

IDENTIFYING AND TRANSFORMING MACRO RISK EVOLUTIONS INTO MICRO RISK IMPACTS



**Audit Challenge
Conference
Series 2023**



Internal Audit in a new Risk World of BANI

Identifying and Transforming macro risk evolutions into micro risk impacts



9:00 to 13:00 CET on Tue. Jan. 31/ Tue. Feb. 07/ Tue. Feb. 14

More Insights: [Audit-Challenge.com](https://www.audit-challenge.com)

AUDIT CHALLENGE

THE CONFERENCE SERIE FOR AUDIT METHODOLOGY & STRATEGIC INTERNAL AUDIT DEVELOPMENT SINCE 2006



OVERSIGHT
الرمد الحديث
YOUR TRUSTED ADVISOR
للإستشارات والتدريب

Smart Learning

ARC Institute | Serious Business Games

<https://Audit-Championship.com/en/NewYear2023>



2023 New Year Special



5 Audit Learning Paths, incl. Audit Ethics

33 Gamified Trainings, up to 100+



Artificial Intelligence



Cloud



Cyber Security



Drohnen



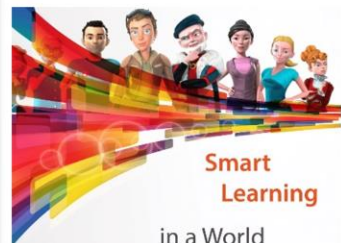
Internet der Dinge



Virtual Reality



5G



Smart Learning

in a World
of Digital
Transformation
Processes



OVERSIGHT CONSULTING AND TRAINING



OVERSIGHT
الرصد الحديث
YOUR TRUSTED ADVISOR
للإستشارات والتدريب

Smart Learning
ARC Institute | Serious Business Games

YOUR TRUSTED ADVISOR



WHO WE ARE AND, WHAT WE AIM/STAND FOR



- **OverSight** Consulting and Training is a boutique consulting firm that offers businesses and corporations' highly specialized advice to address specific problems and aspects within a business. A firm that leverages senior executive talent to help clients plan, manage and execute large, complex organizational change programs and business process improvements. The goal is to improve each client company's efficiency, effectiveness and profits. Unlike major consulting firms, we are very specialized rather than offering general consulting services.
- **OverSight** Consulting and Training was established in 2017 as a Limited Liability boutique firm to promote an understanding and to strengthen the oversight at the private and public sectors. We provide our clients with an exclusive pool of expertise from public sector, private sector and non-government organizations including the United Nations system, international financial and healthcare institutions. We are in the business of advising on governance, accountability, transparency, promoting ethics, risk management, compliance, auditing, investigation and training in small, medium and large sized business entities.
- **Our team** combines the expertise and disciplined approach honed through years with top professional services organizations and the agility of a small, entrepreneurial firm to deliver practical, cost-effective solutions for our clients. Expertise at OverSight Consulting and Training pursue this objective in many ways; helping clients address their toughest challenges by developing and sharing ground-breaking knowledge. OverSight aspires to help leaders realize their full potential, while recognizing that every leadership path is unique.
- **Oversight Consulting & Training at a Glance:** Dedicated to client service, results focused, 'Big Four' and/or international experienced resources, with over 30 years average work experience of team members including the advantages of much larger firm with type of client commitment expected from a small firm, Key competencies include Internal Auditing, Fraud Investigation (prevention, detection, awareness), Compliance, financial crime prevention, anti-money laundry, Quality Assurance, internal Controls, Risk Management, Governance, and much more,. ICA, GCI & ACFE Authorized Trainers, The DCRO Risk Governance Institute, ARC Institute, Affiliation with global and world class professional associations and institutes such as; ICA, ACFE, IIA-UAE and much more.

- **Our Vision**
To be incessantly commendable for our professionalism and ethical standards as providers of oversight services in a confidential and secure manner to our clients and associates.

- **Our Mission**
Deliver consistently rigorous, reliable, strategic and sound advice and practical results-based implementation support. Do it well, do it with integrity, and create value for our clients and our firm.

- **Our Values**
 - Our decisions do not compromise our values.
 - We practice intellectual humility.
 - We let our impact speak for itself.
 - We display the highest standards of professional integrity.
 - We manage our clients' resources and reputations as if they were our own.
 - We keep all information confidential.
 - **We strive to develop balanced consulting leaders.**

OUR SERVICES

GOVERNANCE

Oversight strives to provide its clients the necessary tools to equip them with setting up of credible oversight governance structures...

