



## Leading the Internal Audit function 3 days On-line

### Why you should attend

- This workshop is targeted specifically at senior Internal audit professionals – and is focussed on the key aspects of a modern internal audit function – and the challenges faced by the ever changing world
- The event represents a superb opportunity to meet your peers from both your sector and others and develop new approaches to the difficult challenges facing audit managers and Heads of Audit today
- The workshop also includes opportunities to discuss issues of your choosing with fellow decision makers in the IA profession

### Who should attend?

- Heads of Internal Audit (CAE)
- Audit Managers and those about to be appointed to that role
- Directors responsible for internal audit
- Heads of other assurance functions such as Compliance or Quality Assurance
- This course is specifically for the most senior audit professionals

### After completing this course you will be able to

- Benchmark your IA function against worldwide best practice
- Deliver stakeholder assurance more effectively
- Develop the leadership approach and the required skills
- Build a world-class team
- Meet the Governance challenges
- Manage the audit process more efficiently and improve strategic audit planning
- Deal with the challenges of consultancy
- Managing effective investigations
- Develop the leadership approach and the required skills
- Ensure IA is seen as a business champion
- Significantly improve strategic audit planning
- Integrate your approach with other providers of assurance

- Enhance Audit Committee relationships
- Extend the audit approach

## Course Level

- This is an intermediate to advanced level course
- Delegates should have a good educational standard (Bachelors 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)

## CPE credits

- Participants will earn 16 CPE credits in the Auditing field of study

## Day 1 The rapidly changing role of Internal Audit

### The need for Internal Audit to be a strategic advisor

- New IIA 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 Audit Executive guidance
- 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.

### Exercise 1 - The new challenges facing IA

### Ensuring IA is a challenger and a business champion

- Independence & Objectivity
- Reporting lines – the need for independence

- Should you report to the Chief Executive or the Audit Committee?
- Audit Committee relationships
- Key requirements of the role and the implications
  - Objective assurance
  - Consulting
  - Adding value
  - Improving the organisation's operations
  - Assisting the business to achieve its objectives
  - Systematic and disciplined approach
  - Evaluate and improve risk management, control and governance processes
- Dealing with the misconceptions of the role
- It is not internal audit's responsibility to :-
  - Detect fraud
  - Introduce more and more control
  - Find management out
  - Assess the ability of management and staff
  - Train staff
  - Tell management what to do

## **Exercise 2 – Dealing with the misunderstandings of IA**

### **Auditing the ERM process**

- The need to focus audit attention towards the most significant risks
- New IIA guidance – maturity models for assurance
- The need for much higher levels of assurance than ever before
- What level of assurance can really be provided?
- Could working with management to identify and evaluate risks compromise the independence of the function?
- Ensure risk is defined as the need to get things right – not what can go wrong
- 'Ring fencing' risk exposure - never allow one part of the business to impact the whole organisation
- Determining and communicating your attitude to risk and your required risk culture to managers and stakeholders
- Recognise that reputation is both your biggest asset and the biggest risk you face – and one you cannot insure
- Do not wait until you are required to provide evidence of effective risk management by regulators or legislation – this will usually be too late
- Promote risk as the pulse of the organization and make sure that you have personnel to regularly take this pulse

### **Exercise 3 - What steps can IA take to help make risk management a value added process?**

## Ensuring IA audits the things that really matter

- Strategic audit planning
- The need to determine which topics to audit (and their frequency)
- The audit universe
- The need for risk-based audit plans
- Tapping into risk assessments carried out by management
- Determining the level of assurance required
- Getting management input
- Dealing with requests
- New IIA guidance on audit plan preparation will be provided
- The need for a structured approach.
- A world-renowned strategic audit planning tool will be shared (the model is used by more than 2500 audit functions across the world)

