



## **The Institute of Internal Auditors, Singapore**

The Secretariat  
138 Robinson Road #18-08  
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25 February 2010

Dear Members

### **3 Day Seminar on**

# **Auditing Treasury Function in Financial Institutions and Corporations**

**14 – 16 April 2010 by Mr Tay Kim Yam**

#### **What you will gain from this seminar:**

##### **YOUR OPPORTUNITY TO...**

- Obtain an insight into the structure, responsibilities and operating processes of the dealing room and supporting functions
- Learn the features of various financial market product groups and how they are traded for hedging and speculative purposes
- Identify, measure and analyse key risks from deal inception to settlement
- Translate knowledge into a risk matrix to facilitate the audit of a treasury function
- Apply risk matrix standards to past incidents of treasury control failures and achieve better understanding of audit approach

#### **Course Description**

Rogue trading, poor risk management systems and lack of basic controls have led to devastating losses and in increasing quantum. Nick Lesson's loss of USD 1.3 billion in 1995 is dwarfed by the more than USD 7 billion losses handed to SocGen by Jerome Kerviel in 2008. With the advent of derivatives and the growing number of institutions trading financial instruments for non-hedging purposes, auditors need to keep in pace with these developments and be adequately trained to conduct an effective audit in this high risk area.

This course is designed to equip auditors with basic or intermediate understanding of financial markets to carry out an audit of the front office trading desk, risk management office and the back office operations. Risk managers supporting the treasury function will also benefit. This is achieved through the conduct of lectures, discussion groups and participative walk-through of historical events.

## About the Speaker

**Kim Yam TAY** was previously Chief Audit Executive with a major bank where he led more than 100 auditors operating in the Asia Pacific region, including Hong Kong, China and India. He had also assumed senior positions relating to corporate governance and operational risk management. Kim Yam began his career as a treasury specialist and was Chief Dealer and Deputy Treasurer in a US global bank. As a consultant in a leading consulting firm, he had led teams to help many companies in the region. Currently, Kim Yam is the founder and director of Asia Pacific Advisory Services, an independent consulting firm specializing in risk and controls.

## Who Should Attend

- Audit managers and senior auditors who are tasked with auditing the treasury function.
- Risk managers who want to upgrade their knowledge of the treasury risk and controls environment.
- Treasury dealers and supporting function personnel who want to acquire further understanding of the operational risk management process.

## Details of the administrative arrangements are as follows:

Date : 14 – 16 April 2010

Time : 9.00 am to 5.00  
(Lunch and refreshments provided.)

Registration : 8.45 am

Venue : IIAS Secretariat Office  
138 Robinson Road #18-08  
The Corporate Office  
Singapore 068906

CPE credit : 21 hours

Fee : S\$1,050 (IIA / ISACA Member)  
S\$1,365 (Non-member)  
**\* NO GST payable**  
**\*\*NO invoice will be issued**

Closing Date : 1 April 2010

Please return the reply slip together with your cheque made payable to “**The Institute of Internal Auditors Singapore**”. **No invoice will be issued.**

Yours sincerely  
Lena Kuok  
for Education Committee

## REPLY SLIP

To: The Institute of Internal Auditors, Singapore  
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Singapore 068906  
Tel: 6324 9029  
Fax: 6220 5972

### 3 Day Seminar on

# Auditing Treasury Function in Financial Institutions and Corporations

14 – 16 April 2010 by Mr Tay Kim Yam

From: Mr/Mrs/Ms/Miss \_\_\_\_\_

Organisation: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Tel: \_\_\_\_\_ Fax: \_\_\_\_\_ Mobile: \_\_\_\_\_ Email: \_\_\_\_\_

Name of Attendee	Designation	IIA / ISACA Membership No. ( where applicable )

#### Terms and Conditions:

1. Notification of withdrawal in writing received **seven working days or more before** the event will be processed for refund after deduction of \$100 processing fee.
2. No refund will be made for shorter notice but you are welcome to send a replacement.
3. Registration is only confirmed when full payment is received. An official receipt will be sent to you.
4. Payment must be received **before** commencement of the event.
5. No invoice will be issued.
6. IIA reserves the right to cancel, postpone, alter the programme and/or change the speaker due to unforeseen circumstances.
7. Request for special food arrangement must be made at time of registration.

Enclosed is cheque number \_\_\_\_\_ for S\$ \_\_\_\_\_ being payment for \_\_\_\_\_ IIA / ISACA member(s) @ S\$1.050 and \_\_\_\_\_ non-member(s) @ S\$1,365.

**Participants will be awarded 21 CPE hours upon completion of the course.**

[ Cheque should be crossed and made payable to "The Institute of Internal Auditors Singapore" ]

**>>>> Complete and Fax to : (65) 6220 5972 for Reservation <<<<<**

## COURSE OUTLINE

### Why Audit Treasury?

#### Treasury Organizational Structure, Responsibilities and Operating Processes

- Front office
- Middle office
- Back office
- Risk and control functions

#### Financial Markets Products

- Foreign Exchange
  - Spot
  - Forwards
  - Swaps
- Money Market
  - Deposits and Lending
  - Bonds
  - Repos and Reverse Repos
- Islamic Banking Products
- Derivatives
  - Currency Options
  - Interest Rate Swaps and Currency Swaps
  - Forward Rate Agreements (FRAs), Non-delivery Forwards (NDFs) and Futures

#### Liquidity, Market & Treasury Credit Risk - An Introduction

- The need to understand liquidity, market risk and treasury credit risk
- Risk management process
- Collateral Debt Obligations (CDO), CDO<sup>2</sup> and Accumulators – Why the Recent Attention

#### Regulations, Guidelines and Policies

- The [Association Cambiste Internationale](#) (ACI) Model Code and the “Blue Book”
- Treasury Markets Practices Group (TMPG) Treasury Markets Best Practices
- MAS Guidelines on Risk Management
- Internal Compliance and Risk Management Policies

#### Treasury Audit Process from Deal Input to Settlement

- Knowing potential issues and red flags
- Identifying key risk factors
- Identifying key characteristics of internal control system
- Testing, documenting and analyzing information
- Reviewing the adequacy of the management and control system
- Identify controls-at-risk
- Putting it altogether into a Risk Matrix

#### Risk Matrix: Applying it in Case Studies