

BUSINESS RISK MANAGEMENT LTD



Innovative Auditing

Attend These Linked Best Practice Practical Courses and Learn How To:

- **Benchmark your internal audit services against worldwide best practice**
- **Implement 250 ideas to improve your internal audit performance.**
- **Embrace the exciting new developments in the field of auditing**
- **Exceed the expectations of your customers**
- **Adopt proven methods to automate the audit process**
- **Enhance the coverage and audit more challenging and interesting areas of the business**
- **Help your organisation to meet its Corporate Governance requirements**
- **Ensure a positive role regarding risk management.**
- **Improve audit performance, success and reputation by adopting the most up to date audit techniques**
- **Significantly enhance the impact of your reports**
- **Improve the acceptance and implementation of your recommendations**
- **Market the internal audit service effectively**
- **Add measurable value to your organisation by delivering world class audit services**

Would it surprise you to know that in a recent comprehensive survey of 1250 Internal Audit functions that: -

- **Only 29% have created formal processes for sharing knowledge and best practices**
- **Only 15% have a comprehensive set of KPI's to measure the performance of the function**
- **Over 75% have never had an external review (as required every 5 years by the Institute of Internal Auditors standards)**
- **64% do not share a common language with the Risk Management function**
- **36% suffer a lack of credibility with senior management**
- **29% receive no requests for audits from management**
- **Only 8% use tools for automating the audit process**
- **Only 25% coordinate their activities with the other assurance providers**
- **Only 14% have regular contact with their external auditors**

All these findings indicate the need for a much more innovative approach to meet the challenges faced.

Internal Audit functions need to perform a much more comprehensive spectrum of audits than ever before – whilst still providing comfort and reassurance that the basics are being managed well.

Internal auditors have now to expand their role as facilitators and advisors at the same time demonstrating that they are adding measurable added value. The addition of internal consultancy into the Internal Audit role has introduced an entirely different dimension to this profession.

These responsibilities and challenges require a new set of skills, competencies and abilities. Strong communication and presentation skills are essential in this highly challenging environment, and an open-minded approach.

Copies of extensive research material and electronic models including a world renowned audit planning model will be made available to you.

Seminar Methodology

The programme will be highly practical and interactive with exercises and discussions to enhance your understanding of the key issues including:

- **The Internal Audit role in Corporate Governance**
- **How to coordinate your role with others**

- How to ensure the wider role does not compromise independence
- Preparing Audit Committee reports with impact
- How to deliver successful presentations
- How to influence management better
- Automating the audit process
- How to create risk based audit plans
- Compiling a best practice audit manual
- How to manage audit interviews better
- 100 ways to improve your audit reports

Course Outline

Day 1 Governance and standards

The Benchmarking approach

- Introduction to the unique benchmarking template
- Explanation of the 11 sections
 - Corporate Governance and the Internal Audit role
 - Professional standards
 - Audit charter
 - The Audit Committee relationship
 - Skills, training and resources
 - Strategic audit planning
 - The Audit manual
 - Completing the audit
 - Audit reports
 - Measuring performance
 - Marketing the function
- Explanation of the scoring system – 200 areas with a maximum overall score of 500
- Each section will be covered over the 5 days

Corporate Governance and the Internal Audit role

The areas to be evaluated include: -

Role in risk management

Coordinating the work with other assurance providers

Board feedback

Meetings with Chief Executive and other Directors

Recognition of IA contribution

Sarbanes -Oxley implications

Extent of challenge by IA re Corporate Governance

Audit assurance letter

Role in fraud prevention and investigation
Involvement in ethics and social responsibility
The External Audit relationship

Exercise 1 The Internal Audit role in Corporate Governance

Exercise 2 How to coordinate your role with others

Exercise 3 Managing the External audit links

Professional standards for Internal Audit

The areas to be evaluated include: -

Adoption of both the code of ethics and the IIA standards

Evaluation of integrity

Evaluation of objectivity - lack of bias in reports, raising difficult issues etc

Evaluation of confidentiality

Evaluation of competency

Assurance that the collaborative approach adopted by modern IA functions does not compromise its independence

Evaluation between the balance the compliance, assurance and consulting aspects of the role

CPE development demonstrated

Internal QA assessment process

External QA assessment

Management's acceptance of risk

Exercise 4 How to ensure that you follow the standards

Exercise 5 How to ensure that the wider role does not compromise independence

Audit charter

The areas to be evaluated include: -

Charter in place

Issued widely

Role adequately covered

Authority explained

Independence stressed

Reporting Line covered –and is appropriate

Management's responsibilities incorporated

Exercise 6 Assessing your audit charter – an evaluation process will be shared

Day 2 Skills and relationships

Audit Committee relationship

The areas to be evaluated include: -

- IA/ Audit Committee relationship overall**
- Meetings exclusively for IA**
- Attitudes of Audit Committee members to IA**
- Challenges issued and how met**
- Head of IA meets independently with AC chairman**
- Feedback from the AC on IA performance**
- Reports to Audit Committee - brevity**
- Reports to Audit Committee - focus on key issues**
- Reports to Audit Committee - forward plans**
- Annual Assurance statement - content**
- Annual Assurance statement - risk focus**

