


Developing Internal Controls

To Address the Top Security Risks of
Your Organization



AGENDA

- 
- Developing successful internal controls
 - Using risk to create and strengthen controls
 - Internal control monitoring
 - The top 10 security risks you should address now

WHAT ARE INTERNAL CONTROLS?

A process for assuring achievement of an organization's objectives for:

- Operational effectiveness and efficiency
- Reliable financial reporting
- Compliance with laws, regulations, and policies

THE PROCESS

- Set the foundation with a strong **control environment**
- Perform a **risk assessment**
- Develop and implement **control activities**
- **Communicate** pertinent information
- **Monitor** the internal control system

CONTROL ENVIRONMENT

Competency

Ethics

Responsibility

Management's Philosophy

BOD Attention

Authority

BOD Direction

Tone At The Top

Human Resources

Integrity Values

Staff Development

Management's Operating Style

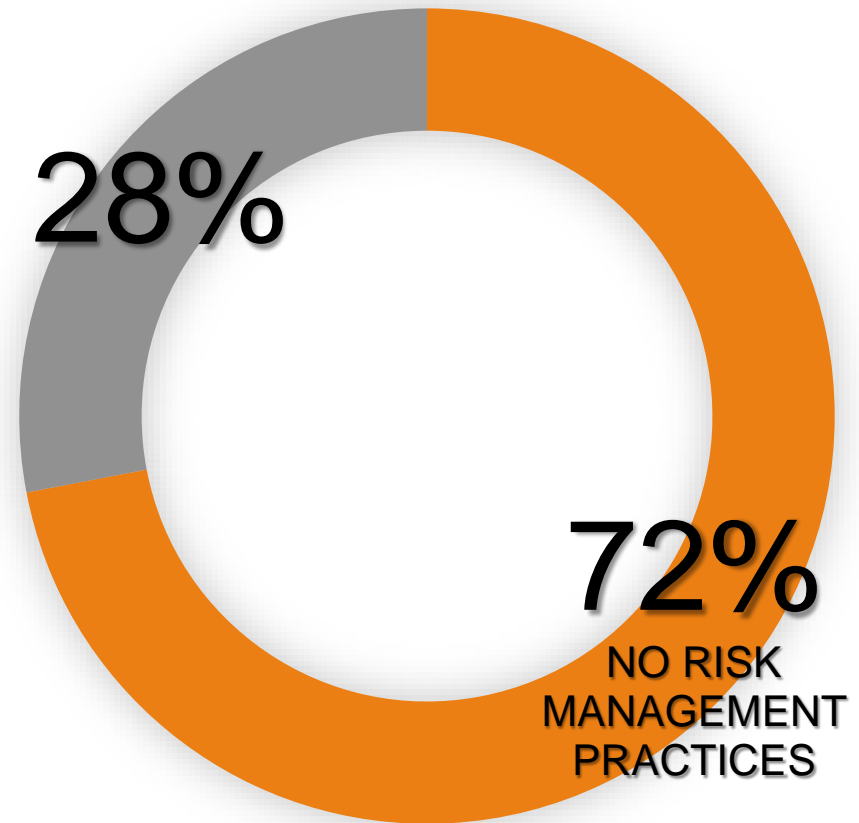




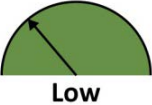


ASSESSMENT

- Technology
- Human capital
- Financial
- Operational
- Legal
- Strategic
- Reputational

A 2015 study on the state of 1093 organization's risk management practices found that 72% of organizations do not have a standardized scale and/or approach to complete risk assessments



Source: Poole School of Management, NC State University

RISK	LIKELIHOOD TO OCCUR	IMPACT OF RISK			OVERALL RISK RATING
		Financial	Security	Operational	
 Low	Low likelihood: 1	Low impact: 1	Low impact: 1	Low impact: 1	Low overall risk: 4 - 5
 Medium	Medium likelihood: 2	Medium Impact: 2	Medium Impact: 2	Medium Impact: 2	Medium overall risk: 6 - 8
 High	High Likelihood: 3	High Impact: 3	High Impact: 3	High Impact: 3	High overall risk: 9 - 12

