

# Certificate in Internal Audit 4

## The Effective Audit Manager

### Who should attend?

- Heads of Internal Audit
- 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

### What you will learn

- Information on the worldwide trends in IA and emerging best practice
- How to make the transition from a good function to a great one
- How to quality assure your function in line with IIA requirements
- The techniques in building a world-class team
- How to manage the audit process more efficiently and improve strategic audit planning
- How to deal with the challenges of consultancy
- The techniques of managing investigations

### Why you should attend

This workshop is unique in that it is targeted specifically to the most senior assurance professionals – and is based on a series of round table discussions on the key aspects of a modern internal audit function – and the challenges faced by the ever changing world economy.

A wide range of key topics will be discussed - such as meeting the changing needs of stakeholders, developing more proactive relationships with the Audit Committee, auditing corporate social responsibility and the challenges of making successful presentations.

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

## Day 1 The Future of Internal Audit in the Gulf Region

### The significant changes in the Internal Audit role

- How the IA profession has changed in the last 10 years
- The transition from a Compliance approach to Risk based Auditing
- Determining an appropriate mission statement
- Deciding the strategic direction for your function
- Worldwide trends in Internal Audit
  - More assurance is required by senior management
  - The role is getting broader
  - The role is much more focussed on strategic and operational than purely financial issues
  - The role is focussing more on key risks
  - You cannot audit round the computer any longer
  - The pressure to add measurable value
  - IA are being asked for more advice
  - IA is being regarded more as a partner
- Round Table Discussion 1 – The challenges facing Internal Audit in the Region
- Feedback and discussion – and ideas for dealing with the challenges – generated by the participants

### How to make the transition from a good function to a great one

#### Meeting Stakeholder expectations

- Who are the stakeholders?
- Are stakeholders' expectations known?
- Are the expectations clear?
- How can you meet the widely differing expectations?
- Should you try?
- Are there any areas where expectations could be exceeded?
- Are there any quick wins?
- What reports should IA provide to stakeholders?
- Round Table Discussion 2 – Meeting the ever expanding needs of Stakeholders – what should the IA role be?
- Feedback and discussion – and ideas for dealing with the challenges – generated by the participants

## **Benchmarking or Quality Assuring your Internal Audit function**

- **The power of benchmarking**
  - **To demonstrate excellence**
  - **To meet Board and Audit Committee challenges**
  - **To identify opportunities**
  - **To recognise progress made**
  - **To ensure best practice is being followed**
- **The need for external evaluation as per the IIA standards**
  - **Should be conducted at least once every 5 years**
  - **By a qualified external reviewer**
  - **Results should be given to the Board**
- **Round Table Discussion 3 – Quality Assuring the function – achievements and challenges**
- **Feedback and discussion – and ideas for dealing with the challenges – generated by the participants**

## **Proactive Audit Committee relationships**

- **How to create the correct relationship with the Audit Committee (or the Board if you do not have an audit committee)**
- **The need for at least one Audit Committee meeting per year exclusively for Internal Audit?**
- **The need for one –to –one meetings with the Chairman of the Audit Committee**
- **The need for the Committee to approve (but not direct) internal audit strategy, plan and performance**
- **How should the Audit Committee assess IA performance**
- **The annual Report for the Audit Committee – best practice ideas**
- **Are effective relationships between IA and EA and other bodies reviewed by the Audit Committee?**
- **Is the effectiveness of the risk management environment and anti fraud arrangements assessed – what information should be provided by IA?**
- **A checklist will be provided**
- **Round Table Discussion 4 – Assessing the Audit Committee /Board relationship**
- **Feedback and discussion – and ideas for dealing with the challenges – generated by the participants**

### Building World –Class Internal Audit Teams

- The recruitment dilemma – what if you cannot get the talent you need
- Determining a strategy for building the team
- Sources of talent – growing your own or recruiting from outside?
- Should you try to recruit personnel with previous IA experience?
- Which is more important – knowledge of your sector or IA knowledge?
- Performance management – what are the most effective measures?
- What skills should you be looking for
- Checklist of issues to assess in a potential auditor
- Succession planning
- **Round Table Discussion 5 – The challenges of recruitment in the Gulf Market**
- Feedback and discussion – and ideas for dealing with the challenges – generated by the participants

### Challenges for Internal Audit

- Auditing outsourced operations
  - Should these operations be audited?
  - How should you tackle such assignments?
  - Ensuring contracts include right to audit
- Value for Money Auditing
  - What is VFM?
  - What are valid VFM topics
  - Does your audit programme target areas of opportunity as well as risk?
  - Do you measure the value of monetary savings made as a direct result of your audits?
  - Are these savings known to and recognised by management?
- Corporate Social Responsibility Auditing
  - What is CSR?
  - Does it need to be audited?
  - The importance of ethics and how it should be reviewed
  - The need for transparency and accountability
  - Challenges of CSR in the Gulf region

