

2012 Internal Audit Series

Certificate in Internal Audit 1

Essentials of Internal Audit

Who should attend?

- New entrants to internal audit
- Internal auditors with up to 18 months experience
- Those returning to or already working in internal audit who need practical guidance on the changing role of the function
- Personnel in other functions who need a better understanding on the modern internal audit role

New for 2012

- New IIA guidance – What is Internal Audit?
- How to approach unfamiliar areas of work
- New audit opinions
- A new report on building relationships
- Internal audit brochure
- UAE audit challenges paper
- Follow up guidance
- IIA characteristics of IA survey results

What you will learn

- What it means to be an internal auditor
- A thorough understanding of modern internal audit
- Responsibilities of the function and its professional standards
- The different types of audit and how to apply them
- How to plan and complete an effective audit
- The skills you need and how to plug the gaps
- How to write a report with impact
- How to persuade management to accept your recommendations

Why you should attend

This course covers everything you need to know as a newcomer to Internal Audit regarding the most effective audit practices.

There has never been a more interesting or challenging time to be an internal auditor. The function has changed significantly from the basic compliance and checking function it once was.

Internal audit in the 21st century should be vibrant and exciting, adding real value to the organisation and operating at the highest levels. The

reputation of many audit functions is soaring – it is increasingly recognised as a catalyst for change and a business partner.

If you have staff who are new to Internal Audit you will want them to learn the best audit practices and be able to apply them efficiently.

The course will introduce you to the worldwide best practice and how to apply it

Maybe you have auditors who are returning to the function, or staff who are to be seconded to you for a period of time? You will want them to learn about the changing role of the audit function.

Perhaps you work in a line function with responsibility for providing assurance to the board and need a fuller understanding of the internal audit role.

Day One: The challenges for Internal Audit

- What is Internal Audit ?
- New IIA guidance
- How the profession has changed over the last decade
- What it means to be an internal auditor

Exercise 1 – A thought provoking exercise to set the scene

- Definitions and trends
- Internal audit role and responsibilities
- Frequently asked questions
- Misconceptions about the role
- The professional standards
 - Integrity
 - Objectivity
 - Confidentiality
 - Competency
 - Due professional care

Exercise 2 – The challenges for an inexperienced auditor

- How does the role differ from other assurance providers?
- How should you coordinate your efforts with other assurance providers?
- Optimising assurance – a model
- Corporate governance and the IA role
- The audit committee and the audit relationship
- Relationships with management
- Audit skills
- The IIA competency framework

Exercise 3 – The skills Inventory

- Technical skills
- Interpersonal skills

- Soft skills
- Personality traits
- Active listening

Exercise 4 – Moon shot

Day Two: The Internal Audit Role

- Perceptions of internal audit – results of surveys
- How the role of the function has developed
- What is best practice?
- The challenges

Exercise 5 – How is the role of IA changing?

- The audit charter
- The different approaches to internal audit
- Compliance
- Systems based audit
- Risk based audit
- Assurance based IA
- Drivers of success
- Risk and the IA role

Exercise 6 – Risk and Control

- The nature of risk
- How IA needs to take the risk pulse
- Audit as a catalyst for change
- Documenting internal controls

Exercise 7 – Preventative Controls

- Translating risks into the basis of the IA programme
- How should IA link with external audit?
- The need to explain the IA service to management
- The danger of assuming too much
- Management expectations – and how to exceed them

Exercise 8 – How could you sell your function better?

- Translating key risks into the basis of the audit programme
- The external audit relationship
- Meeting managements expectations

Exercise 9 – The Project – A practical exercise in audit communication

Day Three - Planning an audit

- Preparing for an audit
- How to approach unfamiliar areas
- Developing terms of reference for the assignment
- Determining sources of information
- Securing management input

Exercise 10 – Planning an audit assignment

- The link between control, risk and objectives
- Audit objectives
- Deciding who you will need to interview
- How to deal with audit customers

Exercise 11 – Pre-Meeting with management: Role Play

- Relationships with management
- Expressing yourself effectively
- Recognising different management styles

Exercise 12 – Getting the most out of audit customers

- The need for simplicity
- How to get on the same wavelength as management
- Persuasion and negotiation

Exercise 13 – Persuasion

Exercise 14 – The Puzzle: An Exercise To Test Planning

Exercise 15 – The Final Straw

<h3>Day Four: Completing an Audit</h3>

- Explaining the audit approach to staff of the function audited
- An example presentation will be shared
- Building a picture of the system and processes
- Documenting the system
- The audit manual
 - IA organisation
 - Control framework
 - Audit planning
 - Completing the assignment
 - Interpersonal awareness
 - The audit file
 - Audit assignment checklist
- Audit interviews

Exercise 16 – Audit Interviews – Role Play

- Audit testing – how to decide the type and depth of testing
- Audit programmes
- Walk through tests

- Fieldwork techniques (compliance, transactional, analytical review and sampling of audit) – the differences and how to use them
- Audit working papers
- The clearance meeting

Exercise 17 – The Clearance Meeting – Role Play

- The need for automation – software available
- Computer Assisted Audit Techniques (CAATs)
- Demonstration of ACL
- Audit KPI's

Exercise 18 – Measures of success

Day Five: The Audit Report

- The challenges of audit reporting
- The need for reports with impact
- Examples of six reports – which are the best?
- Who reports are for and the implications
- The report as your shop window
- How do you know a good report when you see one?

Exercise 19 – What makes an excellent report?

- What management expects
- Professional standards
- The problems with audit reports
- Questions about audit reports
- How to adopt best practice
- How to assess a report

Exercise 20 – Analysis of to actual reports

- Best practice reports – the way forward
- The psychological dilemma with reports
- Why audit reports are taken as a criticism of management
- What causes attitudes to change
- Wording and layout ideas
- How to get 95% of your recommendations actioned
- The executive summary – do's and don'ts

Exercise 21 – Meeting with Management to discuss the report

- The main report – best practice ideas
- Words and phrases to avoid
- Audit opinions – how to express them
- Presenting results
- Tips and techniques for success
- Example – best practice report will be shared

