

Episode 2: The Backbone of Effective Internal Control: Understanding IPE and MRC

William

Welcome The Beehive, where we turn business and financial buzz into actionable insights. In our ongoing series on risk advisory services, we delve deeper into the critical components of effective internal control. I am your host, William, and still joining me today is Scrubbed Risk Advisory Services Senior Manager, Matt.

Matt

Hello everyone. In our previous episode, we discussed the importance of building a culture of effective internal control.

Today, we'll be focusing on one of the backbone of internal control often and over the topic and the system of internal control, the concept of internal control, which is basically the information produced by the entity and management review control.

William

Right. Joining us today is Precylou, a risk advisory expert with extensive experience in internal controls. Precylou or Pem, brings a wealth of knowledge in designing and implementing effective internal control systems.

Matt

Folks, we are eager to learn from Pem about the crucial role of information produced by the entity and management review controls in mitigating risk and enhancing our organizational performance, mainly driving effective decisions as we go along the way.

Will

All right. Hello, Pem. Welcome to The Beehive. We're delighted to have you join us today.

Precylou

Hi. Hi, everyone. It's an honor for me to be your guest in today's, Beehive.

And I'm also excited to share my knowledge and insights on, IPE and MRC, especially that I've been in the industry in audit for almost eight years.

William

Yeah. So talk to us a little bit about your background. What of those eight years have you, experience?

Precylou

Sure. So, I started my humble beginning, started with EY.

Yeah. I've been there under the assurance service line for almost four years. Yeah. Mostly, I handle the external audit, so, Performs extensive testing. Yeah, Test of controls and also review of financial statements. And after that, four years of stay in the EY. I transferred to a private company where I was able to have an exposure on fund accounting.

Precylou

Yeah. So, if previously I'm an auditor, during that time I am already the process owner and then after almost two years I realize that my heart is in audit and yeah, that's when Matt approached me that there's an opportunity here in Scrubbed. So yeah. And back in audit under SOX.

William

Amazing. All right. So I want to start with an overview of IPE and MRC.

Right. Let's start with the basics for our listeners. What exactly do we mean by IPE and MRC?

Precylou

Okay. Good question to start with. So IPE or information produced by the entity is any information created using the entities, I.T application and user computing tools and other means, including manually prepared or compiled information.

William

Okay.

Precylou

On the other hand, MRC are reviews performed by the management on financial information to ensure accuracy and reasonableness of that financial information.

William

And what do we mean by MRC, exactly? MRC is management review controls.

Matt

Right. And I think management review controls is a more subjective type of control per se, because it requires judgment of management.

It requires a little bit of opinion by management. And that opinion is a competent opinion at that. We normally would encounter MRC with, let's say, high level review of financial information and perhaps operational information as well. I'm sure we will dive deep into the precise answer, like the specifics of what entails or what comprises a management review control later.

Matt

But generally MRCs and IPEs are also interrelated in the sense that IPE would feed mostly to the conduct of the MRCs, any information that is produced by the entity would be deemed as an important input in the decision making that is currently happening, as they perform management review controls.

William

So it seems like these are two very different subjects and they cover different areas right?

Matt

Right.

William

So maybe we can dive into each one of them one by one. Right? Let's start with IPE. When we talk about internal controls, where do we actually encounter IPE.

Precylou

Okay. So, both the audit team and management encounter IPEs in different ways. For management, they use IPE to process transactions, to manage operations, to create financial reports and even make decisions.

So essentially, in an internal control system, IPEs are what management uses in the performance of the control or in the control execution. While on the side of the auditors, we encounter IPE when it is used by management in the performance of the control that we are testing. So basically, these are the audit evidence that we or the management provided us and we use that if we are doing substantive testing or when we are testing the design or operating effectiveness of a control.

William

Gotcha. Can you give us examples of IPEs?

Precylou

Based on my experience, when, in usually performing control, one thing that I always consider when identifying whether this control uses IPEs, is that IPE should be used by management in the performance of the control.

William

Right.

Precylou

Yeah. And it comes in different forms for example.

And a control on reconciliation of balance sheet accounts. Sometimes management just placed a screenshot, a system screenshot of a trial balance. And uses that to tie out the balance for the ledger.

Matt

Right.

Precylou

So that itself, the screenshot itself is already an IPE, which is used in the performance of the reconciliation. So other forms also are that, for example, if the reconciliation of an accounts payable.

So usually the records would be general ledger to sub ledger.

Matt

Right.

