



## BUILDING AN ENTERPRISE RISK MANAGEMENT (“ERM”) FRAMEWORK

*- A step-by-step approach in fitting in the “bolts and nuts” to fortify a holistic & robust framework*

By:

**MR LEE MIN ON**

**Date: 7 November 2018 (Wednesday)**

**Time: 9.00 am – 5.00 pm**

**Venue: Sime Darby Convention Centre, Kuala Lumpur**

### INTRODUCTION:

**The Companies Act 2016** requires public companies and their subsidiaries to have in place a system of internal control to address the risk of loss of assets as well as misstatement in financial reporting.

**The Malaysian Code on Corporate Governance** (issued by Securities Commission on 26 April 2017) and the **Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers** stipulate the need for the Board of a listed issuer to formalize risk management initiatives on the identification, evaluation, control, reporting and monitoring of significant business risks faced by the listed issuer as a group. **The Listing Requirements of Bursa Malaysia Securities Berhad** specify the need for a listed issuer to include in its annual report a Risk Management & Internal Control Statement, highlighting the state of internal control of the listed issuer as a group. On 31 October 2016, the Securities Commission issued **Guidelines on the management of Cyber Risks** to be adhered to by capital market entities. All these point to the need for a listed issuer to formalise in writing an Enterprise Risk Management (“ERM”) Framework.

Apart from introducing to participants what a typical ERM Framework entails, this Session also equips them with a working knowledge on how to execute risk management activities, culminating in reporting to the Board either via the Risk Management Committee or the Audit Committee. The Facilitator will share with participants on a **“step-by-step” approach** on how to:

- Identify the objectives of key business processes in an organization;
- Identify the risks faced by process owners that deter them from achieving their objectives;

- Develop risk parameters, which are essentially the metrics to “measure” risks;
- Prepare a typical risk register, a document that “captures risk information like risk description, the business process which the risk resides in, the root causes of the risk, the immediate consequences flowing from the risk, existing controls deployed by the process owner in mitigating the root causes and other risks”;
- Collate the risks identified into a risk profile, i.e. “risk map” of the Group;
- Document a risk treatment plan, i.e. whether to “terminate”, “reduce”, “accept” or “pass on” the risk in relation to the Group’s risk appetite approved by the Board of Directors;
- Prepare a risk report for tabling to the Risk Management Committee and/or the Audit Committee and finally to the Board; and
- Draft comprehensive risk management policies and procedures to formalise the risk management activities and initiatives of the Group, for the Board’s approval.

The key focus will be on ISO31000:2018 Risk Management - Guidelines, covering Principles, Framework and Process.

Case studies on what went wrong in organizations that resulted in massive losses, including financial scandals that have ruined the reputation of even renowned organizations, will be discussed at the Session. Emerging challenges arising from disruptive technologies and how they impact upon an organization’s risk management activities will also be discussed.

The Facilitator will link the ERM initiatives and output therefrom to the Sustainability Statement that is required to be included in the annual report of listed issuers.

**KEY LEARNING OUTCOMES:**

At the end of the Session, participants will:

- understand what an Enterprise Risk Management is and why regulators like Bursa Malaysia Securities Berhad and Securities Commission are strongly encouraging listed issuers to formalise in writing a holistic and robust Enterprise Risk Management Framework that addresses the strategic, operational, financial, compliance and sustainability risks the listed issuer is exposed to;
- be familiarised with the key challenges and pitfalls in risk management, especially emerging issues posed by IR4.0 and its associated disruptive technologies, including remedial measures to be applied;
- be apprised of the roles of the Board, Board Committees, Management and the Auditors pertaining to Governance, Risk and Controls, including how they demonstrate the discharge of their responsibilities; and
- be aware of the content and extent of disclosure of risk management required in the annual reports of listed issuers.

**PROGRAMME OUTLINE:**

TIME	PROGRAMME
8.30 am	<b>Registration</b>
9.00 am	<ul style="list-style-type: none"> <li>• Introduction to Session, including some recent reported fiascos on risk management</li> <li>• Recent announcements on regulatory changes affecting listed issuers</li> <li>• Sustainability, Corporate Governance, Risk Management &amp; Internal Control</li> <li>• Definition of Risk &amp; Risk Management</li> <li>• What Enterprise Risk Management (“ERM”) is – focusing on ISO31000 Risk Management Principles &amp; Guidelines</li> <li>• Purpose &amp; Objectives of ERM</li> <li>• Overview of Enterprise Risk Management, including Fraud Risk Management (ISO37001:2016 on Anti-Bribery Management System) &amp; Cyber Risk Management (Guidelines issued by Securities Commission)</li> </ul>
10.30 am	<b>Tea break</b>
11.00 am	<ul style="list-style-type: none"> <li>• Overview of Enterprise Risk Management, including Fraud Risk Management (ISO37001:2016 on Anti-Bribery Management System) &amp; Cyber Risk Management (Guidelines issued by Securities Commission) (cont’d)</li> <li>• Case studies on risk management – “What went wrong &amp; what went well”</li> <li>• Key elements of a typical ERM framework – “fitting in the bolts &amp; nuts”</li> <li>• The Risk Assessment Process, covering Risk Parameters, Risk Appetite, Risk Register &amp; Risk Profile</li> </ul>
12.30 pm	<b>Lunch Break</b>
1.30 pm	<ul style="list-style-type: none"> <li>• The Risk Assessment Process, covering Risk Parameters, Risk Appetite, Risk Register &amp; Risk Profile (cont’d)</li> <li>• Use of Key Performance and Key Risk Indicators</li> <li>• Risk Appetite and Risk Appetite Statement</li> <li>• Risk Treatment Options – influenced by the risk appetite of the Group</li> </ul>
3.00 pm	<b>Coffee Break</b>
3.30 pm	<ul style="list-style-type: none"> <li>• Risk Management Policies and Procedures, including templates for reporting</li> <li>• Disclosure of risk management activities in annual report – content and extent</li> <li>• Roles of External Auditors and Internal Auditors on Risk Management and Internal Controls</li> <li>• Key lessons learnt – a recap for participants</li> </ul>
4.45 pm	<b>Questions &amp; Comments</b>
5.00 pm	End of Session

