



**27 May
2021**



Online
Workshop on

**Workshop on Enterprise Risk
Management and Internal Control
Practices in Financial Audit**

“Workshop on Enterprise Risk Management and Internal Control Practices in Financial Auditing” was held online on 27 May 2021, and Mr. Seyit Ahmet BAŞ, President of the Turkish Court of Accounts and Mr. Khaled Ahmed SHAKSHAK, President of the Libyan Audit Bureau, made its opening speeches.

During the workshop, which had approximately 50 participants from of Turkish and Libyan SAIs the representatives of two SAIs made presentations on Enterprise Risk Management, International Standards of Internal Control, and the experience of Turkish and Libyan SAIs in the field.



Agenda

Theme: “Enterprise Risk Management (ERM) and Internal Control (IC) Practices in Financial Audit”



No.	Time (GMT+ 3) (Local Time in Ankara)	Agenda
1	11:00-11:20	Opening Speech Mr. Seyit Ahmet BAŞ, TCA President Mr. Khaled Ahmed SHAKSHAK, LAB President
2	11:20-11:30	Introduction
3	11:30-12:30	Presentation 1: “International Standards for ERM and IC System” Ms. Emine ERSÖZ, TCA
4	12:30-13:15	Presentation 2: “Institution Risk Management and Internal Control Practices in Financial Auditing”, Mr. Mohamed ZUTRINI, LAB
5	13:15-14.00	Presentation 3: “ERM and IC Practices in Turkey and the TCA” Mr. Ferhat AKSOY, TCA
14:00-14:10 BREAK		
6	14.10-14.40	Presentation 4: “Assessment of Strategic Management, ERM and IC Systems of Auditees” Ms. Emine ERSÖZ, TCA
7	14.40-15.20	Presentation 5: “Future Vision for Improving Auditing Through objective Analysis and Risk Monitoring”, Mr. Rafaa SHAWSH, LAB
8	15:20-15:30	Closing of the Workshop



Welcome speech by

Mr. Seyit Ahmet BAŞ

President of Turkish Court of Accounts



Dear Mr. Khaled Ahmed SHAKSHAK and Esteemed Colleagues,

First, I would like to start my words by expressing my pleasure for having such wonderful cooperation between our organizations. These kind of events always provide us a great opportunity to exchange our experiences and ideas on such important topics. I believe, this workshop will be very useful for understanding the essence and importance of Strategic Management, Enterprise Risk Management and Internal Control.

Dear Colleagues,

As you well know, our world has never witnessed such a rapid change in technology, economy and social life as in the past few decades. These changes bring along with new necessities in business life like new management styles and innovative tools for achievement of organizations' objectives and keeping them on their tracks.

At this point, we should remember, every enterprise, whether for profit-commercial, not-for-profit, or governmental agency, exists to create and preserve value for its stakeholders. As SAls, our biggest role, in terms of providing value to our stakeholders, is holding governments accountable, strengthening transparency and supporting integrity of public institutions. By this mean, SAls should adapt strategies to deliver their goals and allocate resources according to their priorities and implement them systematically, which is called strategic management. In this context, it can be said that strategic management supports organizations' decision-making process which results in better resource allocation and enhanced performance.

Along with strategic management, there are some other practices like enterprise risk management which is strongly interrelated with strategic plans. Since all entities face risks in the pursuit of value, risk management has attracted more attention than ever before. As it is already within your knowledge, risk is identified as positive and negative events which will occur in the future and affect entities. Covid-19 has reminded all of us how important it is to anticipate these risks earlier and open up more options to minimize the losses and failures. Enterprise risk management is a great approach to foresee risks and setting out strategies and objectives by taking account of them. In this way, an entity can optimize the outcomes and increase the benefits for its stakeholders.

In addition to adapting strategic and risk management to the organization's day-to-day operations, every leader of an organization strives to communicate strategic goals and the entity's mission and vision within the organization, while controlling and monitoring the activities implemented to achieve pre-set objectives. Internal control system is one of the best frameworks to create an environment for communicating organizational objectives and providing reasonable assurance regarding the achievement of the objectives relating to operations, reporting, and compliance.

In this workshop, all these three concepts-strategic management, enterprise risk management and internal control-will be discussed theoretically and by giving practical examples.

I would like to close my remarks by expressing my deepest pleasure for being a part of this remarkable event with distinguished colleagues from Libyan Audit Bureau. I wish all of you a fruitful workshop and success!

