



Essentials of Internal Audit

This seminar is designed primarily for auditors with less than 2 years experience. It provides a practical outline of the modern approach to internal audit and combines an explanation of best practice and practical exercises including role plays of key meetings.

It will also be valuable for those returning to Internal Audit or anyone who needs practical guidance on developing their skills to meet the changing role of the function

Course Outline

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 2009 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
- Independence and objectivity
- Relationships with management
- What is best practice?
- The different approaches to Internal Audit
- Compliance, VFM, Governance and Risk based audit
- Audit as a catalyst for change
- How does IA link with External Audit

Exercise 1 – challenges and opportunities

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
- Determining the audit objectives
- Getting management input
- How to deal with your audit customers
- Deciding who you will need to interview
- Meeting with management to discuss the audit

Exercise 2 – meeting with management – role play

The audit in practice

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

Exercise 3 – audit interviews – role play

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

Exercise 4 – the clearance meeting – role play

Measuring success

- Audit tools and techniques
- Computer assisted audit techniques
- Audit KPI's (key performance indicators)

Exercise 5 – 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
- What management expects

- Highlighting the issues that matter
- How to get recipients to react positively
- How to write balanced reports
- How to get 95% of your recommendations actioned
- The Executive Summary
- Messages rather than content
- Outcomes rather than output
- Solutions not problems
- How to assess a report

Exercise 6 – evaluation of an actual report

- Audit Objectives
- Scope
- Forming and expressing the audit opinion
- Benefits and deliverables
- Words and phrases to avoid
- Reducing the number of words
- Writing brief paragraphs
- Focussing on the important issues
- The power of pictures and graphics
- The need to relate the issues to objectives and risk
- How to deal with sensitive issues in the report.
- Recommendations and actions
- Management Comments
- Action plans
- **A Best practice report template will be shared**