



Internal Audit Challenges for 2021 3 days on-line

Course Level

- This is an intermediate to advanced level course and delegates should be Audit Supervisor level or above
- Delegates should have a good educational standard 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

- **ENHANCE** internal audit's contribution to the business
- **ENGAGE** more positively with senior management
- **DELIVER** more effective audit plans through developing the appreciation of risk
- **PLAN** assignments effectively to focus on opportunity as well as risk
- **ASSIST** management to simplify and streamline processes
- **AUDIT** business areas which may have not been previously covered
- **PLAN** risk based assignments efficiently and effectively
- **MEASURE** success more effectively
- **APPLY** a simple method to reduce unnecessary controls

CPE credits

- Participants will earn 15 CPE credits in the Auditing field of study

Day 1 Refocussing the role to add significant value

The need for IA to be a strategic advisor

- IIA Audit Executive guidance June 2020
- New 2020 Code of Conduct
 - Helping the Board to protect the assets, reputation and sustainability of the organisation.
 - Internal audit should have the right to attend and observe all or part of executive committee meetings
 - The primary reporting line for the chief internal auditor should be to the chair of the Audit Committee.
- New IIA paper on models of effective IA will be shared
- Key messages from the IIA Body of Knowledge survey
- Deciding the strategic direction for your function
- Pulse of the profession survey results
- IIA becoming more effective guidance will be shared
- ECIIA research paper – making the most of the IA function
- Ensuring effective communication lines between the CAE and the board
- Gaining assurance regarding the quality of the function's work.
- Overseeing the relationship between the IA function and the organisation's centralised risk monitoring function.
- Monitoring management follow-up of IA recommendations

Exercise 1 - The new challenges facing IA

The latest trends in IA methodology

- New guidance and its implications
- The IA mission statement
- Aligning strategic audit plans with significant business risks
- Dealing with unacceptable risk – escalation with senior management
- Gathering information from multiple engagements
- Direct relationships with the Board (not only the Audit Committee)
- Assessing IT Governance
- The role in fraud risk management
- Evaluating ethics programmes
- Imperatives for change – IIA standards
- An effectiveness of IA checklist will be shared
- Making the most of IA – new IIA paper

Exercise 2 –Adapting to the changes

The need to exceed stakeholder expectations

- Who are the stakeholders?
- Are stakeholders' expectations known?
- Arranging meetings with all stakeholders
- Workshops with key stakeholders?
- Are the expectations clear?
- How can you meet the widely differing expectations?
- Are there any areas where expectations could be exceeded?
- Are there any quick wins?
- What reports should IA provide to stakeholders?
- A new paper on working with stakeholders will be shared
- New advice on auditing strategy

Exercise 3 - Meeting the ever expanding requirements of stakeholders – what should the IA role be?

Strategic Audit Planning

- How to decide which areas to audit
- The audit universe – new IIA guidance
- Determining the level of assurance
- New IIA guidance – Production of the audit plan
- The RBA audit plan preparation
- Risk Based Internal Audit Plan Example
- **A best practice audit risk planning model will be used (an electronic version will be provided to all delegates)**

Exercise 4: Developing a strategic audit Plan using the model

Day 2 Enhancing the risk based audit approach

Improving RBA planning

- Brainstorming the functional objectives
- Building a picture of the risks
- Consider threats and opportunities
- Building the details of the controls
- Planning the assignment
- Determining the types of test and techniques to use
- Determining the threats to success

Exercise 5. Audit topics will be chosen for the purpose by the delegates and the functional objectives and risks brainstormed in groups

The Risk Based Audit step by step

- **A risk based programme case study will be walked through**
- Reviewing the business objectives
 - Are the objectives comprehensive and SMART?
- Do the risks in the register relate properly to the objectives?
 - Are they specifically linked to the objectives and recorded?
- Are the inherent risks correctly evaluated?
- Are any key risks missing?
- Are the causes of the event identified?
- Have mitigating actions been recorded for each risk?
 - Is such mitigating detailed enough?
- Are there any actions in progress to deal with risk?
 - Assess the status of such actions
 - Are there any management decisions pending?
 - Has a target risk been established?
 - Assess confidence level in the potential for such actions to reduce the risk required
 - Is the target risk realistic?
- Audit testing
 - Test each mitigating control by means of walk through tests
 - Extend testing as required to obtain sufficient evidence
- Determining an audit risk and control assessment
 - Evaluating and recording such assessments
 - Presenting the evidence to management
 - How to ensure consistency