Welcome speech by
Mr. Khaled Ahmed SHAKSHAK
President of Libyan Audit Bureau



Introduction

In the framework of the memorandum of understanding between the Turkish Court of Accounts and Libyan Audit Bureau, the workshop on enterprise risk management (ERM) and internal controls (IC) in financial audits was held on the 27th of May. Presidents of both SAls emphasized the importance of ERM and internal controls, and they declared their willingness for further cooperation.

In this workshop, there were 5 presentations on various topics such as theory ERM and IC, applications of these theories in financial audits, and practical implementations and organizational structures of ERM/IC at the TCA and LAB.

Participants brought out their concerns, questions, and solutions on challenges they faced when establishing these systems and other specific concerns on the implementations.

Presentation 1:

“International Standards for ERM and IC System”

Ms. Emine ERSÖZ, Senior Auditor, TCA



The screenshot shows a Zoom meeting with a grid of participants on the left and a presentation slide on the right. The participants are: Seyit Ahmet BAŞ, Ramazan ACAR, Belgin ŞAHİN, Zekeriya Töysöz, Khaled's shakshak, Yusuf ADA, Mehmet ÇIVGIN, Abdurrahim Kara, Yusuf SUNBUL, Asraa khalifa, and Mustafa Enes Tut... The presentation slide is titled "INTERNAL CONTROL-DEFINITION" and contains the following text: "A process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance." To the right of the text is a circular diagram titled "THE PROCESS OF INTERNAL CONTROL" with four stages: Control Environment, Information & Communication, Monitoring & Evaluation, and Risk Assessment.

Contents of the Presentation

- ▶ Risk Management Definitions According to the Standards
- ▶ RiskInternal Control (COSO Internal Control-Integrated Framework 2013)
- ▶ Management Standards
 - ISO
 - COBIT
 - COSO
- ▶ Differences Between COSO's Internal Control and ERM

[Please click for the video of the presentation](#)

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Presentation 2:

“Institution Risk Management and Internal Control Practices in Financial Auditing”

Mr. Mohamed ZUTRINI, Auditor, LAB

إدارة مخاطر المؤسسة (ERM) وممارسات الرقابة الداخلية (IC) في التدقيق المالي

هيكل مسؤوليات إدارة المخاطر

مسؤوليات رئاسة الديوان عن ERM

- فهم طبيعة المخاطر (المبصرة المهنية)
- إنشاء هيكل لإدارة المخاطر
- تقدير الأهمية النسبية للمخاطر

مسؤوليات المدراء العامين عن ERM

- خلق ثقافة لإدارة المخاطر داخل الإدارات
- إحداث توافق بين إدارة المخاطر وأداء المهمات والعمليات الرقابية
- نقل وتنفيذ التعليمات من الأعلى للأسفل
- المتابعة العكسية حسب التغييرات

مسؤوليات المراجع الداخلي عن ERM

- مراجعة عمليات المخاطر في المؤسسة
- الإبلاغ عن ثقافة وعملية نظام الرقابة الداخلية
- لمس الأخطار ووزع ثقافة إدارة المخاطر للمعنيين
- إعداد تقارير المخاطر بالتنسيق مع لجان إدارة التدقيق والمتابعة

مسؤوليات إدارة المخاطر عن ERM

- إعداد تقارير التعرض للمخاطر
- تجميع المعلومات عن المخاطر دورياً
- تطوير وتوثيق سياسات المخاطر
- الإشراف على دور ومسؤوليات نظام الرقابة الداخلية

مسؤوليات الأعضاء والموظفين عن ERM

- فهم العزل وتلقي التعليمات
- الإبلاغ عن المخاطر والمخاوف
- الالتزام بتقارير المخاطر الرقابية

رئيس ديوان المحاسبة

Mr. Mohamed Zutrini from SAI Libya, made a presentation on “Institution Risk Management and Internal Control Practices in Financial Auditing” at the Workshop on Enterprise Risk Management and Internal Control Practices in Financial Audit.