Exercise 7 Preparing an Audit Committee report

Skills, Training and Resources

The areas to be evaluated include: -

- Leadership of the function**
- Succession and development of expertise for the business**
- Measures – e.g. number of auditors / number of employees**
- Effectiveness of training plan - especially delivery**
- Soft skills training**
- Presentation and facilitation skills**
- Links with local management - use of functional experts**
- Breadth of experience**
- Performance achieved overall by team**
- Resource management - ensuring adequate resources**

Exercise 8 How to influence management – by use of Honey and Mumford management styles

Exercise 9 Delegates prepare and deliver a 2-minute presentation on a subject of their choosing

- How to combat nerves
- Keeping in control
- Dealing with questions
- Use of simple language
- How to keep the audience's interest
- Use of props
- Anticipating questions
- Considering the audience's needs
- Assessing the results
- Getting feedback

Exercise 10 Three Practical exercises with analysis and feedback - requiring clear communication and understanding

Moonshot
Building Rapport
The Puzzle

Day 3 Planning and completing an audit

Strategic Audit Planning

The areas to be evaluated include: -

Approach adopted - model used and effectiveness
 How the level of assurance required is determined
 The Audit Universe
 Prioritising audits
 Breadth of coverage
 Use of CAAT's - any used
 Use of CAAT's - extent and effectiveness of usage
 Use of audit planning software
 Different types of audit used e.g. VFM
 Approach adopted - Traditional, Wider, Developing or forward looking
 Extent to which Audit is a catalyst for change

Exercise 11 Evaluating the audit universe

Exercise 12 Use of CAAT's (including demo of ACL)

Exercise 13 How to determine audit priorities – a copy of the BRM electronic audit planning model will be given to each delegate

Audit Manual

The areas to be evaluated include: -

- Overall Assessment
- Job Descriptions
- Audit methodology
- Annual and Quarterly audit plan
- Time recording
- Interpersonal awareness
- Personnel to interview determination
- Pre-audit PowerPoint
- Audit testing
- Methods of testing adopted
- Clearance meeting
- Audit classification

Exercise 14 What makes an effective audit manual – an electronic version of a best practice audit manual will be provided to all attendees

Completing the audit

The areas to be evaluated include: -

- Organisation of audit file
- Assignment plan
- System / process notes
- Analytical review / Trend analysis
- Sources of Information
- Research
- Other Assurance provider info
- Pre-meeting with management
- Terms of Reference - memo
- Audit Programmes
- Audit interviews

Exercise 15 Pre-meeting with management

Exercise 16 Negotiation

Day 4 100 ways to improve your audit reports

Audit reports

The areas to be evaluated include: -

- Reference to business objectives

Brevity - number of pages
Brevity - paragraphs and sentences
Clarity
Repeat findings
Graphics and charts
Photos where appropriate
Issued electronically
Future focus
Management Commitment
Audit Opinions
Major issues reported on- minor issues taken off line
Recommendations 100% practical
Timeliness
Agreed actions rather than recommendations
Named owners
Action plans
Firm implementation dates
Executive summary
Risk orientation
Praise / recognition
Ability to create interest
Use of positive language
Format and structure
Main report
Avoidance of unnecessary phrases
Review process

Exercise 17 Twenty-five questions about your audit reports

Exercise 18 Role-play – meeting with senior management

Exercise 19 The Executive summary

Exercise 20 Audit opinions and key observations

Day 4 Adding value

Measuring Performance

The areas to be evaluated include: -

Are a series of KPI's in place

Is performance monitored - regularly

Is performance improving

Elapsed time for issue of reports - 2 weeks best practice

Draft to final - best practice 2-3 days

No. of assignments completed versus planned

% staff utilisation

% of recommendations implemented
% of key recommendations implemented
Number of management requests
Number of positive unsolicited comments re IA
Number of repeat findings
Actual savings as a direct result of audits
Number of process improvements made
% Customer satisfaction
Post audit surveys used
Questions asked in survey
% of key risks audited in the year
Extent of reliance External audit can place
% of major systems dev reviewed
Number of best practice ideas shared

Exercise 21 [Ways to demonstrate measurable added value](#)

Exercise 22 [Presentation – 2 minute on one of the course topics](#)

Exercise 23 [Best practice customer surveys](#)

Marketing the function

The areas to be evaluated include: -

Intranet for IA

Appropriate info included - plans, photos of team, best practice ideas etc

Brochure

Presentations at management meetings

IA included in Induction programme

Page on web site

FAQ's

KPI's performance published

Newsletter

Senior mgt survey - questionnaire or face to face

Misconceptions addressed

Report on IA role in Annual Report and Accounts

Secondments - in and out

Customer service - saving face, helping them get things done

Shouting about achievements

Exercise 24 [Innovative Marketing of IA](#)

Exercise 25 [Completing the Benchmarking exercise](#)

Exercise 26 [Development of action plans](#)

Course Summary and Close