Exercise 6: The RBA in practice – using audits selected by the delegates

Continuous auditing

- The IIA Global Technology Audit Guide (GTAG)
- The practicalities of continuous auditing
- Paper – fantasy or reality
- Continuous assurance – new guidance
- Continuous auditing and continuous monitoring
- The use of CAAT's for continuous auditing
- Continuous risk assessment techniques
- Examples of continuous auditing
- A paper on continuous audit using ACL will be shared
- New GTAG on audit sampling

Exercise 7 –Opportunities for continuous auditing

Ensuring your role is fully coordinated with the other providers of assurance

- Ensuring your assurance providers roles e.g. Internal Audit, Compliance, Risk Management, Insurance, Security are coordinated to avoid duplication of effort
- Why you should incorporate internal audit agreed actions in your risk register
- Ensure environmental risk is taken seriously (even if you are in a sector such as Financial Services)
- Ensure that your Business Continuity plan covers all eventualities and ensure it is fully tested
- Identify new ways to benefit the least able section of the wider community you serve
- New guidance on coordinating RM & assurance

Exercise 8–Implementing Assurance Mapping

Day 3 Auditing key risks and opportunities

Developing the consultancy role

- The IIA standards
- Why consultancy should be encouraged
- The difference in approach
- How to document these assignments
- Reporting consultancy assignments
- Audit by workshop
- Facilitation –do’s and don’ts

Exercise 9 – How to convince management that consultancy is the direction for Internal Audit

Auditing Cybersecurity risks

- Statistics about cybersecurity crime
- Profiles of the Attackers
- Anatomy of a Breach
- How to prevent Cyber Incidents
- Network Controls (Internal and External)
- Domain and Password Controls
- Access rights and User Awareness
- Application Security
- Secure Software Development environment
- Data Controls
- Encryption
- Vulnerability Management

- Security Testing
- Social Media risks
- ISO 27000

Exercise 10 – Assessing Cybersecurity risks

Auditing IT Governance

- Global Technology Audit Guides (GTAG's)
- The need to determine the boundaries
- Defining the IT audit universe
- Focus on high risk areas
- Assess IT vulnerabilities
- Target areas where you are focusing on process rather than technical aspects
- Use of audit frameworks such as CoBIT and ISO 27000
- IIA new standard on IT Governance
- Risk based audit of general controls (GAIT)
- IIA guidance re GAIT
- An ISO 27000 audit checklist will be shared

Exercise 11 – Challenges of IT Governance audit

Identifying over-managed risks

- These are likely to be the risks in the green zone of the risk matrix
- Why unnecessary controls are often not removed
- Why Internal Audit does not focus on this aspect
- When did you last suggest reducing controls?
- Challenge 'we have always done it this way'
- Do we have to do it?
- What are the benefits / penalties associated?
- Can you reduce effort in some areas to give time and resource for the priorities?
- Case study

Exercise 12–How to identify over-managed activities

Opportunity Auditing

- Why risk can be an opportunity in disguise (e.g. Failure to innovate)
- Why specifically targeting significant areas of business opportunities can deliver major measurable benefits
- Many business opportunities are overlooked by the business because management are too busy
- With budgets under even greater scrutiny, demonstrating value for money is more important than ever

- **The need for an opportunity register**
- **Opportunity audit topics**
 - **Travel management**
 - **Mobile communications**
 - **Insurance**
 - **Consultancy**
 - **Energy management**
 - **Budgeting**
 - **Meetings management**
 - **Decision making**

Exercise 13– Opportunity exercise – Moon shot

©Business Risk Management Ltd 2021