

## RISK MANAGEMENT AND CORPORATE GOVERNANCE



### THE DEFINITION OF INTERNAL AUDIT INCLUDES REFERENCES TO GOVERNANCE, RISK MANAGEMENT, AND INTERNAL CONTROL. HOW ARE THESE ACTIVITIES TO BE UNDERSTOOD?

All of these actions are intimately tied to one another and work towards the same overall goal, which is to give reasonable certainty that the enterprise's goals will be achieved. The effectiveness of one action will have an impact on the effectiveness of the other activities, and vice versa:

Good governance will foster an environment that is conducive to the operations of internal control and risk management.

Effective Risk Management will improve Governance, aid in the proper implementation of Internal Control, and aid in more efficient resource allocation.

The goal of risk management at the business By implementing risk management across the various company operations in a methodical and cost-effective way, risk management aims to assure the profitable performance of the Company and to ensure the continuity of the business. The company's strategic and operational planning, daily decision-making, and internal control all include risk management. The goals of Risk Management and Governance will be easier to accomplish with effective and efficient internal control.

## WHEN SHOULD YOU ASK FOR A FINANCIAL STATEMENT REVIEW?



## RISK AND CONTROL: WHAT IS THEIR RELATIONSHIP?

A risk may go through numerous controls before being decreased to an acceptable level for the organisation, depending on the circumstances and the influence of numerous connected elements.

Many different risks can be effectively controlled. A control should make sure that the implementation's cost is less than the loss from the potential risk; if it is, the control is not only ineffective but also interferes with the functioning of the business.



## MANAGEMENT JOBS WITH A FOCUS ON RISK MANAGEMENT HAVE THE FOLLOWING POWERS AND RESPONSIBILITIES:

**The Board** – Board of Management/Board of Members: Comprehensive oversight and assessment of internal control activities.

**Management:** Organising, directing, and putting internal control actions into place in each department of a business while ensuring that risks are kept within acceptable bounds (according to the assessment of risk control activities).

The Internal Audit oversees providing an unbiased assessment and counselling on this activity to assist in achieving the predetermined goals.

## SIDRA SALMAN & CO CHARTERED ACCOUNTANTS LLC

Sidra Salman	Mubashir Islam	Vaibhav Roy
Managing Partner	Senior Manager	Business Development
☎ +971 55 878 0370	☎ +971 50 262 0170	☎ +971 50 357 9755
✉ <a href="mailto:sidra@ssconsultancyme.com">sidra@ssconsultancyme.com</a>	✉ <a href="mailto:mubashir@ssconsultancyme.com">mubashir@ssconsultancyme.com</a>	✉ <a href="mailto:vaibhav.roy@ssconsultancyme.com">vaibhav.roy@ssconsultancyme.com</a>