[Please click for the full presentation](#)

Presentation 3:

“ERM and IC Practices in Turkey and the TCA”

Mr. Ferhat AKSOY, Auditor, TCA



Contents of the Presentation

- ▶ Strategic Management Model in Turkish Public Administration
 - Strategic Plan
 - Performance Program and Budget
- ▶ Enterprise Risk Management
- ▶ Internal Control in Public Financial Management
 - Objectives of Internal Control
 - Elements of Internal Control
 - Roles and Responsibilities
- ▶ ERM and Internal Control Practices in the TCA

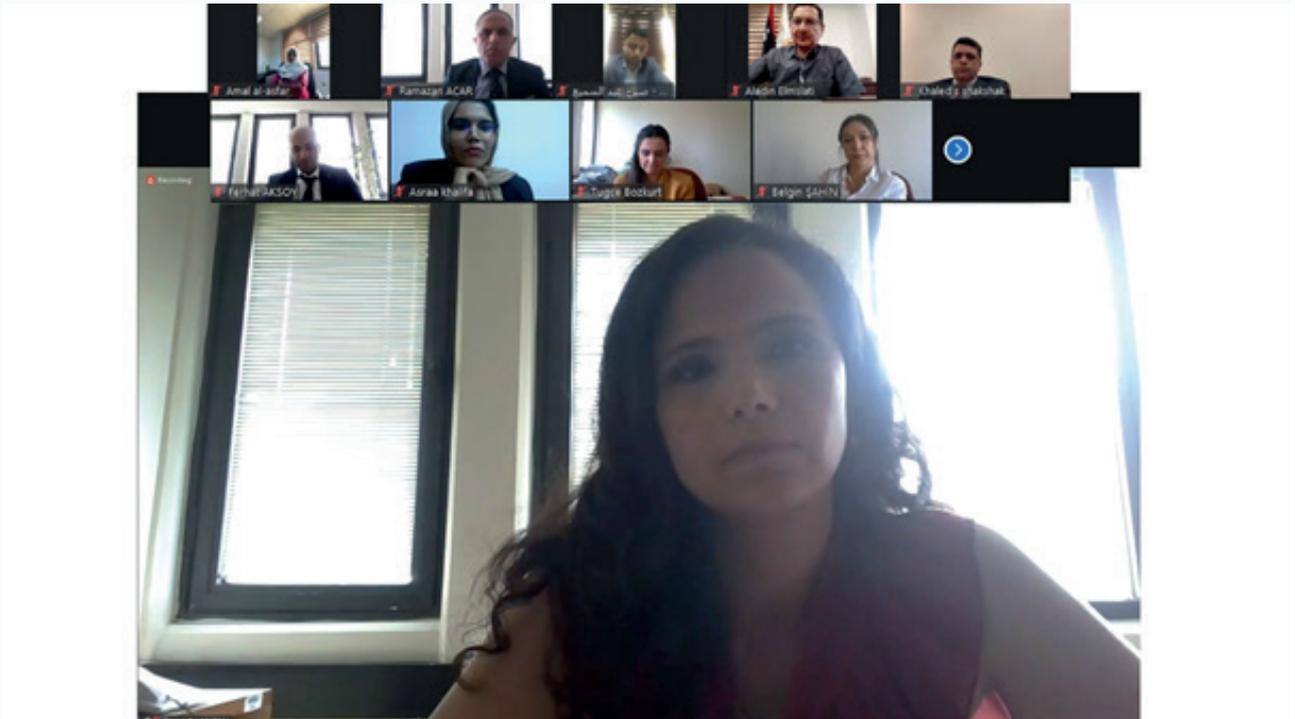
[Please click for the video of the presentation](#)

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Presentation 4:

“Assessment of Strategic Management, ERM and IC Systems of Auditees”

Ms. Emine ERSÖZ



Contents of the Presentation

- ▶ IC in Financial Audit Standarts
- ▶ IC in Financial Audit Practices at the TCA
- ▶ Assessment Approach and Methdology
- ▶ Financial Audit Principles
- ▶ Identifying and Assessing the Risks of Material Misstament Through Understanding the Entity and Its Environment
- ▶ Applications of The Audit Standards In Financial Audit Practices

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Presentation 5:

“Future Vision for Improving Auditing Through objective Analysis and Risk Monitoring”

Mr. Rafea SHAWSH, Auditor, LAB



Contents of the Presentation

- ▶ Setting Goals
- ▶ Hazard Identification
- ▶ Risk Assessment
- ▶ Risk Response
- ▶ Censorship Activities
- ▶ Information and Contact
- ▶ Monitoring (Following up on the Effectiveness of Control Activities)

[Please click for the full presentation](#)

Closing of the Workshop

The workshop ended successfully with warm wishes and expectations for further cooperation between the two SAs.