Precylou

And the sub ledger would be the aging report. So the aging report would be extracted from the system. And it can be in the form of PDF, CSV or Excel. And that itself, which management used to reconcile the balance to the trial balance or the general ledger is also an IPE which is used in the performance of the recon controls.

Matt

Great thought process there Pem. And I think just to add context to the conversation, the importance of why we are currently discussing IPEs, is that it's such a hot topic, not only for the regulators, but also for auditors alike, mainly because in the past few years, the auditors of the auditors, mainly the regulator authority like the Public Company Accounting Oversight Board and so on, these regulators are posting different comments or a different deficiency notes about how management approach, or how management would approach the validation of information produced by the entity.

And why is that the case? The case is that there are many risks that are being unaddressed. Let's say there are many deficiencies that are identified relating to the lack of validation for this particular information. Since information produced by the entity are internally generated documents, these documents are often subject to certain procedures that are being performed by management before they extract the information.

Lack of documentary trail pertaining to the review or validation of the completeness and accuracy of those information leads them to use that incorrect information as a basis for their decision making. And you know what they say garbage in, garbage out, right? So if they have the correct process of deciding on the matter, but they base their information or they base their decision on incorrect information, then they're up to basically having a decision that is also incorrect.

That's why all of the regulators and all of the auditors are pushing to have management become uber aware of the requirements and as well as the, what could go wrong in terms of, the usage of IPEs. And I believe that the different facets of considering the completeness and accuracy of IPEs would also be dependent on the different faces or different characteristics and different types of IPE at that.

As mentioned by Pem a while ago, we do have certain reports, such as coming from either I.T generated reports or end user computing tools, which I think would be discussed thoroughly by Pem after.

William

Right. So that's very big news to me. So I think this is also the reason why the IT department is very, very strict in regards to the use of, like, company property, especially the laptops that the employees use.

Right. Because I think it connects to the examples that you gave where, where you said a simple screenshot is already considered IPE right? and like information, that information like that, that is not handled properly, could be dangerous, could be very dangerous to the company.

Matt

Oh, totally. What you're seeing right now is basically a general control that supports the effective ITGC or effective general control environment of our I.T application. I wouldn't touch that particularly in this particular discussion, because we'll be opening a can of worms for that. But definitely we might be touching it and separate topics as we go along this particular podcast. But right now we will focus on mostly, what entails the correct or complete and accurate representation of any information that would be produced as a basis of decision making, of management.

William

Gotcha.

Precylou

Yeah, I would agree with Matt and I think he emphasized that IPEs are really the responsibility of management. So it's important to ensure that, the completeness and accuracy of those information. And I think, of course, for management, like ensuring that especially to process owners, it could be an additional work for them. But I guess I believe it's important for them to understand the importance, the value that, ensuring the completeness and accuracy of the information is important.

I think it's really valuable for them to have that understanding. That's why, in order for them to have a better understanding, I think it's important to also, drill down what are the types of IPEs,

Matt

Right.

Precylou

And even the risk in the IPE process,

Matt

I agree, I agree,

Oh, totally. What you're seeing right now is basically a general control that supports the effective

William

Yeah. So so, yeah. So, got noted on those, on those, information that you guys gave.

So moving forward as, as an auditor, you know, what are your considerations over IPEs?

Precylou

Yeah. as mentioned earlier, the main consideration is really the, completeness and accuracy of the IPE in order for us, auditors to use that IPE and the controls that we test, it's important for us to, to have some comfort over the completeness and accuracy of the IPEs, in accordance with the PCAOB audit standards 1015.

Yeah, I did some research.

William

Really prepared for this episode.

Precylou

It's the auditor's responsibility to test and determine appropriate procedures to obtain, comfort over the completeness and accuracy of the IPE.

Matt

And to underscore that, the responsibility of the auditors is to check whether management has those particular steps.

Precylou

Yeah, that's a very important point.

Matt

Right ,Yeah. Because if auditors would perform the steps for management, then we have failed the first step in recognizing the utmost importance or the utmost important role of management, which is to basically document their completeness and accuracy procedures, and not that the auditors do that for them.

Precylou

Yeah, because it's not our responsibility.

William

All right, so, next question, I think my next question would be like, the best practices in this situation, what are the best practices can you share to the business owners?

Matt

Right. I think then we could also underscore the best practice that we have in terms of documenting management evidence, based on the different types or categories of IPE. If we would go back to that particular point, right?