### Exercise 4 Determining audit priorities using the model

## Dealing with the Internal Audit team challenges

- The recruitment dilemma – what if you cannot get the talent you need
- Determining a strategy for building the team
- Sources of talent – growing your own or recruiting from outside?
- New guidance on getting external expertise
- Should you try to recruit personnel with previous IA experience?
- Which is more important – knowledge of your sector or IA knowledge?
- Use of coaching
- Performance management – what are the most effective measures?
- What skills should you be looking for
- Checklist of issues to assess in a potential auditor
- New guidance on managing dispersed teams will be provided
- Succession planning

### Exercise 5 –Developing the audit team

## Day 2 Providing stakeholders with objective assurance, advice and insight

## 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
- What every Director should know about IA – new guidance

### **Exercise 6 - Meeting the ever expanding requirements of stakeholders – what should the IA role be?**

## **Audit Committee relationships**

- The Audit Committee role
- Structure and independence
- Does the Committee approve (but not direct) internal audit strategy, plan and performance?
- Does the Committee review summary IA reports and the main issues arising and seek assurance that action has been taken
- How does the Committee consider the reports of external audit and other external agencies?
- How are the effectiveness of relationships between IA and EA and other bodies reviewed
- How are the effectiveness of the risk management environment and anti-fraud arrangements assessed
- The Audit Committee / IA relationship
- New paper on how the Audit Committee should assess IA
- Case study and audit programme will be provided
- How does the Committee satisfy itself that assurance statements and the annual statement of accounts properly reflect the risk
- An Audit Committee checklist will be shared

### **Exercise 7 –Enhancing the Audit Committee relationship**

## **Corporate Governance and the IA Role**

- Key challenges of Corporate Governance
- Developments in CG – new paper
- 6 core principles of governance
- The governance warning signs
- New corporate governance insights paper will be shared
- The audit role in the CG process
- A guidance paper on assessing organisational governance will be provided
- The External audit relationship
- Role in Fraud prevention and investigation
- The need to understand the Governance objectives
- Developing a programme to reflect these objectives
- Governance trigger events

### **Exercise 8 – The challenges of Corporate Governance**

## Ensuring full Assurance Mapping is in place

- 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 9 –Implementing Assurance Mapping

## Extending the audit coverage

- Auditing the least covered business aspects
- Social Media
- The web site
- Strategic planning
- Product/ service development
- Changes in Government policy
- Economic changes impacting the business
- Customer relationship management
- Sustainability
- Extreme events
- The regulatory environment
- Business Innovation
- Corporate communication
- Demographic changes and business impact

### Exercise 10 – Delegates will select 2 topics and determine the audit approach

## Day 3 Managing and overseeing the IA process

## The audit leadership skill set

- What leadership means
- Leadership styles
- Delegation and tips for success
- Analysis of a leader
- Diplomacy
- Open -mindedness
- Persuasiveness
- Negotiation ability

- Self-motivation and self confidence
- Decision making ability
- Flexibility and ability to co-operate
- Time management
- Flexibility and ability to co-operate
- Self- control
- Practicality
- Results focus
- New IIA paper on influencing skills will be shared

### **Exercise 11 Leadership tools**

## **Audit assignment oversight**

- Building an understanding of the audit process
- Establishing audit objectives
- The Audit manual
- Developing effective audit programmes
- What makes a good programme?
- Mistakes to avoid
- The dangers of re-inventing the wheel
- Assigning tasks
- Staffing factors
- The need for regular updates for standard programmes
- Supervising and controlling audits – tips for success

### **Exercise 12 – Audit management key issues**

## **Working paper review**

- The need to motivate not criticise staff
- The need for peer review during the audit
- How to ensure all areas are covered
- Identification of key review points
- How to write value-added review notes
- Tips for electronic working papers
- Quality control mechanisms

### **Exercise 13 – Working paper reviews**

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### **Exercise 14 – Delegates will select 2 topics and determine the audit approach**

#### **Consultancy assignments**

- 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 15 – How to convince management that consultancy is the direction for Internal Audit**

#### **Investigations**

- Investigations – the major differences from standard audits
- Which investigations should IA accept
- How can this decision be made
- The skills required
- The need for perfect audit trails
- Difficulties

### **Exercise 16 – Challenges of investigations**