INTERNAL AUDIT

As a governance body or stakeholder in an entity, you are constantly concerned about reputation risks, frauds, regulatory compliance.

Realizing the capacity and capability limitations in many organizations, many entities have resorted to outsourcing fully or partly the internal audit functions. As your trusted advisor, we offer the following:

- Strategic internal audit transformation, consulting and assistance
- Chief audit executive mentoring and coaching support
- Quality assessment readiness reviews
- External quality assessments
- Transformation of the internal audit activity to enhancing efficiency and effectiveness of the function
- Developing, improving and maintaining an excellent Internal Audit / client partnership

INTERNAL INVESTIGATION

Realizing the capacity and capability limitations in many organizations, many entities have resorted to outsourcing fully or partly the internal fraud investigation function.

Financial Crimes and Anti-Money Laundry

Realizing the capacity and capability limitations in many organizations.



 <p>Business & HR Strategies</p> <ul style="list-style-type: none"> ✓ Co-craft Vision, Mission, and Strategies. ✓ Cascade Strategies & ensure People Alignment. ✓ Link reward to achievement through an effective Performance Management System. 	 <p>Talent Acquisition & Development</p> <ul style="list-style-type: none"> ✓ Ensure the right Capability onboard through: Competency Models architecture, Executive Search, Talent Development & Career/ Succession Planning, Leadership Development, Coaching & Training.
 <p>Culture Transformation</p> <ul style="list-style-type: none"> ✓ Define and cascade the elements of a winning Culture help realizing the Business Vision and HR Strategies. 	 <p>Employees' Engagement</p> <ul style="list-style-type: none"> ✓ Conduct Engagement Surveys. ✓ Develop Engagement and Retention Plans to retain right people to achieve the Business Vision.
 <p>Organizational Design</p> <ul style="list-style-type: none"> ✓ Define optimum Organizational Structure conducive to growth. ✓ Align Structure with Processes, Culture, and Capabilities. 	 <p>Total Reward System</p> <ul style="list-style-type: none"> ✓ Ensure internal equity through Job Evaluation and Grading Structures, and external competitiveness through Benefits Plans & Salary Scales. ✓ Develop Performance Based Reward Systems.
 <p>Systems & Processes</p> <ul style="list-style-type: none"> ✓ Develop effective HR, QMS, & HSE systems and procedures helping clients meet quality and safety standards. ✓ Deliver People Data Analytics providing clients with scientific, unbiased and reliable data for decision making. 	 <p>Commercial Excellence</p> <ul style="list-style-type: none"> ✓ Targeting & Value Proposition ✓ Go-to-Market & Commercial Organization ✓ Sales & Marketing Effectiveness (Processes & Enablement)

Ethics Management

For the Managers: More often than not, managers who wish to behave ethically in their day-to-day work in accordance with their organizational policies may still find embroiled in delicate issues of deciding what is right and what is not. Large organizations generally provide the Ethics officer to help in such decision making

TRAINING

We, at Oversight, believe that the manager's role in improving his human resources does not stop at providing training, but begins with one. We offer the following:

- **ACFE** Authorized CFE Exam Review Course
- **ICA** Authorized Courses and Certification in Compliance, AML, Sanctions, Financial Crime Prevention, KYC & CDD, FATCA & CRS, Corporate Governance, Anti-Corruption, Conduct Risk, and much more
- **GCI** Authorized Courses and Certification in Compliance, AML, Sanctions, Financial Crime Prevention, KYC & CDD, FATCA & CRS, Corporate Governance, Anti-Corruption, Conduct Risk, and much more
- **The DCRO** Risk Governance Institute
- **The ARC Institute** Audit Championship
- **The UAE-IAA** Internal Audit Chapter of the IIA Global
- **Tailored courses** in Internal Auditing, Risk Management, Internal Controls, Compliance, Ethics, Code of Conduct, Governance, Board Orientations, Audit Committee & Other Board Committees Orientations/Training, Fraud Awareness, Internal Audit awareness, and much more

SAMPLE OF OUR CLIENTS



OUR PARTNERS & CERTIFICATIONS



Make an investment in yourself. Become a Certified Fraud Examiner.