Precylou

Yeah. Okay. So let's go back first what are the different types of IPEs. So generally there are two,

We have the standard or canned report. So basically these are those reports that are already designed by the application provider and typically, the end users has no or could not reconfigure this report. So they are lesser risk because end user could not edit, modify the configuration.

And the next one is the custom report. So these are reports that are built or created for specific requirements. For example, an ERP system of an entity could not produce a specific standard report that is required by the business team. That is when a custom report is being created. So it is usually produced by the in-house I.T team and in collaboration with a business team of the entity.

Matt

Right.

Precylou

Yeah. And also, this is less serious than the next classification of system generated report because, the business team already has an expectation of what will be the result of the IPE, because it has it, cater to the specific needs or requirements of the business team.

Matt

Okay. And I assume that we are operating on an effective I.T general control environment.

Precylou

That is an important requirement also

Matt

That we have effective system development life cycle steps in order for us to conduct the development of these particular configurations, approve those configuration and make sure that we

are implementing it after the approval of such and testing of such. But again, that if we are going to dive deep on that, we might be opening some, so yeah, some should be used that there are general controls that surround the IT environment so that any reconfiguration is authorized, executed properly and as well as, they are complete and accurate in the eyes of business users.

William

Yeah. That were a lot of things that we covered. But that is all on the IPE side.

Matt

Right. And I think we have one more which is the ad hoc query.

Precylou

Yeah. So this is any nonstandard query that is created to produce an information or to produce information, on an ad hoc basis. And it is the riskiest among the three classification of system generated reports because the end user could just enter any set of parameters.

Matt

Right? Or a query right. Query if they are aware of system query language such as select from where whatever that bridge might be. Right. Yeah. Modification is definitely going to be a risky activity for that.

William

Yeah. Got it. Before we move on to our next, I want to move on to our next subject, which is MRC. But before we do that, are there any more, any more things that we could add to the IPE?

Matt

I think the meat of our discussion surrounding IPE should be the best practice recommendation for validating the completeness and accuracy of it. Pem, do you have insights about basically,

Precylou

yeah, sure.

Matt

Steps that we should do or management should do.

Precylou

Yeah. in our practice. Right. I think the management should be proactive in their IPE. In our practice, when we create the controls matrix of, or when management creates the control matrix and collaboration with us, their consultants, we usually add additional columns on the IPEs per control.

So it's important that management already has the listing of the IPEs per control. And usually when we perform the testing that is when we update if there are any IPEs that are not initially identified by

management. So it's important to have that listing. And of course it's important to have a clear IPE approach and documentation.

So, in doing that process, it's important that we have to understand, or we have to ask questions. I mean, management can have this or it could, would help if management would ask this question.

William

Is there any framework of questions or guidelines?

Precylou

Yeah, sure, like, for example, what, what is the name of the report and where is the report, generated and how is the report generated?

Yeah. Are there parameters used, and is there supporting documentation to that?

Matt

Is the report also generated in a modifiable format or a non modifiable format. Because definitely different steps would be required in order for us to ensure that we're covering all bases. And I think consulting with your nearest risk advisory provider is important or key, in order for us to have a full accounting of management steps to ensure that we are capturing all the attributes that are necessary to be covered in validating IPEs.

One thing I would like to note, though, here in our company (Scrubbed), I think, we are continuously training our F&A groups to have a new approach or, we ensure that we are covering the basics of validating our information produced by the entity, because, again, the risk here that we are trying to deal with is the primary limitation of internal control, which is humans are prone to error. And so since we are prone to error, the only thing that could help us primarily in mitigating those is to make sure that we are documenting our review steps to ensure that there are complete and accurate IPEs that would be the basis of conducting or performing our internal controls.

With that in mind, we are also training our professionals under the F&A group to also have a proactive approach in documenting their review steps in IPE and our challenge is for management to also do the same, no matter how small they may be, because this particular step is important for us to train the additional layer of control consciousness for our management.

William

Yeah. So what is the benefit? What does this mean? Because you've said before, that here at the company, you're doing it, you're training for new processes, new innovations, maybe. Is there any benefit to doing that rather than sticking to like the basic guide, the tradition, basically.

Matt

When I say we're training our people, we have already implemented that with our people, the F&A services, they ensure that we have complete and accurate consideration.

I believe the concept is the F&A group communicating to the other departments that they are interacting with their clients as well, to also employ the same validation that they have to do, because we're not just dealing with finance people in internal controls. We're also dealing with marketing people, salespeople. We're also dealing with operations. We're also dealing with manufacturing or the production team and so on.

