



Essentials of Internal Audit

Modern Internal Audit is light years away 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 catalyst for change and a business advisor.

So if you are new to Internal Audit, you need to learn about the very best practices.

Who should attend?

Newcomers to internal audit and those with less than 2 years experience. Those returning to or already established in internal audit who need practical guidance on the changing role of the function

Course Outline

Day 1 The internal audit role

What is Internal Audit?

- Definitions and trends
- What it means to be an internal auditor
- Internal Audit role and responsibilities
- Misconceptions about the role
- The 2011 Professional Standards
- Assurance and the challenges for IA
- How does the role differ from other Assurance Providers?
- The need to coordinate efforts with other assurance providers
- Corporate Governance and internal audit
- The Audit Committee and the audit relationship

Audit Skills

- The skills required
- Analysing the skills
- Is IA a career or stepping stone?
- The competency framework

Exercise 1 – The skills inventory

- Technical skills
- Analytical skills
- Appreciative skills
- Interpersonal skills

The Audit Role

- The changing role
- What is best practice?
- The Audit Charter
- FAQ's about Internal Audit
- The different approaches to Internal Audit
- Risk Based auditing – principles and practicalities

Exercise 2 – Risk and controls

- Audit as a catalyst for change
- How does IA link with external audit

Audit assignment planning

- Terms of Reference for the assignment
- Determining sources of information
- The link between control, risk and objectives
- Determining the objectives of the function to be audited
- Evaluating the threats to achievement of these objectives

Exercise 3 – Challenges for the inexperienced auditor

- Getting management input
- How to deal with your audit customers

Exercise 4 – Team exercise – Moon shot

- Deciding who you will need to interview
- Meeting with management to discuss the audit
- Active listening techniques

Exercise 5 – Pre meeting with management – role play

Day 2 Completing an Audit

The audit in practice

- Preparing for an Audit
- Explaining the audit approach to staff of the function being audited
- Building a picture of the system and processes
- Audit interviews

Exercise 6 – audit interviews – role play

- Audit testing
- Walk through tests
- Fieldwork Techniques (compliance, transactional, analytical review, sampling etc)
- How to decide the depth of testing required
- Audit working papers
- The clearance meeting

Exercise 7 – the clearance meeting – role play

Audit tools and measures

- Audit planning software
- Computer assisted audit techniques
- Explanation of IDEA/ACL
- Audit KPI's (key performance indicators)

Exercise 8 – measures of success

The Audit Report

- The need for reports with impact
- The report as your shop window
- How to build the report during the audit
- How do you know a good report when you see one

Exercise 9 – features of a best practice report

How to write an effective report

- What management expects
- Determining who the report is for
- How to assess a report

Exercise 10 – evaluation of two reports

- Writing a report – do's and don'ts
- How to get the messages over

- Writing brief paragraphs
- Focussing on the important issues
- Use of English

The Best practice report

- Key requirements of the report of the future
- How to ensure reports are taken seriously
- Audit Opinions
- The Executive Summary
- The main report
- Words and phrases to avoid

Exercise 11 – writing a report in best practice style
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- Tips and techniques for success