

Risk Management in Accounting

(22E14000), Jan-Feb 2022



Aalto University
School of Business

Course Info

It is a private presentation for the course Risk Management in Accounting (22E14000) at Aalto University, and we request you not to share the presentation publicly.

Instructors

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**Aalto University, Department of
Accounting**

**Have 8+ years of experience in risk
management and automation in Financial
services**

Contact me if you want to write your
thesis under my supervision on **risk
management, corporate
governance, internal auditing,
management accounting,
digitalization and accounting,
Sustainability and accounting,
accounting and ethics/behavioral
theories**

Both **quantitative** and **qualitative**
methods are welcome

Risk enables 'blame-game'



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7-12-19 2019 Scott Adams, Inc./Dist. by Andrews McMeel



The Strange World of Risks

Attack on Democracy:
Insurrection at the
Capitol Hill



Risk Event



The presidents injects
stimulus into the fledgling
MEME Economy



Ghastly '*sparkling insurrection*' at the
Capitol Hill. The term *Coup d'état* can only
be applied for coup originating in specific
regions of le Brance

The stolen election results in
patriots storming Capitol Hill

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Risk of 'risk management'



Risk management in 'real life'



Learning Objectives

After completing the course,

- Students will have knowledge of risk management in organizations, including risk identification, risk analysis, and risk responses. (ILO1)
- Students will be familiar with the process-oriented and accounting focused perspective on risk management. (ILO2)
- Students will be able to analyze and question the covered theoretical/empirical perspectives on risk management. (ILO3)
- Students will be able to apply their conceptual understanding in risk management to the empirical and practical problems in contemporary organizations. (ILO4)

Topics

The major topics covered in the course include:

- Organizational/Process perspectives on risk - enterprise risk management, risk culture
- Corporate governance and risk management - three lines of defence, COSO ERM & IC - risk appetite, risk oversight, risk analysis
- ISO 31000 standard and *network and individual perspectives on risks**
- Risk management and management accounting & risk regulation
- Risk and financial reporting

Assessment and Grading

- **Grading scale 0 – 5**
- **Final grading is based on the total score of final exam and exercises, max 100 points, which consists of**
 - Exam: 40 points; 40 % [NB: there will be one (1) course exam and (1) one re-exam]
 - Assignments: 60 points
 - Individual assignments: 3 Assignments, max 24 points (8 points each), 24 %
 - **Group report:** max 26 points, 26%
 - **Group presentation:** max 10 points, 10 %
- To pass the course, a student must obtain:
 - a) **At least 20 points from the exam, and**
 - b) **At least 50 points from the whole course (exam + assignments)**

First Task

1. Contact other course participants and form a team of 4.
 - In MyCourses → 'General discussion', you may indicate that you are searching for a team.
2. In MyCourses → 'Assignments' → 'Please choose your team' → Click the checkbox of the team number of your choice

❖ **The choice has to be made by Fri 14.1.2022, 16:00**

Please indicate name, topic, group members, and case compan(y)/(ies) or scandals for your group work (group choices)

In MyCourses → 'Assignments' → 'Please indicate name, topic, group members, and case company/ies or scandals for your group work (group choices)' → Type the information and submit

❖ **The choice has to be made by Wed 26.1.2022, 16:00**

❖ **After you have submitted your choices, I will fix time-slots for your presentations on 15th and 17th of February.**

❖ **It is strongly recommended to students to attend all presentations. Respect your colleagues who have spent time to prepare the project!**

Individual Assignments (24 points)

- **Instructions and submissions in MyCourses → ‘Assignments’**
 - Detailed instructions are in the Mycourses page
 - More general instructions are in the syllabus
 - Individual assignments
 - You have to submit all 3 assignments
 - All assignments are already in the Mycourses page

Group work (report: 26 points, presentation: 10 points)

- **Detailed instructions are in the Syllabus**
 - In a group of four, prepare a report and presentation on a topic.
 - The group presents the results according to the agreed time schedule. All members should be involved in the presentation
 - •The group will prepare a report on the agreed topic.
 - The final version of your report must be returned no later than Feb 15th at 9 am
 - The final group report may be checked for plagiarism through turn-it-in software.
 - Please incorporate relevant articles from the reading material.
 - I will also share good articles with all groups after 26th Jan and before 1st February.