Matt

So for all of these departments, it's important for them to also have at least a consciousness of what they should do in order for them to validate completeness and accuracy of any information that they would give. Let's say, for example, the collections and billing department, they would provide at least a billings and collections report from their particular systems.

That is something that is not readily available to finance in most cases. So if the Billings and collection department would endorse that particular report to the finance department. Yeah. One thing that the finance department should check is whether it is produced for the intended period. What did they do to ensure that that particular report is complete, that the I.T application ties up or reconciles with whatever Excel file they have provided, to the next or the subsequent department.

So all of those trail of information, it is important, so that management would always have a correct basis so that they could have correct decisions.

William

I want to bring in a certain thought here with what you've said. Does that whole process bring in a less efficient process all throughout, you know, does it maybe, remove some efficiency throughout the whole workflow?

Maybe. Or do you think that it's so essential that streamlining that process, isn't really as important. Right.

Matt

I wouldn't say it's a disadvantage for us to always implement certain internal control procedures. The premise is that we have high hopes that management is already doing that. It's just a matter of articulating or documenting whatever steps they have performed.

Right. And if they're not doing that, then good to know that they should be doing it right. So documenting it fully will not be a hassle for the lack of a better term for management, mainly because if they're currently doing it already, then it's just a matter of copy pasting certain screenshots. Yeah, or evidencing their particular review to the files.

Right. So it's really just a reiteration of what they are currently already doing. And to your point, making sure that the information is correct and complete, I think, is a great balancing concept as regards to certain automation. And as well as means to efficiently perform the obligation. What value would it bring, if you are efficient in your operations but you are deciding upon an incorrect information.

Right. So, we believe as risk management services advisory professionals, that managing the risk of incomplete and inaccurate information takes precedence over any means of efficiency. That doesn't mean that we are just focusing on risk management in general. That's why it's a holistic concept or a holistic approach to always view risk management with automation.

William

Got it. Noted.

Precylou

Yeah. And also to add, I think, one thing that clients could also consider is to maximize the use of their I.T applications, like instead of using or going into a manual spreadsheet, they can if there is a standard report that they can use, they can utilize that. I have a client before two different clients where in the consolidation procedure is prepared in a spreadsheet while the other one is system generated.

So it's easier to validate the completeness and accuracy if it's a system generated report. So clients could consider that, exploring what spreadsheets they can transform into standard reports and other also they can transform IT dependent manual controls into fully ITAC or automated controls. For example, we have clients that utilize a manual spreadsheet to calculate depreciation expense, whereas other clients use an automated control which calculates the depreciation using the configuration, the system.

Matt

And it's a matter of maximizing the identification of capabilities of the technology that they currently have.

William

Yeah okay. Got it. All right. So let's now jump on our next subject which is MRC. Right. So in a very basic term or a basic sense, what exactly is MRC or more importantly in a control environment?

Why are management review controls or MRC important?

Precylou

Yeah. So MRC, as the name suggests, management review controls are the reviews performed by management. I think what's critical about MRC is that it's highly subjective. Yeah. So it really entails competence and authority and knowledge of the management in performing the review. And also since it's highly subjective, like we could not reperform the review performed by management, like for

example, if you are reviewing a flux analysis like, assessing what management would consider us material or not material.

We could not, I mean, the auditors, cannot directly determine that it involves the management knowledge of the business.

William

Interesting. So, Matt, you've mentioned to me backstage before that this is a very hot topic right now. Currently.

Matt

Right.

William

Is this the reason why?

Matt

Yes. Particularly because, since, there is a disparity between the understanding of auditors as regards to the review procedures that are currently being performed by management, and that they might not arrive at the same conclusion.

What is most important, it's that we need not to reconcile the auditor and management's conclusion. We just need to find a common ground that will tie their consideration all together. And that common ground is basically the review procedures that should be documented now, because we don't want management to say, like I wanted to impair my hotel business by \$4 billion because I said so, because I just felt that couldn't be appropriate for this. For this time around.

It's because of the pandemic. I feel like my Libra is rising or whatever. Right. But maybe if there is a horoscope component on that, but that those particular decisions, no matter how valid they may be based on the competence level of the reviewer, that would not fly, mainly because, again, since these particular decisions are subject to high level of subjectivity.

We just have to make sure that they are done in accordance with a criteria that is documented and a criteria that could be observed or inspected by the auditors and other stakeholders alike. That's why the main topic of discussion for MRC is not due to the correctness of the information, but rather how precise the review procedures of management were in order for them to arrive at a particular conclusion.

