



Internal Audit Practitioner

Modern Internal Audit is light years away from the basic compliance and checking function it once was.

Energised by the need to provide broader assurance and the new risk based approach, many Internal Audit functions find they need to perform a much more comprehensive spectrum of audits than ever before. In particular the addition of internal consultancy has introduced an entirely different dimension to the profession. Practitioners have now to expand their role as facilitators and advisors at the same time demonstrating that they are adding measurable added value.

These responsibilities and challenges require a new set of techniques, skills, and tools. Strong communication skills are particularly essential in this highly challenging environment, whether you are planning assignments, trying to ensure that the audit is completed to time or communicating your audit observations

This 2-day seminar has been designed for more experienced internal auditors. It will be particularly useful for auditors who have previously attended our Introduction to Internal audit workshop.

It is designed to provide the most up to date information and practical techniques to help you increase your professional skills and personal impact .

Who Should Attend

Internal Auditors with 1-3 years experience in the role

Auditors responsible for planning and leading audit assignments

Internal Auditors who have just been or are about to be appointed to an audit management role

Any senior auditor with responsibility for managing people.

Audit managers that would like to help their auditors leading the assignments to enhance their impact and effectiveness.

Course Outline

Day 1

The Modern approach to Internal Audit

Exercise 1 – a thought provoking exercise to set the scene

- Worldwide trends in Internal Audit
- Perceptions of Internal Audit – results of surveys
- The changing role of the function
- 2009 Professional standards
- What is best practice?
- The different approaches to Internal Audit
 - Trends (from the BRM Internal audit best practice database of 4000 internal audit functions)
 - The transition from systems based to risk based assurance
 - Audit's primary roles, objectives and concerns
- The Internal Auditor as consultant
- The need to add measurable added value
- Audit as a catalyst for change

Exercise 2 – The challenges for the Internal Audit function

Strategic Audit Planning

- Risk based audit planning
- The factors you need to consider
- Determining the level of Assurance required
- Getting management input
- Translating key risks from the business risk process into the basis of the audit programme
- Audit challenges resulting
- Determining the audit universe
- Best practice audit risk planning model (*an electronic version will be provided to you*)

Exercise 3 Strategic audit planning using the model

- Determining audit priorities and developing the audit plan.
- Which risks are not easily auditable?
- How should these topics be dealt with?

Risk Based Audit

- What is risk based audit?
- Is RBA a methodology or a state of mind?
- Why has it become so important?
- What are the ideas behind RBA?
- How does risk based auditing link with more traditional approaches to auditing?
- Is RBA a revolution or an evolution

- Can such an approach really enhance the profile of IA within the business?

Discussion – what does RBA mean to your function?

Challenges facing Internal Audit

- The need to focus audit attention towards the most significant risks
- ISO 31000 and the implications for IA
- The need for much higher levels of assurance than ever before
- What level of assurance can really be provided?
- What should be the audit role in relation to identification and managing of risks
- Could working with management to identify and evaluate risks compromise the independence of the function?
- How should audit plans be developed to ensure the correct risk focus?
- The need to improve efficiency to enhance the level of assurance

Discussion - how can your function respond to the challenges?

Risk Based auditing guidelines

- Guidance from the Institute of Internal Auditors
 - Core roles
 - Legitimate roles
 - Roles IA should not take
- Assessing actual versus perceived controls
- The need to provide assurance that the risks are managed within the organisation's risk appetite
- Monitoring the effectiveness of the risk management programmes
- The different audit approaches – depending on the risk maturity
 - Risk Naïve – the need to promote risk management
 - Risk Aware – The need to promote an enterprise wide approach
 - Risk defined – facilitate risk management identification etc
 - Risk managed – audit the risk management process
 - Risk enabled – use management's assessments of risk
- Monitoring Action plans
- Translating key risks from the business risk process into the basis of the audit programme

Exercise 5 – risk and reward – an opportunity to experience risk and its implications

Day 2

Planning a Risk based audit

- A Case Study of a risk based audit will be given

Exercise 6 . Delegates will be organised into teams and 4-5 audit topics will be chosen by the delegates

- **Each team will: -**
 - © **Brainstorm the objectives of the function or activity**
 - © **Build a picture of the risks**
 - © **Consider threats and opportunities**
 - © **Consider the controls expected**
 - © **Give feedback to the whole group**

Leading audit assignments

- **Terms of Reference for the assignment**
- **Determining sources of information**
- **Getting management input**
- **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 7 – Developing the audit plan

- **Getting management input**
- **How to deal with your audit customers**
- **Deciding who you will need to interview**
- **Meeting with management to discuss the audit**
- **How to get your message across**
- **Active Listening**
- **Developing the best practice audit programme**
- **Time management – the challenges**

Discussion about the time management issues and how to ensure that assignments are completed on time

- **The audit manual**

Discussion about the audit manual and the audit file process – to identify opportunities to improve the records

The need for effective communication

- **Expressing yourself effectively**
- **The need to have a positive relationship with management**
- **The need to drive action**
- **How to add value to your business**
- **Creating rapport with your customers – tips and techniques**
- **Management styles**
- **Personal drivers**

Exercise 10 Management styles - working in small groups delegates are asked to determine and compare individual management styles and personal drivers

Convincing management

- **Language and impact**

- The need for simplicity in persuading others
- The use of 'power words' in your communications
- How to get on the same wavelength as your customer
- Phone conversations – how to make the right impression
- The techniques for getting action
- Facilitation – the key skills
- What management expects
- Meetings and how to manage them – the 5 P's
- The secret of effective presentations
- The need for impact
- Deciding the form of presentation
- Use of visual aids
- How many notes should you use
- Education or decision seeking – the different techniques
- How to combat nerves
- Keeping in control
- How to deal with questions
- Keeping the flow
- How to keep the audience's interest

Exercise 11 – The Puzzle – an exercise in teamwork and negotiation