**SPEAKER/FACILITATOR PROFILE:****MR LEE MIN ON****Qualifications & Professional Membership**

- Chartered Accountant, Malaysian Institute of Accountants
- Certified Public Accountant, Malaysian Institute of Certified Public Accountants
- Fellow Member, The Institute of Internal Auditors Malaysia

**Relevant Professional Experience**

- Retired as Partner of KPMG in Malaysia on 31 December 2015 after serving with the Firm for 36 years. His experience in the Firm spanned across the following:
  - (i) External audit of public & private corporations
  - (ii) Mergers & Acquisitions – financial due diligence and IPOs
  - (iii) Board Advisory Services on sustainability, corporate governance, enterprise risk management, enterprise risk management assessment, internal controls & risk-based internal audit
- Co-wrote the Corporate Governance Guide – Towards Boardroom Excellence 1st & 2nd Editions, publications of Bursa Malaysia to assist listed issuers on how to apply the Principles and Recommendations of the Malaysian Code on Corporate Governance 2007 & 2012 respectively
- Sat on Task Force under auspices of Bursa Malaysia, responsible for developing the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers in 2012
- Conducts in-house training & participates in public seminars & conferences as speaker, sharing thoughts & insights on Sustainability, Governance, Risk, Control & Internal Audit
- Chairman of Audit Committee of the Institute of Internal Auditors, Malaysia
- Director of Coalition for Business Integrity Berhad, a non-for-profit organization that advocates integrity in conducting business in Malaysia to raise the bar of corporate governance & integrity in the market place
- Independent Non-Executive Director of 4 listed issuers in Malaysia

## REGISTRATION FORM

**MEMBERSHIP NO** \_\_\_\_\_

### PARTICIPANTS' DETAILS

Participant 1 \_\_\_\_\_

Designation \_\_\_\_\_

Email \_\_\_\_\_

Mobile No. \_\_\_\_\_

Participant 2 \_\_\_\_\_

Designation \_\_\_\_\_

Email \_\_\_\_\_

Mobile No. \_\_\_\_\_

Participant 3 \_\_\_\_\_

Designation \_\_\_\_\_

Email \_\_\_\_\_

Mobile No. \_\_\_\_\_

Participant 4 \_\_\_\_\_

Designation \_\_\_\_\_

Email \_\_\_\_\_

Mobile No. \_\_\_\_\_

### COMPANY DETAILS

Company \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Contact person \_\_\_\_\_

Email \_\_\_\_\_

Tel \_\_\_\_\_ Fax \_\_\_\_\_

Signature / Date &  
Company Stamp

Member

Non-Member



### PROGRAMME FEE \* (per participant)

Member	RM 960	RM 1,080
Non Member	RM 1,200	
Group (4 or more)	RM 1,020	
Academia & students	RM 600	

**Early Bird**  
(before 22  
Oct 2018)

\* Fee is subject to the rate of tax prescribed  
by the Government

\* Includes refreshment, lunch, course materials  
& Certificate of Attendance.

### REGISTRATION & ENQUIRIES

**Ms Aida**

**Mobile No. +(6017) 588 0189**

Ms Afiqah

Mobile No. +(6016) 335 2478

Ms Imen Lai

Mobile No. +(6017) 240 3701

Please email completed registration form to  
[adminaida@micg.org.my](mailto:adminaida@micg.org.my)

### MALAYSIAN INSTITUTE OF CORPORATE GOVERNANCE

3A-02 Block F, Pusat Dagangan Phileo  
Damansara 1,  
9 Jalan 16/11, Off Jalan Damansara  
46350 Petaling Jaya  
Selangor

Phone No. +(603) 7957 6799

Fax No. +(603) 7957 2722

Website : [www.micg.org.my](http://www.micg.org.my)

### TERMS & CONDITIONS

#### Payment

Full payment must be made no later than event date.

Cheques/Bank Draft should be made payable to **Malaysian Institute of Corporate Governance**.

Direct Bank-in: **Malayan Banking Berhad Account No. 5141 6915 2428**, Swift Code MBB EMYKL. Please email payment advice to [info@micg.org.my](mailto:info@micg.org.my)

#### Substitution / Cancellation

Non-attendance does not constitute cancellation. You can substitute an alternate participant for the same event. Any difference in fees will be charged accordingly.

Substitution / Cancellation must be received in writing **strictly 7 working days before the event**.

Administration fee of 20% will be charged for cancellation and no substitution received less than 7 working days.

Delegates who did not turn up at event, the entire fee will be forfeited. No refund will be entertained.

#### For Government Officials

A Local Order (LO) or Letter of Approval to participate must be sent before or presented on the day of event.

#### Personal Data Protection Notice

I have read and hereby consent to Malaysian Institute of Corporate Governance (MICG) processing my personal data as posted on [www.micg.org.my](http://www.micg.org.my)

#### Disclaimer

The Organiser reserves the right to change the date(s), speaker(s), and venue and to cancel the programme should circumstances beyond the Organiser's control.