They don't want them to provide a conclusion at a whim. They want them to provide a well-studied conclusion that is generated based on a documented review step that will be consistently performed across all performance or all instances of that particular control.

William

And do you guys think that this varies from company? The variation from this, between companies is very big.

Matt

Oh, totally. And definitely it depends upon the industry in which this particular company operates. It depends upon the maturity of the company, the complexity of their operations. It also depends upon the different business risks that these companies face that might not only be industry specific, but can also be geographically specific. It can be politically specific. So all those particular factors are considered.

But as auditors, again, we are not there to opine on the appropriateness of the opinion. Let's say as auditors, we are not obliged to go out there and say, hey, your decision is incorrect based on my analysis of what should be done, this should be your conclusion. So we respect the knowledge and thought process of our reviewer. That's why what we just wanted to demand and what we wanted for them to document, is that as they make the decision, there should just be a clear cut criteria and review process that they have undergone in order for them to just objectively arrive at that decision.

William

Yeah, yeah. So, Pem, you've mentioned before about the fundamental elements of MRCs. I don't think, we've said that on camera, but you mentioned it. Well, we're having a conversation earlier. Can you share more about that?

Precylou

Yeah. So, the fundamentals of MRC would be the nature of the review procedures performed. So it's important to list down what are the steps done by management in order to perform that review.

And of course, it's critical in, the review is the precision level of the review. What are the criteria set for management to consider this item requires investigation. Yeah. So and last to that is the, it would be the, let me recall, we have the evidence of the review, perform the precision level, and that would be the, evidence of the review performed.

I think the first one is the nature of the review procedures. So yeah, it's important to have the list. As Matt mentioned, it's critical how management performs the review. What are the considerations, especially that it is highly judgmental in nature. It involves knowledge of the reviewer. And also, what are the criteria set?

Because it's different. Let's say, when performing a review of a reconciliation, like what criteria is set for us to consider that this difference or this reconciling item is already material and would warrant additional investigation from management. So, that level of precision is important. Also, it's different when the review steps are done in a granular level, like line item per line item compared to as doing a high level of review.

So the more precise would be the granular level of review. And also, it's different when the control is done on a routine basis like it is performed monthly, quarterly, compared to the control being performed on ad hoc basis. And even that threshold would also be considered in the precision level of review. Lower threshold would mean more precise compared to higher threshold.

Yeah. So, once those are identified, those would not be I mean, it would fail its purpose if it's not well documented. Yeah. As a number one rule in our profession, if it's not documented, it's not done.

William

Yeah. So there's that's a lot of things to take into consideration. Yes. Even for a management perspective.

So what should management take note on in regards to dealing with these MRCs?

Matt

First I would like to basically complement management that they have been doing this already. It's just a matter of documenting it. Right. So it's important for them to realize that their thought process is already a valid thought process, and they just have to articulate that thought process and map it with a systematized review procedure or procedure that could be documented and consistently performed across all instances of that particular control.

Say, for example, if I'm going to perform a fluctuations analysis of my balances in order for me to achieve the objective of understanding whether the fluctuations are reasonable or there might be any records that I have double recorded or like this recording, then what I should do is basically just document my steps, such as did I have the correct information in the first hand?

Did I compare it correctly upon performing the comparison? Did I identify items that would be construed as material information, or material fluctuations with that particular material fluctuations? What would be the source of the information that I should look into in order for me to explain the reasonableness of those fluctuations? If ever there are action items that would be identified, should I communicate those action items without the preparer of the information?

Should I even follow up the resolution of that? And should I even document the resolution of that in the paper? Well, the answer to that is yes. For all of those questions. Right. So, basically those particular steps, they're already being done, maybe at a whim, maybe in a systematized manner. But the common action item for everyone is to document these and start articulating that these are happening and that these are happening in an orderly fashion.

William

Yeah. So with that being said, I want to know, what are those things? What are those things that management should be taking note on when dealing with these MRCs?

Precylou

Okay. Maybe we could consider three points. We have people, the IPE and documentation. So for people as mentioned it's highly subjective control. It involves judgment, estimates.

So it's important that the person doing the review has the competency and authority to perform that and understand the complexities of MRC, for example, when for example, a tax provision workbook usually in our client, that is being performed by a third party consultant and management will review if, the reasonableness of the calculation performed by the third party consultant.

So you cannot allow or you cannot rely that responsibility to an accounting staff or to a tax consultant or to a tax staff. Right. So it should be done by, the person who has the experience, the competency, the knowledge to perform the review of the reasonableness of the tax provision workbook. And it involves also training. So it's important that people who will conduct the who will perform management review control undergone sufficient training.

