



World Class Internal Audit On-line live course 3 days

Why you should attend

The Internal audit function is increasingly regarded as a business partner, a catalyst for change and a Governance advisor.

You therefore need your internal audit function to adopt world class techniques.

We are proud to be able to bring globally renowned audit expert **Phil Griffiths** to deliver the masterclass

The event represents a superb opportunity to develop new approaches to the difficult challenges facing modern audit functions

The workshop also includes opportunities to discuss issues of your choosing with your peers

Who should attend?

- Heads of Internal Audit (CAE's)
- Audit Managers and those about to be appointed to that role
- Audit supervisors
- Senior Managers of other assurance functions such as Compliance or Quality Assurance
- Directors or VP's who need to know about the modern IA role

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 (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)

After completing this course you will be able to

- Benchmark your IA function against worldwide best practice
- Make the transition from a good function to a great one
- Build a world-class team
- Significantly improve strategic audit planning
- Deal with the challenges of consultancy
- Audit complex areas of the business
- Deliver stakeholder assurance more effectively
- Engage more positively with senior management

CPE credits

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

Day 1 Developing Internal Audit to be a strategic advisor

Responding to the significant changes in the IA role

- How the IA profession has changed in the last 10 years
- New IIA paper on models of effective IA will be shared
- The transition from a systems based approach to Risk based Auditing
- Key messages from the IIA Body of Knowledge survey
- Deciding the strategic direction for your function
- Pulse of the profession survey results
- E & Y and Protiviti survey results
- IIA becoming more effective guidance will be shared
- ECIIA research paper – making the most of the IA function

Exercise 1 - The challenges facing IA

Ensuring top management commitment

- Meet with all key decision makers :-
 - Audit Committee Chairman
 - CEO
 - Chairman
 - CFO
 - COO
 - Other Board members
 - Chief risk Officer (if there is one)
 - Business Unit Heads
- How to deal with resistance
- The need to sell the role to key stakeholders
- A presentation to sell the role will be shared
- The benefits of building strong relationships with key decision makers
- Clarify and record expectations
- Dealing with issues raised

Exercise 2 – How to gain high level commitment for IA

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 3 - 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 4 –The Audit Committee audit

Strategic Audit planning

- Determining audits priorities
- Determining the audit universe
- Building Risk-based audit plans
- Tapping into risk assessments carried out by management
- Determining the level of Assurance required
- Getting management input
- New IIA guidance on audit plan preparation will be provided

- **Audit planning model – an electronic version will be provided to all attendees**

Exercise 13 – Strategic audit planning – how to convince Senior Management and the Audit Committee that you are auditing the right topics

Day 2 Focussing the Internal Audit role

Ensuring IA is seen as an agent for positive change

- **Ensure that your staff know that risk management is not a fad or the latest initiative – it is a business process**
- **Ensure you define risk 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**
- **Market the audit process internally and to stakeholders**
- **Recognise that your employees will only be interested in managing risks if there is a benefit for them in doing so**
- **Realise that if managers want to get a proposal through, they will tend to understate the risk (if you let them)**
- **Promote risk as the pulse of the organization and make sure that you have personnel to regularly take this pulse**

Exercise 6 - What steps can IA take to better promote themselves?

Focussing the authority of the IA function

- **Independence & Objectivity**
- **Reporting lines – the need for independence**
- **Should you report to the Chief Executive or the Audit Committee?**
- **Key requirements of the role and the implications**
- **Objective assurance**
- **Consulting**
- **The need to adding measurable 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

Exercise 7 – Redefining the authority of IA

Building a world class team

- 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 co-sourcing
- 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 8 – The challenges of developing the audit team

Implementing 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 9 – Use of data analytics

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 10–Implementing Assurance Mapping

Day 3 The more complex audit issues
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Risk Management and Internal Audit

- 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?
- 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?
- Is Risk based auditing a methodology or a state of mind?
- Why has it become so important?
- What are the ideas behind RBA?
- Is RBA a revolution or an evolution?
- Can such an approach really enhance the profile of IA within the business?
- New IIA Integrated auditing guidance will be shared

Exercise 11 – Challenging management’s risk evaluation

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 12 – Cybersecurity risks

Auditing Third Party activities

- Overview of outsourced services
- Outsourcing objectives
- Transfer of risk
- Outsourcing delivery models
- Roles and responsibilities
- Different approaches to outsourcing
- The key risks
- Assessing the contract
- New guidance re assessing data security in outsourced services
- How to assess continuing viability – performance management
- Right to audit clauses
- A new paper on auditing external business relationships

Exercise 13 - Assessing third party risks

The challenges of 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 14 – How to convince management that consultancy is the direction for Internal Audit