



الاتحاد الدولي للمصرفيين العرب  
World Union of Arab Bankers

اتحاد بنوك مصر

FEDERATION OF EGYPTIAN BANKS



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# “EFFECTIVE IMPLEMENTATION OF THE COSO FRAMEWORK IN THE BANKING SECTOR” WORKSHOP

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15<sup>TH</sup> & 16<sup>TH</sup> OF FEBRUARY, 2023  
CONRAD HOTEL & RESORT, CAIRO - EGYPT

# “Effective Implementation of the COSO Framework in the Banking Sector” Workshop

## OVERVIEW

The Committee of Sponsoring Organizations (COSO) is a joint initiative of five private sector organizations dedicated to providing thought leadership through the development of frameworks and guidance on enterprise risk management, internal control, and fraud deterrence.

The COSO framework is a widely recognized framework for internal control and for evaluating the effectiveness of an organization's internal controls. It provides a common language and a systematic approach for evaluating and improving the design and operation of an organization's internal controls.

Central banks in various countries have emphasized the importance of internal control in banks through legislation and regulations. This is beneficial for all bank employees, including board members and executive managers, as it helps them understand their responsibilities and effectively implement and assess internal controls using COSO's framework, and report to external users.

Banks and financial institutions can greatly benefit from using the COSO framework in their internal audit processes. The banking industry is heavily regulated, and it is essential for banks to have robust internal controls in place to ensure compliance with laws and regulations, protect against financial fraud, and safeguard the assets of the bank and its customers. By using the COSO framework to evaluate the effectiveness of their internal controls, banks can identify any weaknesses or gaps in their control system and take appropriate corrective action. This can help to reduce the risk of non-compliance and financial losses, as well as enhance the overall efficiency and effectiveness of the bank's operations.

The workshop aims to provide insight into effectively implementing the internal control framework (COSO) using the self-assessment method for internal control systems and internal audit based on risks. It also aims to define the responsibilities of administrative levels and organizational units towards the control system.

## WHO SHOULD ATTEND?



- Board Members
- Audit Committee Members
- CEO and Executive Management
- Financial Reporting Management
- Internal Audit Department
- Internal Control Department
- Risk and Compliance Managers

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## MAIN TOPICS OF DISCUSSION

### INTRODUCTION

- Introduce the agenda for the day
- Capture expectations from attendees

### CBE EXPECTATIONS

- Expectations on scope
- Expectations on reporting

### REPORTING TO THE BOARD

- What will be reported?
- Opportunity for banks
- Benefits of COSO

### EXTERNAL AUDITORS' EXPECTATIONS

- Reporting requirements
- Focus areas
- Timelines

### COSO - REFLECTING ON

#### WHAT BANKS HAVE DONE SO FAR

- What did banks do to comply with CBE instructions?
- What worked well and what didn't?
- Quick wins in improving the internal control system?

### NEXT STEPS

- Plan to cover the three objectives (Operations, Reporting, and Compliance)
- Plan for testing operating effectiveness of all internal controls
- Expanding the exercise to include subsidiaries
- Maintaining the internal control reporting going forward

### AUTOMATION

- How can AMS help?
- Case study - demo

### COSO SCOPING

- Scope it right, plan for the future
- Mapping to financial statements

### COSO SCOPING – SPECIAL CONSIDERATIONS

- Case study covering:
  - Multi-location
  - Service organizations / outsourcing
  - Transactions and mergers
- RCMs

### ROLES & RESPONSIBILITIES

- Role of First Line
- Role of Second Line
- Role of Internal Audit

### THE DOCUMENTATION CHALLENGE

- Case studies: good and bad examples

## FORUM TECHNIQUES

The forum employs a mix of theoretical fundamental explanations and case studies, with special focus on exchanging knowledge and experiences.

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