CFE Exam Review Course



INTERNATIONAL COMPLIANCE ASSOCIATION



OVERSIGHT
المرصد الجديد
مركز الامتثال والحوكمة

New partnership with Oversight Consulting

#ICAqualified



GLOBAL COMPLIANCE INSTITUTE



Smart Learning
Audit-Championship.com

Please see on the next pages



TOP 50 Internal Auditors

Global Audit Championship

Straight Qualified for the grand final
Top 50 Internal Auditors
Please see on the next pages

Become your best version
by playing



<https://Audit-Championship.com>



THE DCRO
RISK GOVERNANCE
INSTITUTE



GOARISC
Oversight



UAE

Internal Auditors Association
JOIN, LEARN & SHARE

OUR LEADERSHIP



Hossam El Shaffei

Managing Director

CMIIA, CFE, CA, CCSA, CRMA, QRD, CRG, CUN-Investigator, EFQM

Mr. El-Shaffei has over 30 years work experience in multinational organizations such as the United Nations (UN) and USAID. He has global and regional work experience, and has provided management and their governing boards with advice for better governance, risk management, controls, fraud prevention and detection, quality, transparency and fighting corruption programs. He is an Oversight expert on international and multinational organizations having knowledge of internal oversight in the areas of audit, investigation, inspection, financial management, administration (transportation, HR, premises management, maintenance, procurement, construction, etc).

Mr. El-Shaffei is an Oversight expert on international and multinational organizations having knowledge of internal oversight in the areas of audit, investigation, inspection, financial management, administration (transportation, HR, premises management, maintenance, procurement, construction, etc).

Mr. El-Shaffei started life working for USAID in Egypt as the Chief of Accounts. He then served as the Financial Controller and Director of Personnel Services for the Cairo American College in Egypt. He then moved to the UN where he retired in April 2017 after a long service as an international civil servant which included Chief Field Finance at the Headquarters in Rome and Head of the Regional Finance and Administrative Office for the South America Region for the UN World Food Programme. His last position was as Senior Auditor (audit, inspection and investigation) with the UN Relief and Works Agency. Now and after the UN he joined RSM Consulting and Financial Process, Egypt as a Partner leading the Risk Advisory Services. Also, he is currently the Founder and Managing Director of the OverSight Consulting & Training L.L.C. Boutique Firm. He is the Chief Audit Executive Consultant at Segura Consulting, LLC. He is a SME at AoN and former Vice President and Treasurer of the Board of Trustees at the American Community Association K-12 education.

El Shaffei is active promoting and developing the oversight profession. He is the founder and Managing Director of Oversight Consulting & Training (www.oversightconsult.com). He served on the FIFA/CAF Reform Task-Force Committee. He is a Trustee, Board of Trustees at the Internal Audit Foundatio and the Chairperson of the Academic Fund Board Sub-Committee at The Global Institute of Internal Auditors, IIA. He is the former Chairperson and Chair Emeritus of the Board Higher Education Committee at the Association of Certified Fraud Examiners, ACFE. He is also serving on the ACFE Advisory Council. He served on The IIA Global Board Committee on Academic Relations. He founded the ACFE Chapters in Egypt and Jordan. He is the President & Chairperson of the Board of the ACFE Egypt Chapter and Vice Chairperson of the Board of the ACFE Jordan Chapter. Also, he is the founder, former president, Board Member and Chairperson of the Board Training Committee at the IIA Jordan Chapter. He also served as Vice President and Treasurer of the Board of Trustees at the American Community Association K- 12 education. El Shaffei is an Internal Audit Quality Assurance Reviewer (advocate consultant) with the IIA Global. He is a former Judge on the IIA Magazine Scholarship. He is the first ever to introduce and conduct Webinars on the IIA Global Guidance in Arabic for the Middle East members. He is an ACFE Authorized CFE Exam Review Course Instructor. El Shaffei is a Global Partner with the International Compliance Association, ICA – UK and the Global Compliance Institute, GCI – Australia. El Shaffei is also a Staff Mentor at the UNWFP (UN World Food Progeramme). El Shaffei is a Global Partner with the DCRO Institute <http://www.dcroi.org/oct> that offers the **Qualified Risk Director®** education and qualification among other educations and learning subjects that targets C-Suite and Board Directors. Also, El Shaffei is a Global Partner with the ARC Institute <https://audit-championship.com/en/hossamelshaffei-oversight> that provides Gamified Smart Business Training as well as the globally know **"Audit Championship"**. Also, proud to have a collaboration agreement with the Internal Audit Association in the UAE (**UAE – IAA**).

Hossam El Shaffei is a leader and recognized keynote speaker on oversight matters, anti- corruption, **Audit Quality Assurance hosted by the Financial Audit Authority - UAE**, combating Fraud in the Middle East. He has been professionally awarded and recognized in different forms internationally and regionally and has been offered several awards and Honoraria's.

