

CFAGOR6

Oversee the effectiveness of management's internal controls and mitigation processes and monitor organisational compliance



Overview

This Standard is about the governing body's responsibility for ensuring that rigorous and robust processes are in place to monitor organisational compliance with agreed strategy. It is about effective communication and training within the organisation and ensuring a culture of continuous risk awareness is maintained throughout the organisation.

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Performance criteria

- You must be able to:*
- P1 ensure that rigorous and robust processes are in place to monitor organisational compliance with agreed strategy and risk appetite
 - P2 ensure that communication and training is implemented across the organisation at all levels to highlight risk management processes and responsibilities
 - P3 ensure appropriate assurance processes are in place on effective management controls
 - P4 ensure regular opportunities to evaluate the processes in place and implement improvements where necessary
 - P5 ensure a culture of continuous improvement (to include learning lessons from failures or weaknesses in the risk management system)

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Knowledge and understanding

You need to know and understand:

- K1 how the management's internal control and mitigation processes operate
- K2 the techniques of assessing the effectiveness of the management's internal control and mitigation processes
- K3 how to identify and follow up potential weaknesses or failures within the existing internal control and mitigation processes
- K4 how to identify the causes of control weakness and effectiveness and the management's role in on-going processes for designing, operating and monitoring the system of internal control
- K5 how to assess any potential weaknesses that have occurred within the management's internal control and mitigation processes and the extent to which they have had a material impact on the organisation
- K6 the importance and timeliness of escalation processes
- K7 how to communicate and embed identified changes to internal control and management processes
- K8 the importance in acknowledging when specialist input is appropriate and initiate such specialist input as and when it is necessary
- K9 the cost of operating particular controls relative to the benefits to be obtained
- K10 the techniques and methods available for providing assurance to, and testing of, existing controls and mitigation processes
- K11 how to ensure that training requirements in risk management systems are assessed throughout the organisation and identify and target areas that require improvement
- K12 how to ensure that reports are received from independently validated sources are not subject to conflicts of interests
- K13 how to ensure data integrity and accuracy of risk management data

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Links to other NOS Refer to core Governance NOS (2011) suite.

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Relevant occupations

- 1000 Managers and Senior Officials
- 1112 Directors and chief executives of major organisations,
- 1114 Senior officials of special interest organisations
- 1131 Finance Managers and Chartered Secretaries
- 1135 Personnel, training and industrial relations managers
- 2000 Professional Occupations
- 2421 Chartered and certified accountants
- 2422 Management accountants
- 4000 Administrative and Secretarial Occupations
- 4214 Company Secretaries

Suite Governance of Risk (2013)

Key words Governing Body, Governance structure
