



Advanced Audit Techniques

Who should attend?

- Senior Auditors
- Audit Managers and those about to be appointed to that role
- Auditors that need to audit contracts, IT or technical business areas
- Assurance professionals who need to assess technical issues
- Assurance providers that need a greater understanding of Corporate Governance
- This course will be beneficial as a development aid for delegates that have previously attended the Risk based auditing course

What you will learn

- How to assess internal audit's contribution as a function
- How to audit Corporate Governance
- How to audit the Audit Committee
- The techniques of Continuous audit
- The techniques of environmental auditing
- How to audit Business continuity planning
- The modern approach to contract audit
- The techniques of IT audit

Why you should attend

As a progressive audit practitioner who strives for excellence, your vision is world-class and you realise that long term survival in today's competitive marketplace means delivering impeccable products and services and auditing the wide range of business risks.

An advanced and innovative auditing strategy coupled with effective implementation can greatly enhance the departmental value added and company-wide support of your auditing function.

Expertise in the more technical business areas is essential to maintaining a stable foundation from which your company can effectively compete in the current environment. The biggest challenges to modern internal audit functions will be covered in the course

Day 1 The new Internal Audit challenges

Recent professional guidance and practice advisory statements

- New guidance and its implications
- Organisational independence
- Interaction with the Board
- Knowledge and skills
- Quality assurance and improvement programme
- Internal and external assessments
- Resource management
- Coordination
- Internal Control
- **An effectiveness of IA checklist will be shared**

Exercise 1 –The challenges of the new standards

The key aspects of Corporate Governance

- Meeting Stakeholder requirements
- How the organisation is managed on behalf of the stakeholders
- The key parties within Governance
- Audit Committee
- The Board
- Regulators
- Customers
- Suppliers

Exercise 2 – Defining the parties and the key governance issues for each party

Auditing governance readiness

- Who to meet with to discuss the assignment
- Holding a pre-meeting – do's and don'ts
- Developing a terms of reference for the assignment
- Should this be a review only – will evidence be gathered?
- Determining who to interview and in what sequence
- The use of diagnostic questions and thought-provokers

Exercise 3– The challenges in carrying out a Governance Audit

Auditing the risk management process

- Establishing the position regarding RM in the business
- Establish corporate targets and monitor overall progress
- Keeping the Board apprised of the most significant risks
- Assessment of RM capabilities
- Review of risk evaluations in each function
- Ensuring actions to treat exposures implemented

- Ensuring all functions evaluate their risks consistently
- Evaluating the results and challenging where necessary
- Identification of exposures
- Auditing the RM process and its implementation
- Basing audit programme on most significant risks
- Comparing perceived versus actual controls
- **A Risk management evaluation tool will be provided**

Exercise 4 –The challenges in meeting risk management Governance requirements

Auditing the Audit Committee process

- Does the Committee approve (but not direct) internal audit strategy, plan and performance?
- Does the Committee review summary IA reports and the main issues arising and seek assurance that action has been taken
- How does the Committee consider the reports of external audit and other external agencies?
- How are the effectiveness of relationships between IA and EA and other bodies reviewed
- How are the effectiveness of the risk management environment and anti fraud arrangements assessed
- How does the Committee satisfy itself that assurance statements and the annual statement of accounts properly reflect the risk
- How does the Committee review the financial statements and monitor actions taken in response to issues raised

Exercise 5 –The Audit Committee challenges

Continuous auditing

- The IIA Global Technology Audit Guide (GTAG)
- Key issues in the GTAG
- Continuous auditing and continuous monitoring
- The use of CAAT's for continuous auditing
- Continuous risk assessment techniques
- Continuous control assessment

Exercise 6 –Opportunities for continuous auditing

Environmental audit

- The need for environmental auditing
- ISO 14001
- Why environmental audit is valuable even if you do need to comply with ISO 14001
- Carrying out an environmental site review
- Reviewing the audit trails
- Meeting regulatory requirements
- Ensuring consistency

Exercise 7 –Challenges of environmental audit

Day 2 The wider Internal Audit brief

Social Responsibility, Ethics and meeting stakeholder expectations

- The increasing importance of Corporate Social Responsibility (CSR)
- How to audit CSR
- Is communication with main stakeholders taken seriously?
- Are the expectations of these stakeholders accurately understood, and what are the risks that these will not be met?
- Are opportunities taken to develop the ethical reputation of the business?
- How do we ensure that staff have and display the right attitudes?
- Has the business assessed its reputation for social responsibility and its impact on our business prosperity?
- Is the Board, and in particular the Chief Executive, sensitive and responsive to the concerns of customers

Exercise 8 –CSR and meeting expectations – the audit challenges

Auditing outsourced contracts

- Overview of contract management
- Outsourcing objectives
- Transfer of risk
- Roles and responsibilities
- Different approaches to outsourcing
- Legal and contractual issues
- Internal Audit role
- Considering the drivers for the business
- Business history and inherent risk
- Determining key risks
- Assessing the business control framework
- Developing a structured approach to the audit work

Exercise 9 –Challenges of auditing external contracts

IT Auditing

- Global Technology Audit Guides (GTAG's)
 - Information Technology Controls
 - Management of IT Auditing
 - Managing and Auditing IT Vulnerabilities
 - Auditing Application Controls
 - Information Technology Outsourcing
 - Identity and Access Management
 - Change and Patch Management Controls

- Managing and Auditing Privacy Risks
- Developing the IT Audit Plan
- Use of GTAG's and their implications
- Risk based audit of general controls (GAIT)
- IIA guidance re GAIT

Exercise 10 – Challenges of IT audit

Auditing systems under development

- Why auditing systems under development need not compromise your wider audit role
- The need to audit at key stages – not to be part of the project team
- Ensuring that the processes and policies are complied with
- Determining the points of potential failure
- Ensuring controls are not bypassed – due to time constraints
- Ensuring risks are identified at the start and regularly reviewed
- Ensuring sufficient end user involvement
- Sub system prioritization process

Exercise 11 – Challenges of systems development audit

Auditing Business Continuity Management

- The importance of BCP
- The need to recognize BCP is not just about IT recovery
- Does the organization's leadership understand the current business continuity risk level and the potential impacts of likely degrees of loss?
- Can the organization prove the business continuity risks are mitigated to an approved acceptable
- Are they tested effectively?
- Is the Board well set up to respond swiftly and capably in a crisis?
- Is there an appropriate contingency plan ready to be used to manage a crisis?

Exercise 12 –BCP audit discussion