



## **Leading the Internal Audit function On-line course 2 days**

### **Why you should attend**

- This workshop is targeted specifically at senior Internal audit professionals – and is focussed on the key aspects of a modern internal audit function – and the challenges faced by the ever changing world
- The event represents a superb opportunity to meet your peers from both your sector and others and develop new approaches to the difficult challenges facing audit managers and Heads of Audit today
- The workshop also includes opportunities to discuss issues of your choosing with fellow decision makers in the IA profession

### **Who should attend?**

- Heads of Internal Audit (CAE)
- Audit Managers and those about to be appointed to that role
- Directors responsible for internal audit
- Heads of other assurance functions such as Compliance or Quality Assurance
- This course is specifically for the most senior audit professionals

### **After completing this course you will be able to**

- Benchmark your IA function against worldwide best practice
- Deliver stakeholder assurance more effectively
- Develop the leadership approach and the required skills
- Meet the Governance challenges
- Manage the audit process more efficiently and improve strategic audit planning
- Develop the leadership approach and the required skills
- Ensure IA is seen as a business champion
- Significantly improve strategic audit planning
- Integrate your approach with other providers of assurance
- Extend the audit approach

## **Day 1 The rapidly changing role of Internal Audit**

### **The need for Internal Audit to be a strategic advisor**

- **New IIA Code of Conduct**
  - Helping the Board to protect the assets, reputation and sustainability of the organisation.
  - Internal audit should have the right to attend and observe all or part of executive committee meetings
  - The primary reporting line for the chief internal auditor should be to the chair of the Audit Committee.
- **New IIA Audit Executive guidance**
- **Key messages from the IIA Body of Knowledge survey**
- **Deciding the strategic direction for your function**
- **Pulse of the profession survey results**
- **IIA becoming more effective guidance will be shared**
- **Ensuring effective communication lines between the CAE and the Board**
- **Gaining assurance regarding the quality of the function's work.**
- **Overseeing the relationship between the IA function and the organisation's centralised risk monitoring function.**

#### **Exercise 1 - The new challenges facing IA**

### **Ensuring IA is a challenger and a business champion**

- **Independence & Objectivity**
- **Reporting lines – the need for independence**
- **Should you report to the Chief Executive or the Audit Committee?**
- **Audit Committee relationships**
- **Key requirements of the role and the implications**
  - **Objective assurance**
  - **Consulting**
  - **Adding value**
  - **Improving the organisation's operations**
  - **Assisting the business to achieve its objectives**
  - **Systematic and disciplined approach**
  - **Evaluate and improve risk management, control and governance processes**
- **Dealing with the misconceptions of the role**
- **It is not internal audit's responsibility to :-**
  - **Detect fraud**
  - **Introduce more and more control**
  - **Find management out**
  - **Assess the ability of management and staff**
  - **Train staff**
  - **Tell management what to do**

#### **Exercise 2 – Dealing with the misunderstandings of IA**

## **Auditing the ERM process**

- The need to focus audit attention towards the most significant risks
- New IIA guidance – maturity models for assurance
- The need for much higher levels of assurance than ever before
- What level of assurance can really be provided?
- Could working with management to identify and evaluate risks compromise the independence of the function?
- Ensure risk is defined as the need to get things right – not what can go wrong
- ‘Ring fencing’ risk exposure - never allow one part of the business to impact the whole organisation
- Determining and communicating your attitude to risk and your required risk culture to managers and stakeholders
- Recognise that reputation is both your biggest asset and the biggest risk you face – and one you cannot insure
- Do not wait until you are required to provide evidence of effective risk management by regulators or legislation – this will usually be too late
- Promote risk as the pulse of the organization and make sure that you have personnel to regularly take this pulse

### **Exercise 3 - What steps can IA take to help make risk management a value added process?**

## **Strategic audit planning**

- The need to determine which topics to audit (and their frequency)
- The audit universe
- The need for risk-based audit plans
- Tapping into risk assessments carried out by management
- Determining the level of assurance required
- Getting management input
- Dealing with requests
- New IIA guidance on audit plan preparation will be provided
- The need for a structured approach.
- A world-renowned strategic audit planning tool will be shared (the model is used by more than 2500 audit functions across the world)

### **Exercise 4 Determining audit priorities using the model**

## **The need to exceed stakeholder expectations**

- Who are the stakeholders?
- Are stakeholders’ expectations known?
- Arranging meetings with all stakeholders
- Workshops with key stakeholders?
- Are the expectations clear?
- How can you meet the widely differing expectations?
- Are there any areas where expectations could be exceeded?

- Are there any quick wins?
- What reports should IA provide to stakeholders?
- A new paper on working with stakeholders will be shared
- New advice on auditing strategy
- What every Director should know about IA – new guidance

### Exercise 5 - Meeting the ever expanding requirements of stakeholders – what should the IA role be?

## Day 2 Managing and overseeing the IA process

### Corporate Governance and the IA Role

- Key challenges of Corporate Governance
- Developments in CG – new paper
- 6 core principles of governance
- The governance warning signs
- New corporate governance insights paper will be shared
- The audit role in the CG process
- A guidance paper on assessing organisational governance will be provided
- The External audit relationship
- Role in Fraud prevention and investigation
- The need to understand the Governance objectives
- Developing a programme to reflect these objectives
- Governance trigger events

### Exercise 6 – The challenges of Corporate Governance

### Ensuring full Assurance Mapping is in place

- Ensuring your assurance providers roles e.g. Internal Audit, Compliance, Risk Management, Insurance, Security are coordinated to avoid duplication of effort
- Why you should incorporate internal audit agreed actions in your risk register
- Ensure environmental risk is taken seriously (even if you are in a sector such as Financial Services)
- Ensure that your Business Continuity plan covers all eventualities and ensure it is fully tested
- Identify new ways to benefit the least able section of the wider community you serve
- New guidance on coordinating RM & assurance

### Exercise 7 –Implementing Assurance Mapping

### Extending the audit coverage

- Auditing the least covered business aspects
- Social Media
- The web site
- Strategic planning

- Product/ service development
- Changes in Government policy
- Economic changes impacting the business
- Customer relationship management
- Sustainability
- Extreme events
- The regulatory environment
- Business Innovation
- Corporate communication
- Demographic changes and business impact

### **Exercise 8 – Delegates will select 2 topics and determine the audit approach**

#### **The audit leadership skill set**

- What leadership means
- Leadership styles
- Delegation and tips for success
- Analysis of a leader
- Diplomacy
- Open -mindedness
- Persuasiveness
- Negotiation ability
- Self-motivation and self confidence
- Decision making ability
- Flexibility and ability to co-operate
- Time management
- Flexibility and ability to co-operate
- Self- control
- Practicality
- Results focus
- New IIA paper on influencing skills will be shared

### **Exercise 9 Leadership tools**

#### **Audit assignment oversight**

- Building an understanding of the audit process
- Establishing audit objectives
- The Audit manual
- Developing effective audit programmes
- What makes a good programme?
- Mistakes to avoid
- The dangers of re-inventing the wheel
- Assigning tasks
- Staffing factors
- The need for regular updates for standard programmes
- Supervising and controlling audits – tips for success

### **Exercise 10 – Audit management key issues**

## Consultancy assignments

- The IIA standards
- Why consultancy should be encouraged
- The difference in approach
- How to document these assignments
- Reporting consultancy assignments
- Audit by workshop
- Facilitation –do's and don'ts

### Exercise 11 – How to convince management that consultancy is the direction for Internal Audit

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