IDENTIFYING AND TRANSFORMING MACRO RISK EVOLUTIONS INTO MICRO RISK IMPACTS



MULTIPLE GEOPOLITICAL CHANGES IN RECENT YEARS

- Wars in the Middle East,
- The Corona pandemic,
- Now the war in Ukraine,
- Supply chains are at risk,
- Energy shortages,
- Increased inflation rates, and
- Political conditions are changing.



1. What phases has internal auditors gone through in this context?
2. What risk analyses do they perform today to capture these macro risks?
3. What impact analyses have they carried out?
4. How the internal audit universe may have changed as a result?

ORGANIZATIONS CAN ADAPT TO THE CHANGING MACRO RISKS



- Regularly reviewing their risk management strategies, and
- Incorporating new risks as they emerge,
- Conducting regular risk assessments,
- Scenario planning, and
- Impact analyses,
- Identify potential risks, and
- develop mitigation strategies,
- It is also important to **stay informed about geopolitical and macroeconomic developments** that could **impact the organization** and **adjust risk management strategies** accordingly.

WHAT PHASES INTERNAL AUDIT DEPARTMENT GONE THROUGH IN THIS CONTEXT?

Internal auditors have gone through four main phases in response to the changing risk environment, geopolitical changes, and macro risks.

1. Reactive phase:

In the early stages of the pandemic, internal auditors were:

- Focused on responding to the immediate crisis,
- Assessing the impact on the organization, and
- Identifying and addressing immediate risks.



WHAT PHASES INTERNAL AUDIT DEPARTMENT GONE THROUGH IN THIS CONTEXT?

2. Adaptive phase:

As the **pandemic evolved and other macro risks emerged**, internal auditors shifted their focus to:

- adapting **to the changing environment**,
- identifying **emerging risks and trends**, and
- adjusting **audit plans and focus areas** accordingly.



3. Proactive phase:

As the **risk environment became more volatile and uncertain**, internal auditors began to take a more proactive approach to **risk management**:

- establishing **robust risk management frameworks**,
- **developing risk scenarios**, and
- stress testing **the organization's resilience** to potential shocks.

WHAT PHASES INTERNAL AUDIT DEPARTMENT GONE THROUGH IN THIS CONTEXT?

4. Future-focused phase:

Internal auditors are now focused on preparing for the future and identifying potential risks and opportunities that may arise in the post-pandemic environment.

This may involve:

- Conducting scenario planning exercises,
- Leveraging data analytics and other technology to identify emerging risks and trends, and
- Working closely with the business to align audit priorities with the organization's strategic objectives.

Internal auditors have had to be agile, flexible, and responsive to the changing risk environment, and have gone through a series of phases to adapt to the evolving challenges and risks.



What risk analyses do internal Auditors perform today to capture these macro risks?

To capture macro risks, internal auditors should perform a variety of risk analyses. These may include:

Environmental scanning:

Conducting ongoing environmental scanning to identify and monitor emerging macro risks, including changes in the geopolitical, economic, and regulatory environment.

Risk assessment:

Performing regular risk assessments to identify and prioritize potential macro risks based on their likelihood and potential impact on the organization.

Scenario planning:

Developing and analyzing different scenarios that may impact the organization, such as:

global pandemics, geopolitical crises, or shifts in consumer behavior or technology.



What risk analyses do internal Auditors perform today to capture these macro risks?

Stress testing:

Conducting **stress tests** to assess the **organization's resilience** to different **macro risks** and to **identify potential vulnerabilities**.

Data analytics:

Leveraging data analytics to identify emerging trends and risks, and to **assess the organization's exposure** to potential **macro risks**.

Collaboration:

Engaging with internal and external stakeholders to understand their perspectives on macro risks and to identify potential blind spots or areas of focus.

By performing these types of risk analyses, internal auditors can gain a comprehensive understanding of the macro risks facing the organization and develop appropriate risk mitigation strategies to ensure the organization is resilient and prepared for potential shocks.



- What impact analyses have internal auditors carried out?
- How might the audit universe have changed as a result?



Impact analyses are an important part of risk management and are typically conducted to assess the potential consequences of different types of risks.

In the context of **macro risks**, impact analyses may involve assessing the potential impacts of various scenarios, such as a pandemic, geopolitical instability, or supply chain disruptions, on the organization's operations, financial performance, reputation, and other key areas.

The goal is to identify the most critical risks and to develop appropriate risk mitigation strategies to address them.

- What impact analyses have internal auditors carried out?
- How might the audit universe have changed as a result?