And next would be IPE or as we have been we have covered this previously right. And I think, our audience really understands its importance. Right. And it's the same with the concept of garbage in, garbage out.

So no matter how competent the reviewer, if the data is bad data or unreliable data, then the result of the review would still be ineffective. Right? So it's important that in performing management review control, they would also consider the validation performed over the information used in the control. And then lastly would be the documentation.

You know, we have encountered clients that they don't have a documented in their, documentation of their workbook. Usually they would just sign off, but a mere sign off would not be enough. There should really be detailed documentation because you cannot just tell the auditor, I performed that. I did this and we need to see, where is that document, how is the review done.

So, yeah, documentation. Not just, documentation of the control activity, which means the review steps, but as well as how did you perform that procedure. You need also to document that, like for example, if you have review comments. So you have to maintain a trail of your review comments, whether it be draft versions of the different working papers or a communication or an email communication of the review.

and also you have to document as well because as mentioned, IPE is important. So there should also be a documentation of how the complete and accuracy over the IPE is validated. That should be well documented.

William

Got it. So one final question before we move on to like the final, key takeaways that you guys have is, I

want to know what separates a good management from great management in terms of dealing with IPEs and MRCs.

Matt

I think for IPE, what separates good management with great management is really just the explicit documentation of the validation procedures that were performed by management to ensure that IPEs are complete and accurate. Sometimes we fall in the trappings that we rely too much on the competency of the one who prepared the information. Let's say we really trust our supervisor to really produce the information directly.

But you know, I love that joke. Is there a supervisor? But the concept that we're trying to curb here is that the limitations always of internal control, and we should not take this against the person, right, is that we are not infallible, meaning we are prone to human errors and us trying to curb that instinct and making sure that we just have a documentation of the validation procedures performed to ensure that our information is complete and accurate, is a main step that would separate the great ones from the good ones.

William

That's very, very surprising because it's a very simple difference between good and great.

Matt

It is a simple difference. And sometimes we trade a few seconds of efficiency. Yeah. For a few millions of mistakes. Right. So, I mean, if we're ever going to like, put it in a weighing scale, I believe completeness and accuracy of information takes precedence, always.

So, I just would like to invite, management to rethink their approach in terms of documenting validation of information produced by the entity and just right to challenge what other manual components or what other components of IPEs were not yet validated, and take an accounting of those particular IPEs. That's for me for IPE.

William

Yeah. And how about for MRC?

Precylou

Yeah, for MRC, I think it would dissimilar, you know, having a documented evidence of the review performed. Yeah. Because one thing I realized is that no matter how good a decision maker the management is, if I don't have this. Yeah, if there's no, well documented, trail of how the review has been performed, then, you know, it's difficult to rely on that, like, audit evidence.

Yeah. Yeah. So it's important that there should be documentation, that, not just the control the review steps, but as well as the evidence of the review performed, it should be well documented. And it

would also help management because you will have a trail, because in MRC, you have a lot of considerations because it's highly subjective in nature.

At least you have something to go back. Oh it did, I performed all considerations, all review steps because you have your documentation here. Have I documented them. And aside from that, it's also important to be consistent in your approach. Like what are the criteria you need to be consistent in that. So yeah, that would be for MRC.

William

Amazing. I think that's it. I think we've covered it all.

Matt

Right I agree. Yeah. Yeah. And hopefully we did not confuse our listeners.

William

Yeah. So our discussion today has highlighted the critical role of information and of course management review in building a robust internal control framework.

Matt

Pem, we would like to thank you for your insights and expertise into the matter.

And this has been very valuable. This discussion has provided at least an overview of what are the complexities that we have to consider at IPE and MRC, and at least it gave us a forum and an opportunity to discuss what should be considered by them moving forward.

William

Yeah. That's True. So by effectively managing information and also conducting thorough management reviews, as you guys have both said, so many times organizations can significantly enhance their risk management capabilities.

So again, we want to thank you both, Matt and Pem, for sharing their expertise with us. And a special thanks to our listeners for tuning in. We hope this episode has provided you with practical knowledge to strengthen your organization's internal control system.

Matt

Be sure to subscribe to The Beehive for future episodes where we'll continue to explore the world of risk advisory and delve into the critical business topics.

I am Matt.

Precylou

I am Pem,

William

and this is William. Until next time, thanks for listening.

Matt

Thank you for listening. Bye.

Precylou

Thank you for listening. Bye.