

# Risk Management I: Internal Controls and Fraud Prevention for Microfinance Institutions

## WORKSHOP AGENDA

Time	Day 1	Day 2	Day 3	Day 4
8:00 – 12:00	<p>Welcome Setting the Stage Introduction of Participants Expectations Ground Rules Institutional Presentations</p> <p><b>Session 1: Institutional Values, Accountability and Culture</b></p> <ul style="list-style-type: none"> <li>• Sustainable Capacity Building</li> <li>• Forms of Accountability</li> <li>• Organizational Culture</li> </ul> <p>Session Summary/Feedback</p>	<p><b>Session 3: Overview of Internal Control Systems</b></p> <ul style="list-style-type: none"> <li>• Control Environment, Procedures, and Elements</li> <li>• Accounting Controls</li> <li>• Limitations</li> </ul> <p><b>Session 4: Overview of Fraud in MFIs</b></p> <ul style="list-style-type: none"> <li>• Common types of fraud</li> <li>• Detecting fraud</li> <li>• Reducing the likelihood of fraud</li> <li>• Key vulnerabilities and challenges</li> </ul> <p>Session Summary/Feedback</p>	<p><b>Session 6: Preventative Controls: Policies and Procedures</b></p> <p>Process Mapping</p> <ul style="list-style-type: none"> <li>• Accounting for Cash receipts and disbursements</li> <li>• Bank Reconciliation</li> <li>• Fraudulent Means of Obtaining Cash</li> </ul> <p>Session Summary/Feedback</p>	<p><b>Session 8: Internal Audit and Fraud Control</b></p> <ul style="list-style-type: none"> <li>• What is an Internal Audit?</li> <li>• Who should Perform the Internal Audit?</li> <li>• How is the Internal Audit done?</li> </ul> <p>Session Summary/Feedback</p>
Lunch				
1:00 – 4:30	<p><b>Session 2: Risk and Risk Managements</b></p> <ul style="list-style-type: none"> <li>• Overview of Risk and Risk Management</li> <li>• Microfinance Risks</li> <li>• The Risk Management Feedback Loop</li> <li>• Roles and Responsibilities</li> <li>• Operational Risk Management</li> </ul> <p>Session Summary/Feedback</p>	<p><b>Session 5: Preventative Controls: Human Resource Issues</b></p> <ul style="list-style-type: none"> <li>• Employee fraud – contributing factors</li> <li>• Effective motivation</li> <li>• Human resource policies</li> <li>• Response to fraud</li> <li>• Employee Code of Conduct</li> </ul> <p>Session Summary/Feedback</p>	<p><b>Session 7: Preventive Controls: Loan Information Systems</b></p> <p>Process Mapping</p> <ul style="list-style-type: none"> <li>• Information Needs</li> <li>• Characteristics unique to MFIs</li> <li>• The Loan Administration System</li> <li>• The Loan Tracking System</li> <li>• Areas of Risk in the Loan Tracking MIS</li> </ul> <p>Session Summary/Feedback</p>	<p><b>Session 9: The External Audit</b></p> <ul style="list-style-type: none"> <li>• What is an External Audit?</li> <li>• How is an External Audit Done?</li> <li>• Why do MFI External Audits not Deliver?</li> <li>• Planning the Audit and Evaluating Proposals</li> </ul> <p>Session Summary/Feedback Closing Comments Workshop Evaluation</p>