Fundamentals of Internal Audit
On-line Course
2 days

Why you should attend

As internal auditors, you face difficult challenges. The aim is to provide assurance to the board and to senior management; and to generate improvements or changes if they are necessary.

- You have to be very clear if things in the organisation are not working - and provide sufficient support evidence.
- You have to reach a shared understanding with specialists and general managers of what needs to change - and why it matters.
- You have to find ways to convince experienced and powerful people to do things differently.
- Writing effective audit reports is also a crucial aspect of the Internal Audit process. It is the main deliverable and the only written information audit customers receive
- Ensure the business operates an effective fraud prevention process

Strong communication and presentation skills are essential in this highly challenging environment, whether this is facilitating workshops or negotiating with management or communicating your ideas in the form of reports.

This exciting course features a series of case studies and practical exercises

Who should attend?

- Newer Auditors
- More experienced auditors needing to refocus audit skills
- Lead Auditors
- Other Assurance professionals who need to enhance their assessment skills

Course Level

- This is an intermediate level course and delegates should ideally have at least 12 months experience in Internal Audit (or other assurance roles) to attend.
- Delegates should have a good educational standard (Bachelor's degree or above) and/or a professional qualification
- No advance preparation is required
- Delivery method – On-line live (with exercises and case studies to provide practical application of the tools and techniques)

After completing this course you will be able to

- **Deal with the communication challenges resulting from the enhanced assurance roles**
- **Negotiate with and influence management more effectively**
- **Simplify your reports and enhance their readability**
- **Significantly enhance the impact of your reports**
- **Make your reports easier to write, easier to review and easier for management to implement**
- **Improve the acceptance and implementation of your recommendations**
- **Avoid unnecessary words and phrases**
- **Benchmark your audit reports against worldwide best practice**
- **Influence management more effectively**
- **Negotiate more successful outcomes**
- **Improve your presentation skills and confidence in dealing with senior management and stakeholders**
- **Embrace data analytics techniques**

CPE credits

- **Participants will earn 8 CPE credits (5 in the Auditing field of study and 3 in the Management Advisory Services field of study)**

Day 1   The key audit challenges

The importance of effective communication

- **Research results from the IIA**
- **Why communication is inherently difficult**
- **Why internal auditors need to spend time planning their approach**
- **The need for regular and consistent communication**
- **Why communication is successful when the intended recipient takes the desired action.**
- **How to ensure success**
- **The need for many and varied communication channels**
- **All communications should be clear and focussed**
- **Accurate -providing facts and evidence**
- **Objective - fair, impartial, and unbiased**
- **Clear - using simple language; avoiding jargon and technical terms**
- **Concise - avoiding unnecessary information or too much detail**
- **Constructive - useful, positive, and well meaning**
- **Complete - including all significant and relevant information**
- **Timely**
- **Organised and structured**
- **Logically sequenced**

Exercise 1 – Communication skills exercise

The use of audit analytics

- The use of analytical tools
- The process of data mining
- Applications of CAAT's
- Fuzzy matching
- Data Validation
- Trend and pattern analysis
- Neural networks
- Benford's Law and it's importance in analytics
- Auditing big data
- Implications of IIA GTAG – understanding and auditing big data
- The use of Internal and external databases
- How to put the techniques into use in your organisation.
- Practical uses of data analytics and the results achievable

Exercise 2 – Use of data analytics

Delivering effective presentations

- Determining the audience and preparing an appropriate approach
- The need for impact
- Deciding the form of presentation
- Use of visual aids
- How many notes should you use
- Use of humour – is this a good idea?
- Education or decision seeking – the different techniques
- How to combat nerves
- Keeping in control
- How to deal with questions
- Keeping the flow
- The need not to over prepare
- Use of simple language
- How to keep the audience's interest
- Use of props
- Anticipating the questions
- Considering what the audience will expect
- Assessing the results
- Getting feedback

Exercise 3 - Presentation techniques

The Internal Audit role in fraud prevention

- The internal audit activity must evaluate the potential for the occurrence of fraud and the manner in which the organization manages fraud risk.
- Evaluate controls
- Create a control consciousness loop
- Look for fraud indicators
- Add fraud Risk management as a topic in the Audit Universe
- Review the anti- fraud policy and programme
- Consider fraud risk when planning each assignment

- Aim for balance between prevention and detection
- Creating a fraud consciousness loop
- Development of a fraud awareness training programme
- Communicating standards of expected behaviour /ethics
- The relationship between fraud, risk and control
- The roles, responsibilities and liabilities of auditors, management, specialists and others
- The need to be able to think like a fraudster
- Ensuring fraud contingency plans are in place

Exercise 4: Fraud and the IA role

Day 2   The Audit report process

The challenges of audit reporting

- The 5 dilemmas of audit reporting
- What is a best practice report?
- Who do you need to convince?
- Top tips – communicating results
- The challenges of audit reporting
- Grabbing attention
- Getting the message across
- Getting action
- The need for impact
- Which of reports shown would you be likely to read
- Ideas on creating impact
- How do you know a good report when you see one?
- What Management expect – recent survey of chief executive
- IIA professional standards
- Who are the reports really for?

Exercise 5 – What makes an excellent report?

Delivering clear messages

- Professional standards
- The problems with audit reports
- Questions about audit reports
- Top tips – communicating results
- The challenges of audit reporting
- Grabbing attention
- Getting the message across
- How to adopt best practice
- Knowing what to write
- Ensuring evidence is clear and provable
- Focussing on outcomes rather than output

Exercise 6 - Analysis of reports

Writing a best practice report

- The need to keep it simple
- The report process
- Dealing with writers block
- Audit Objectives
- Scope
- Forming and expressing the audit opinion
- Wording tips
- Tone
- Writing coherent sentences and paragraphs
- The self- editing process – tips for success
- The power of Senior management comments
- Circulation lists
- Formatting ideas
- The executive summary – do's and don'ts
- How to avoid repeating any sections in the Executive summary
- Words and phrases to avoid
- How to reduce the number of words
- Why the spellchecker sometimes does not help you
- Dealing with the difficulties of the English language
- Audit opinions – how to express them
- New IIA guidance on following up recommendations
- Presenting results
- Tips and techniques for success
- Example – best practice reports will be shared

Exercise 7 - Picking the biggest paragraph from a report and rewriting it in one third of the words originally used.

Assessment and evaluation of your own reports

- A model for assessing reports will be outlined
- The 20 key aspects to review
- Discussion of key issues and identification of opportunities for improvement

Exercise 8 Self-evaluation against the model provided