Suggested Topics

1. Risk management and big data/AI
2. Risk management in startup firms
3. Risk management in family firms
4. Risk management in small and medium enterprises
5. Risk management and supply chain management
6. Integrating risk management with strategy
7. Integrating risk management with performance management
8. Integrating risk management with planning and budgeting
9. Corporate governance and risk management
10. Behavioral approach to risk management
11. Role of audit and risk committees in managing risk
12. Internal audit and risk management
13. Role of internal auditors in risk management
14. Corporate tax risk and accounting
15. Internal control over financial reporting
16. Risk of material misstatement
17. Climate risk (management) and disclosure
18. Risk disclosure
19. Auditor's risks
20. Auditor's litigation risk and expanded audit reporting
21. Initial Coin Offering frauds and institutional void
22. Other topics

Exam

Thu 24 February 9:00 - 12

Due to corona virus lockdown, **the exam will be executed through MyCourses**, with a Turnitin assignment. The duration of the examination will be three hours.

Some advice from Aalto:

Log in to your workspace in good time, at least 10-15 minutes before the exam starts. Avoid logging to Dashboard but use the workspace link. When the exam starts, refresh your browser to make sure you see all activities in course space.

During the exam week, MyCourses session time is extended to 4 hours. If user doesn't perform any activity in MyCourses in 4 hours, the session expires and user is logged out.

Note! If your exam is part of a course you have not participated, make sure you have access as a student to the exam workspace! Guest users don't have access to exam activities. Contact your teacher if any problems.

Schedule of Assignments

Assignment	Date and time of submission
Please choose your team	Fri 14 Jan 2022, 4:00 PM
Individual Assignment 1	Thu 20 Jan 2022, 1:00 PM
Please choose your topic for group work	Wed 26 Jan 2022, 4:00 PM
Individual Assignment 2	Thu 27 Jan 2022, 1:00 PM
Individual Assignment 3	Thu 03 Feb 2022, 1:00 PM
Group report and presentation submission	Tue 15 Feb 2022, 9:00 AM
Presentation of group reports in the class	As scheduled

Schedule I of II

*All classes will be held online using Zoom

Date	Responsible Teacher	Topic
Tue 11.01.22 14:15-16:00	Vikash	Introduction/Different perspectives on risk management
Thu 13.01.22 10:15-13:00	Vikash	Three lines of defense, risk management and corporate governance, COSO- CG & IC, risk appetite and integration
Tue 18.01.22 14:15-17:00	Vikash	Risk management and other management accounting systems
Thu 20.01.22 10:15-11:30	Vikash	Class interview and discussion on strategy and risk with Hamed Salehi (Varma)
Tue 25.01.22 14:15-17:00	Vikash	14:15 – 15:15 – Guest discussion with Mirel Leino (Board professional) on risk, corporate governance, and board work 15:30 – 17:00 - Risk reporting and financial reporting
Thu 27.01.22 09:15-12:00	Vikash	9:15 – 10:30 Risk reporting and financial reporting 10:45 – 12:00 – Guest discussion with Saul Schubak (Nordic Growth) on risk as opportunity
Tue 01.02.22 14:15-16:00	Vikash	Panel Discussion on Corporate governance, Risk Management, and Internal Audit with IA insight – Eero Suomela and Jani Heikkala

Schedule II of II

Date	Responsible Teacher	Topic
Two week break for group work		
Tue 15.02.22 14:15-18:00	Vikash	Group presentation (Mandatory presence)
Thu 17.02.21 09:15-13:00	Vikash	Group presentation (Mandatory presence)
One week break for exam preparation		
Thu 24 February 9:00 - 12		Online Exam

Thank You

READINGS

- are listed in MyCourses → Materials
 - Please read all the articles (Most of them are also summarized in the slides)
 - For COSO ERM 2017 and ISO 31000 frameworks, slide material are shared separately (Please do not circulate or share them – it is a copyrighted material for internal use)
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Questions about the course should be asked primarily

- During the lectures
- In the course website (in MyCourses) → General discussion