CONTROL ACTIVITIES



Authorization
Security
Locks Verification Review
Approval
Segregation of Duties
Reconciliation

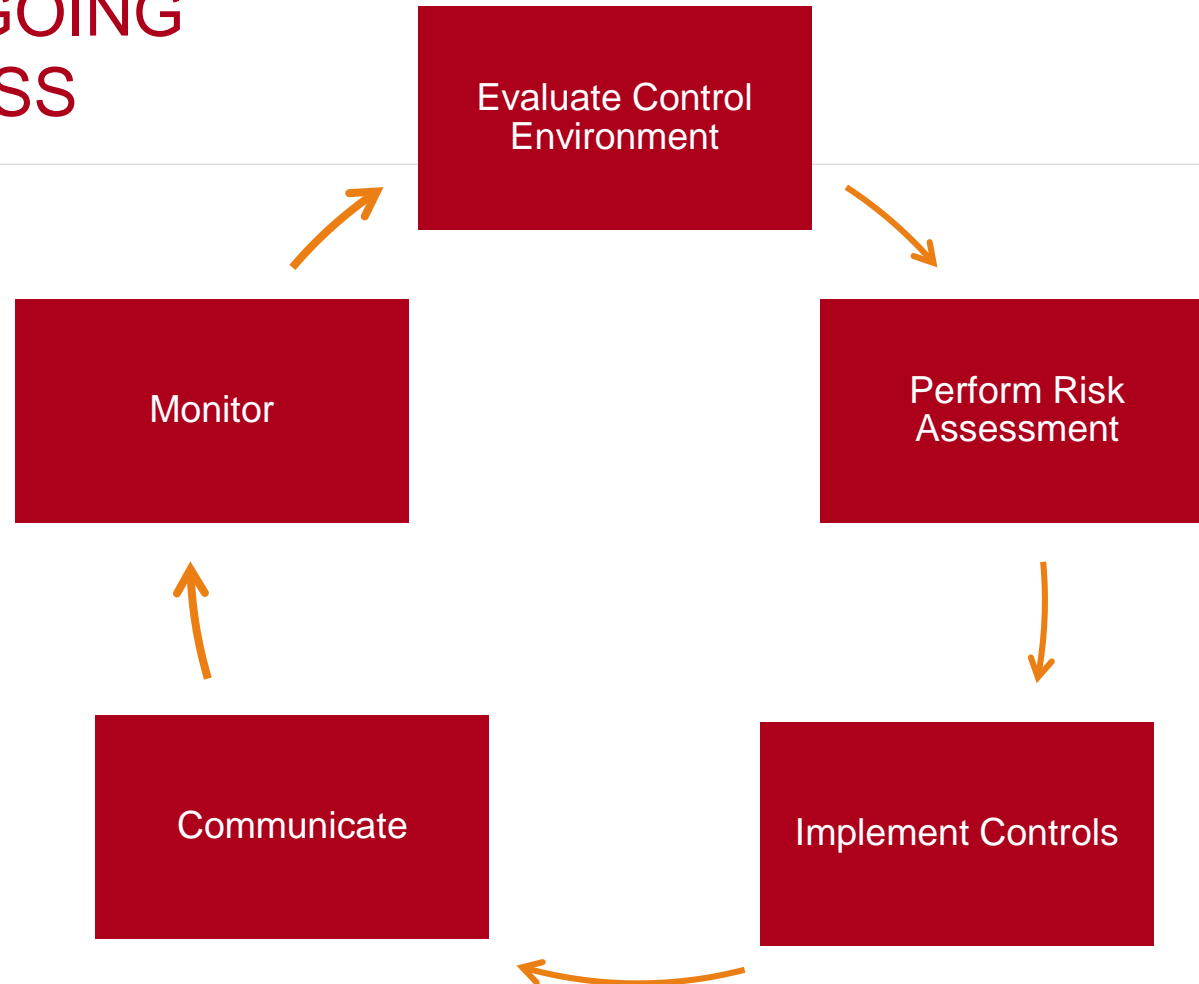
INFORMATION AND COMMUNICATION



MONITORING



AN ONGOING PROCESS



Putting this to practical use – the Top 10 IT Security Control Risks and what you can do