- **Round Table Discussion 6 – Audit challenges (Topics to be chosen by participants on the day) – this is your opportunity to table any issue that you would like to discuss with your peers**
- **Feedback and discussion – and ideas for dealing with the challenges**

## **Risk Management and Internal Audit**

- **The need to focus audit attention towards the most significant risks**
- **The need for much higher levels of assurance than ever before**
- **What level of assurance can really be provided?**
- **What should be the audit role in relation to identification and managing of risks**
- **What should the IA role be if your organisation has/ has not a risk management function?**
- **Could working with management to identify and evaluate risks compromise the independence of the function?**
- **How should audit plans be developed to ensure the correct risk focus?**
- **Is Risk based auditing a methodology or a state of mind?**
- **Why has it become so important?**
- **What are the ideas behind RBA?**
- **Is RBA a revolution or an evolution?**
- **Can such an approach really enhance the profile of IA within the business?**
- **Round Table Discussion 7 – What does Risk Based Auditing mean to you? What are the challenges in driving better risk awareness**
- **Feedback and discussion – and ideas for dealing with the challenges – generated by the participants**

## **Day 3 Governance and planning**

### **Corporate Governance and the IA Role**

- **What is Corporate Governance?**
- **Key challenges for the Gulf region – Hawkamah research**
- **Meeting Stakeholder requirements**
- **How the organisation is managed on behalf of the stakeholders**
- **The audit role in the Corporate Governance Process**

- The risk focus of the function (and the relative roles of other assurance providers)
- Coordination with other assurance providers
- The External audit relationship
- Role in Fraud prevention and investigation
- Managing Reputation
  - Is communication with main stakeholders taken seriously?
  - Do the goals and values of the business, as well as its principal policies on conduct, sufficiently address the main areas of reputational risk?
  - Are corporate values within the public arena?
  - How is sufficient coverage of different business issues achieved within the policy statements and codes of practice, and is reputational risk addressed appropriately in each case?
  - Are policies governing reputation management clearly communicated internally?
- Crisis Management
  - Is there an appropriate contingency plan ready to be used to manage a crisis?
- **Round Table Discussion 8 – The challenges of Corporate Governance**
- Feedback and discussion – and ideas for dealing with the challenges – generated by the participants

## Strategic Audit planning

- Determining audits priorities
- Determining the audit universe
- Building Risk-based audit plans
- Tapping into risk assessments carried out by management
- Determining the level of Assurance required
- Getting management input
- Audit planning model – an electronic version will be provided to all attendees
- **Round Table Discussion 9 – Strategic audit planning – how to convince Senior Management and the Audit Committee that you are auditing the right topics**
- 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
  
- [Round Table Discussion 10 – What makes a good audit manual and effective audit programmes](#)

## **Day 4 Managing the process**

### **Working paper review**

- The need to motivate not criticise staff
- The need for peer review during the audit
- How to ensure all areas are covered
- Identification of key review points
- How to write value-added review notes
- Tips for electronic working papers
- Quality control mechanisms
  
- [Round Table Discussion 11 – Working paper reviews](#)

### **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
  
- [Round Table Discussion 12 – How to convince management that consultancy is the direction for Internal Audit](#)

### **Investigations**

- Investigations – the major differences from standard audits
- Which investigations should IA accept
- How can this decision be made
- The skills required
- The need for perfect audit trails
- Difficulties
  
- [Round Table Discussion 13 – Challenges of investigations](#)



- Discussion of presentations and impact
- Determining the audience and preparing an appropriate approach
- The need for impact
- Deciding the form of presentation
- Use of visual aids
- How many notes should you use
- Use of humour – is this a good idea?
- Education or decision seeking – the different techniques
- How to deliver a successful presentation
  - How to combat nerves
  - Keeping in control
  - How to deal with questions
  - Keeping the flow
  - The need not to over prepare
  - Use of simple language
  - How to keep the audience's interest
  - Use of props
  - Anticipating the questions
  - Considering what the audience will expect
  - Assessing the results
  - Getting feedback
- **Round Table Discussion 14 – Challenges of making successful presentations**
- Making presentations

## Open forum

- An open forum will be held to discuss any topic of interest. A number of topics will be tabled – you can highlight the issues you would like to discuss on the day
- Topics could include :-
  - How to deliver world-class reports
  - The challenges of internal audit within a family-owned business
  - How to audit in an increasingly complex IT environment
  - Auditing Financial statements
  - Continuous auditing
  - How to make better use of CAAT's
  - Auditing ISO 31000, 14001 etc
  - Selling IA to the business better
  - The Role of IA in project management