

Current challenges to risk management



Risk Management

Individual Reflections

BHS

Risk management is essential to mitigating corporate losses. Acting in the position of a risk manager, I would have ensured that the acquisition and management of the company are within the provisions of the policy of the enterprise. Well designed policy framework provides mechanisms for identifying and analyzing the impact of the expansion of the business to its employees and finances (Chu, 2017; Toulová et al., 2016). The contractual agreement entered by the company will be reviewed. I would also ensure that the risk manager conducts the assessment and management of the risk in consultation with other administrators. I would ensure that all resources of the company are used for the benefit of the company and have it as going concern.

The BHS case will have helped me understand the importance of inquiry of the management, evaluating and understanding the importance of the internal control system. Testing of documents to support the allegation of the control is important as it helps mitigate the potential collapsing of the firm (Thamhain, 2013). I have discovered greed, and poor governance and unethical activities are detrimental, and are to be avoided as part of corporate citizenship. From viewpoint of stakeholder theory, the regulators have a role to play in mitigating acts of avoidance of pension fund obligations (Thamhain, 2013). Distribution any other money of the company apart from profit puts the company into liquidation.

Volkswagen Cars

I would ensure that the components of the company are tried and tested by at least three individuals apart from the person involved in its creation. It is vital to expose the company to a couple of reference for the preparations as an auditor (Anon, 2017). I would also ensure that the principle of accounting, risk, and compliance are observed. At the helm of the risk manager, taking initiatives helps at enhancing the establishment of a formal risk assessment. Overhauling and transforming the Internal Audit through the use of the efficient approach is important (Toulová, Tuzová & Straka, 2016). I would like the company to recall the vehicles, but would also allow the clients a new car to replace the one surrounded. Establishment of the risk monitoring tools such as danger in the quality of the car produced.

The case of Volkswagen helps me understand that there is need of understanding that there exist other hazards in the form of general production downtime, there are regulatory as well as business risks. The reputation and brand of the company is a paramount task which needs to be addressed (Steiner, 2014). As an auditor, I would like to be involved in the initiation of the matters concerning the acquisition of the firm; this will be influenced by the board size, diversity and structures in place to accommodate the changes. An auditor should consider the ethical duty, the company requirements on internal auditors (Rodionova, 2017). I would enhance the accuracy and authenticate the documents. The case also underscores auditor's role to discover failure of regulatory compliance by a company.

Uber

The case of Uber enables me to understand that a firm should have a clearly set objective which it intends to meet. It should set the corporate target upon which the performance of the company will be compared. The internationals and external environmental factors affect the operations of the firm (Bhattacharjee, Maletta & Moreno, 2015). The culture created by the organization should be enhanced; the risk manager should cooperate with other stakeholders for the improvement of the company. Conducting customer risks and examines the use of realistic and profitable opportunities. It is also important to assist in the establishment of management records (Anon, 2017). The other risks which will be considered are that of becoming a driver and passengers I would also consider the viability of the expansion of the firm.

The case of UBER gives me a chance to learn about risk which faces the business. It allows understanding the process of auditing of a multinational corporation (Thamhain, 2013). I also know that the firms take approaches that aim at minimizing risks and controlling the organization. It manages, monitors and checks and reports those errors. In auditing, the auditor needs to understand what risks existed to a commodity to warrant its insurance of the amount it is insured (Chu, 2017). The manner of entry into the new market should be considered when the firm is entering a new market, and its effectiveness is verified.

Brexit TESCO

The effect of falling Sterling Pound is being felt by the business entity, price differentiation and establishing a brand name which will attract client keep make them come back in future. From share holder value maximization perspective, the firm may adopt the strategy of maintaining value for its shareholders but at the same time ensuring the uncertainty in the mind of clients is encouraged (Anon, 2017). I would have the risk assessment to be conducted to increase the brand name of the company. During the auditing process of the business records, the truth of the matter should be sought (Rodionova, 2017). Tesco should consider the opportunities available. I would ensure that the drivers are encouraged to work for the company; accountability should be entrenched in the customs of the enterprise.

The circumstances at Brexit Tesco-case help me learn that the auditor needs to risk a management mechanism instead of solely depending on compliance based corrective action. The performance of the firm depends on the strategic decision a firm takes(Toulová, Tuzová & Straka, 2016). When taking risks, the organization must consider whether the risk is within the allowable limits of the company. The drop in exchange rate affects the amount of money the company receives from sales, on the other hand, the buyer may be pressed by the increased exchange rate (Thamhain, 2013). The auditor would engage in planning and obtaining reasonable assurance about the financial position. Employees who are key stakeholders, they frustrate some aspects of the company and therefore require auditing to be performed.

Reference

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