rating and priorities

10.30 *Break*

10.45 Session 7 – Risk Assessment 2- Case Study

- Case study of XYZ Services Financial Services Department - Katrina Petric
- Using COSO approach review the case study for the 5 Key components in the Ministry
- Advise Katarina – What should she do?

12.00 *Lunch*

12.30 – 15.30 Field Trip in the National Park

15.30 Session 8 – Internal Control- Organisational Implementation Review of Key stages

The steps to be undertaken with a view to implement sound FMC are:

1. Appoint FMC Manager.
2. Appoint FMC Coordinator. (By managers assessment)
3. Set-up a working group to discuss and manage organisational implementation.



4. Prepare an Action plan for implementation in each organisation.
5. Obtain mission statement and key business objectives.
6. List the business processes – identify activities in each process.
7. Production of audit trail – flowchart.
8. List business processes "Book (map) of processes" – after work group approval.
9. Identification of risks - on the activities level, risk assessment and their ranking – risk management.
10. Assessment of 5 components of Internal Control (control environment, risk management, control activities, information and communication, monitoring).
11. Review of implemented controls.
12. Analyze existing and needed controls
 - ex-ante controls (the need for financial controller)
 - ex-post controls – evaluation of transfers to the final users
13. Action plan to address weaknesses.
14. Monitoring of the plan.
15. Annual report about FMC implementation.

17.00 *Break*

17.15 **Session 9 - Internal Control Evaluation**

- Introduction
- Defining Business Objectives and Process Mapping
- Linkage of Processes, Risks and Control Objectives
- Balancing Risk and control
- Business Process Review Overview
- Explanation of Nine Key stages

18.30 **Session 10 - Course review and summary**

19.00 End of Day 2

20.00 Dinner





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Day 3- November 18th

Programme outline

9.00 Session 11- Internal Control Evaluation Explanation of Nine Key stages – Part 1

- Organise the process;
- Segment the organisation;
- Develop a schedule for risk assessments;
- Conduct risk assessments;

The focus in this session will be to explain and use examples of what is required for each key stage

10.30 *Break*

10.45 Session 12 – Internal Control Evaluation Explanation of Nine Key stages - 2

- Establish plans for subsequent actions;
- Conduct internal control reviews;
- Take corrective action;
- Prepare summary reports on internal controls;
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- Periodically test internal controls of high risk areas

12.00 Session 13 Course Review and End of Course

13.00 Lunch

