



Introduction to Internal Audit

Who should attend?

- Newcomers to internal audit and those with less than 2 years experience.
- Staff returning to internal audit after a number of years
- Established auditors who need practical guidance on the changing role of the function

What you will learn

- The theory and practice of modern internal audit
- The key aspects of the IIA professional standards and the 2011 changes
- Key skills required by an internal auditor and how to hone them
- The differences and similarities with other assurance providers and how to coordinate your efforts
- How to plan an audit assignments and overcome the challenges as a inexperienced auditor
- How to manage pre-meetings, audit interviews and clearance meetings with confidence
- The keys to writing successful audit reports

Why you should attend

There has probably never been a more important or challenging time to be an internal auditor.

Internal Audit are being asked to provide a higher level of assurance than ever before but given financial constraints, to deliver this challenge often with fewer personnel

So if you have newcomers to Internal Audit, you need them to add value from the start. To do so they need to learn about the very best practices.

Day 1 The internal audit role

What is Internal Audit?

- Definitions and trends
- What it means to be an internal auditor
- How the profession has changed in the last few years

Exercise 1 – What is Internal Audit?

- The 2011 Professional Standards
- Internal audit responsibilities
 - Integrity, objectivity and confidentiality
 - Competency and independence
 - Internal and external QA assessments
 - Role in relation to risk management
 - Role regarding fraud prevention
- Misconceptions about the role
- 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 2 – 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 audit
 - Auditing the things that really matter
 - Focussing on threats to achievement of business objectives
 - Best practice – forget the petty cash

Exercise 3 – Risk and controls – analysing a disaster

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

Audit assignment planning

- Preparing for an audit
- 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 4 – Challenges for the inexperienced auditor

- Getting management input
- How to deal with your audit customers
- Personality differences – how to deal with different types of person
- Convincing the difficult audit customer

Exercise 5 – Team exercise – Moon shot

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

Exercise 6 – 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 7 – 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 8 – 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 9 – 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 10 – 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 11 – 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 12 – writing a report in best practice style

- Tips and techniques for success