The results of impact analyses can inform **audit planning** and may lead to changes in the **audit universe**, which is the **set of risks and controls** that **internal auditors assess** during the course of their work.

For example, if an impact analysis reveals that a particular macro risk poses a significant threat to the organization, the audit universe may be expanded to include additional controls or processes that are designed to mitigate that risk.

Similarly, if an impact analysis reveals that certain risks are less critical than previously thought, those risks may be de-prioritized or removed from the audit universe altogether.

By **conducting impact analyses and adapting the audit universe as needed**, internal auditors can ensure that they are **focusing on the most critical risks** and are **providing meaningful assurance to stakeholders** on the **organization's risk management and control processes**.



What (current) changes are taking place in the companies as a result of geopolitical changes?

(Infrastructure, business model changes, product and service portfolio, energy consumption etc.)

Geopolitical changes can impact companies in a variety of ways depending on their industry, geographic location, and other factors. Some potential changes that companies may need to consider include:



Changes in supply chains: Geopolitical changes such as trade wars, tariffs, or sanctions can disrupt supply chains, making it difficult to access certain materials or products. Companies may need to diversify their supply chains or find new sources of raw materials.

Regulatory changes: Geopolitical changes may result in changes to regulations that companies need to comply with. For example, changes to trade policies may require companies to change their import or export processes.

What (current) changes are taking place in the companies as a result of geopolitical changes?

(Infrastructure, business model changes, product and service portfolio, energy consumption etc.)

Business model changes:

Geopolitical changes may require companies to rethink their business models. For example, companies may need to shift their focus to different markets or industries to adapt to changing political and economic conditions.

Energy consumption:

Geopolitical changes can impact the availability and price of energy resources. Companies may need to find ways to reduce their energy consumption or shift to renewable energy sources.

Infrastructure changes:

Geopolitical changes can impact the infrastructure that companies rely on, such as transportation systems or communication networks. Companies may need to invest in new infrastructure or adapt to changes in existing infrastructure to remain competitive.



What new audit topics do you “generally” see for internal auditing today and in the future as part of those larger macro risks and geopolitical changes? e.g. deglobalization?

Some **potential new audit topics** that may be relevant to **macro risks** and **geopolitical changes**, may include:

Resilience and agility:

Auditing how well **organizations are able to respond to and recover from disruptions and changes in the geopolitical and macroeconomic landscape**. This may involve **reviewing risk management strategies, scenario planning, and business continuity plans**.

Supply chain risks:

Auditing the **resilience of the organization's supply chain** and **assessing potential risks to the supply chain**, such as **disruptions in transportation, availability of raw materials, and changes in regulations**.

Compliance with changing regulations:

Auditing the organization's **compliance with new or changing regulations** resulting from **geopolitical changes** such as **trade wars or sanctions**.



What new audit topics do you “generally” see for internal auditing today and in the future as part of those larger macro risks and geopolitical changes? e.g. deglobalization?

Cybersecurity risks:

Auditing the organization's cybersecurity measures in the context of increasing cyber threats resulting from geopolitical tensions and increased geopolitical risks.

Deglobalization risks:

Auditing the organization's ability to **navigate and adapt** to the potential risks resulting from deglobalization, such as changes in **trade policies or increased protectionism**.

Environmental, social, and governance (ESG) risks:

Auditing the organization's ability to manage ESG risks, such as **climate change** and **social unrest**, which may be **enlarged** by geopolitical changes and macro risks.

Internal auditing will need to be more dynamic and flexible in its approach, in order to respond to changing macro risks and geopolitical changes. This may involve incorporating new audit topics, using new audit techniques, and leveraging emerging technologies to provide deeper insights and added value to the organization.



THANK YOU



OUR CONTACTS



Mr. Hossam El Shaffei

**CMIIA, CA, CFE, CCSA, CRMA, CRG, QRD®, FWAIA, CrUN-Wide Investigator, EFQM Validator
Founder & Managing Director | ACFE Authorized Instructor**

OverSight Consulting & Training

Offices: Um Al-Sommaq, Mamdouh Al- Sarayrah St. Bld. no. 11, second floor, Amman 11185 - Jordan

Office: P.O. Box: 852744 Al Swefieh, Amman 11185 - Jordan

M:+962 (0) 77676 0106 (Jor) **M:**+20 (0) 122 313 9786 **(WhatsApp only)** | **Web:** <https://www.oversightconsult.com/>

Working hours: 09:00 - 17:00 (GMT+3)

Weekend: Friday and Saturday