

BUSINESS RISK MANAGEMENT LTD



Auditing Corporate Governance Dublin

Who should attend?

- Lead Auditors
- Senior Auditors
- Audit Managers and those about to be appointed to that role
- Other assurance providers that need a greater understanding of Corporate Governance assessment

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 and ideally a professional qualification
- No advance preparation is required
- Delivery method – Group-live (with exercises and case studies to provide practical application of the tools and techniques)

After completing this course you will be able to

- Audit Corporate Governance effectiveness
- Audit the risk management process
- Meet stakeholder expectations regarding CG
- Assess the effectiveness of business continuity planning
- Assist the Audit Committee in their CG role
- Assess environmental issues
- Audit joint ventures and partnerships
- Audit IT Governance

CPE credits

- Participants will earn 14 CPE credits (10 in the Auditing field of study and 4 in the Management Advisory Services field of study)

Day 1 Corporate Governance requirements

The key aspects of Corporate Governance

- What is Corporate Governance
- 6 core principles of governance
- 7 governance warning signs
- **New corporate governance insights paper will be shared**
- Meeting Stakeholder requirements
- How the organisation is managed on behalf of the stakeholders
- The key parties within Governance
 - Audit Committee
 - The Board
 - Regulators
 - Customers
 - Suppliers
- **A Governance toolkit will be shared**

Exercise 1 – Corporate Governance challenges

Corporate Governance and the Internal Audit Role

- Meeting Stakeholder requirements
- How the organisation is managed on behalf of the stakeholders
- Developments in CG – new paper
- The audit role in the CG process
- The risk focus of the function (and the relative roles of other assurance providers)
- Coordination with other assurance providers
- A guidance paper on assessing organisational governance will be provided
- The External audit relationship
- Role in Fraud prevention and investigation

Exercise 2 – Determining the Governance parties

Meeting Stakeholder expectations

- Who are the stakeholders?
- Are stakeholders' expectations known?
- 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 needs of stakeholders – what should the IA role be?

Auditing the risk management process

- establishing the position regarding RM in the business
- Establish corporate targets and monitor overall progress
- Risk management using ISO 31000 paper from IIA
- Keeping the Board apprised of the most significant risks
- Assessment of RM capabilities
- Review of risk evaluations in each function
- Ensuring actions to treat exposures implemented
- Ensuring all functions evaluate their risks consistently
- Evaluating the results and challenging where necessary
- Identification of exposures
- Reviewing risk registers
- Imperatives for change – RBA planning
- Basing audit programme on most significant risks
- Comparing perceived versus actual controls
- **A Risk management evaluation tool will be provided**

Exercise 4 – Auditing the ERM process

Auditing the Audit Committee process

- 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 5 –The Audit Committee challenges

Day 2 Auditing key Governance activities

Auditing the key risks of the Board

- The development of strategic objectives, are taken without due consideration of the impact on the organisation
- Non-executive directors (NEDs)/independent members of the board are unable to give independent, robust challenge
- The Board does not have sufficient, complete or timely information on which to base its decisions.
- Committees set up by the Board may not fulfil their obligations or there are too many committees
- The Board does not have sufficient oversight across the whole organisation.
- Policies, procedures and projects are not aligned to the organisation's objectives.
- The culture of the organisation is not fully defined or does not support the organisation in achieving its objectives.
- Risks are accepted or taken which are outside of the organisation's risk appetite.
- The regulatory or legislation requirements are not adequately understood leading to increased regulatory sanction or censure

Exercise 6 – Auditing the Board risks

Auditing Brand and reputation

- The rise of reputation as a key risk
- The increasing importance of a positive image – the need to be admired
- Where does reputation come from?
- How do you measure it?
- The magnifying effect on reputation of business failures
- Global brands
- How to judge reputation
- Identifying Reputational Risks
- **A checklist for reviewing reputational risk will be provided to all delegates**

Exercise 7 –Auditing a reputational disaster

Corporate Social Responsibility

- The increasing importance of Corporate Social Responsibility (CSR)
- New IIA standard 2110 re auditing of ethics
- What constitutes CSR
- The wider aspects of CSR and the implications for IA
- Doing responsible things responsibly
- **A paper on auditing ethics will be provided**
- Redefining IA role with CSR in mind

- An audit framework
- How to audit CSR – key steps
 - Is communication with main stakeholders taken seriously?
 - Are the expectations of these stakeholders accurately understood, and what are the risks that these will not be met?
 - Are opportunities taken to develop the ethical reputation of the business?
 - How do we ensure that staff have and display the right attitudes?
 - Has the business assessed its reputation for social responsibility and its impact on our business prosperity?
 - Is the Board, and in particular the Chief Executive, sensitive and responsive to the concerns of customers

Exercise 8 –CSR and meeting expectations – the challenges
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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 9 – Challenges of IT Governance audit

Auditing Business Continuity Planning

- The importance of BCP
- The need to recognize BCP is not just about IT recovery
- Reviewing the different types of disaster – have all been considered?
- Does the organization's leadership understand the current business continuity risk level and the potential impacts of likely degrees of loss?
- Can the organization prove the business continuity risks are mitigated to an approved acceptable
- Are they tested effectively?
- Is the Board well set up to respond swiftly and capably in a crisis?
- The transition from an emergency to a disaster and the questions to ask at each stage
- Is there an appropriate contingency plan ready to be used to manage a crisis?
- Communication testing
- Alternative site testing
- **A paper on BCP resilience will be shared**

Exercise 10 –BCP audit discussion
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