#10

Segregation of Duties



#9

Finding and Maintaining Qualified Security Personnel



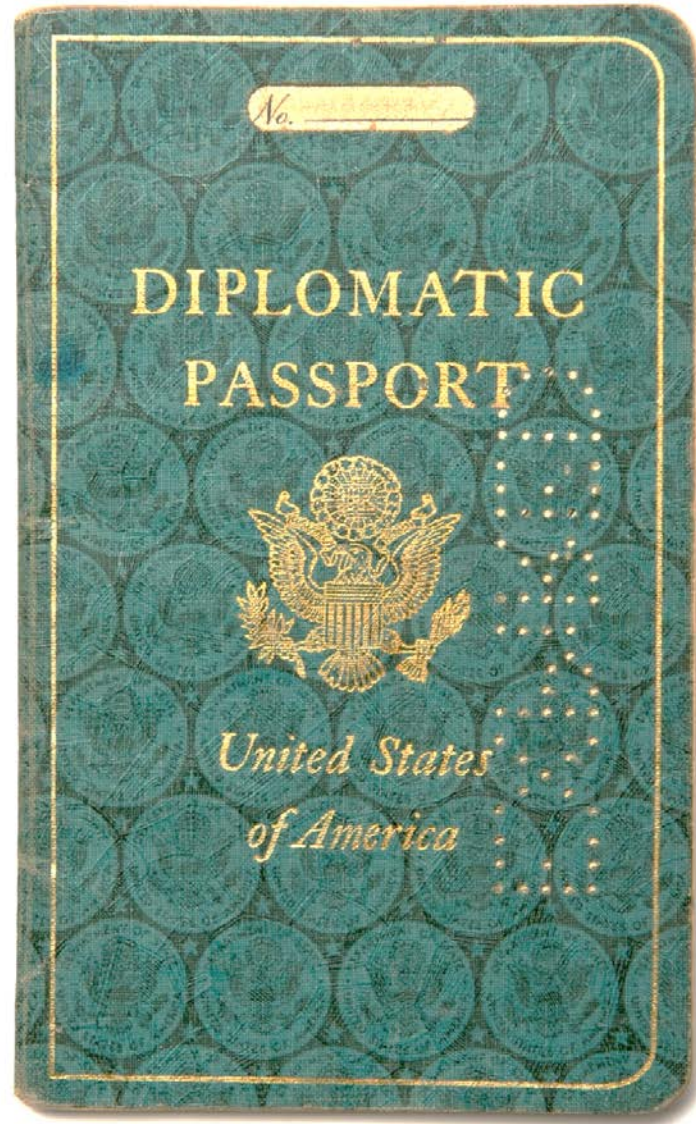


#8

Lack of Management
Support

#7

IT Diplomatic
Immunity



#6

Data on User Owned Mobile Devices



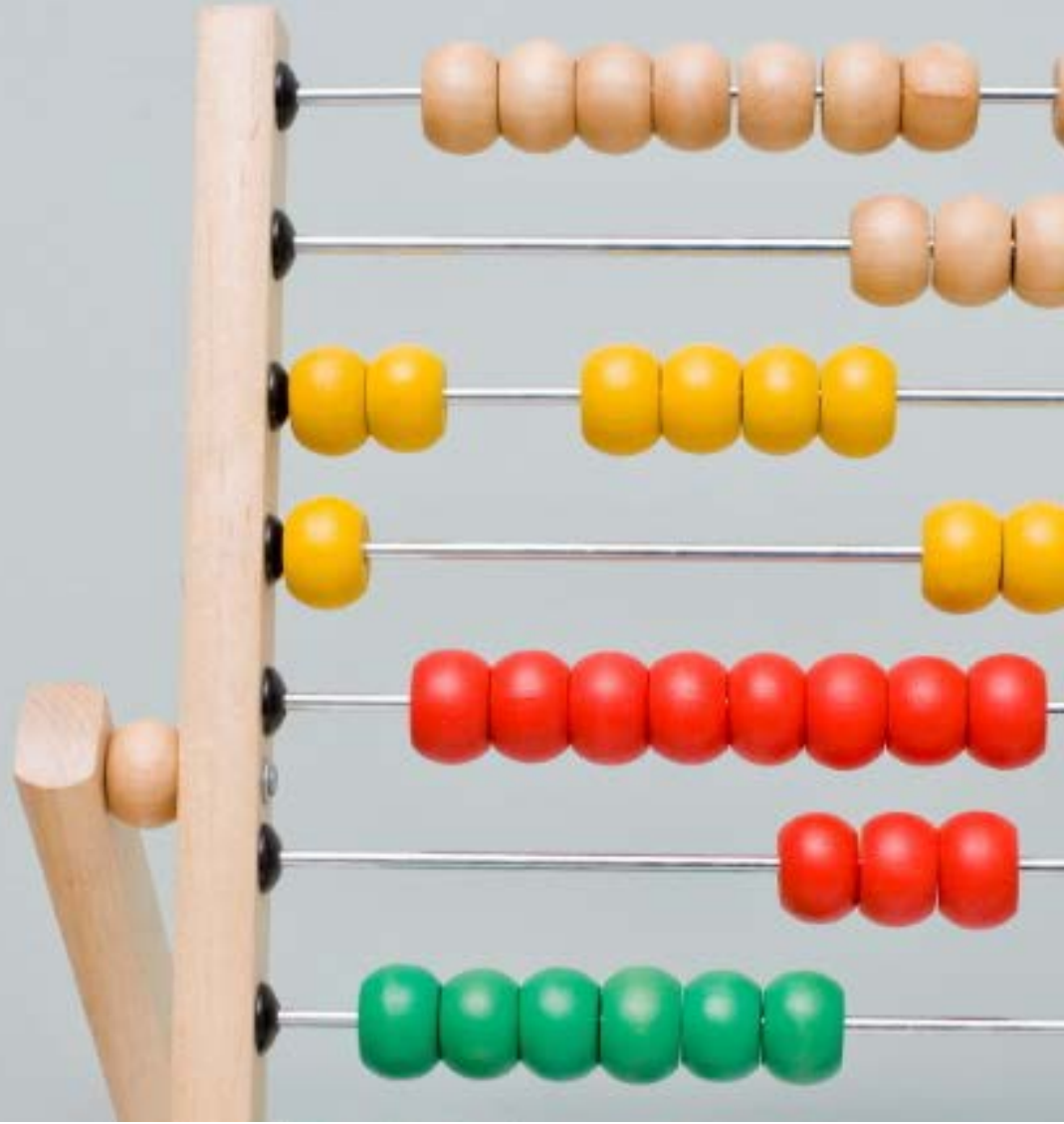
#5

Lack of
Encryption



#4

Outdated Operating Systems



#3

Technology
Innovations That
Outpace Security



#2

Inadequate System Logging



The image features two woven baskets against a solid blue background. The basket on the left is empty, showing its intricate woven texture. The basket on the right is filled with several white, oval-shaped eggs. A semi-transparent white box is overlaid on the left side of the image, containing the text '#1 Overreliance on Security Monitoring Software'.

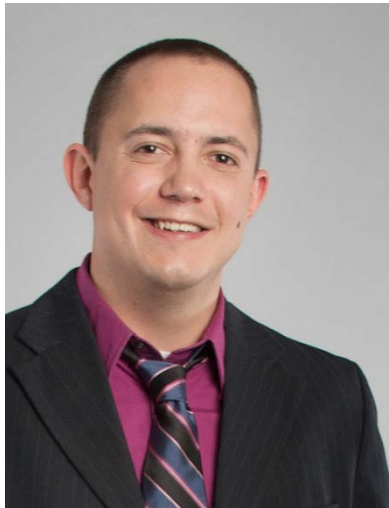
#1

Overreliance on
Security Monitoring
Software

QUESTIONS?



INTERESTED IN MORE? CONTACT US.



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