



## Essentials of Internal Audit

### Who should attend?

- Newcomers to internal audit and those with less than 2 years experience.
- Staff returning to internal audit after a number of years
- Established auditors who need practical guidance on the changing role of the function

### Course Level

- This is a basic level course and delegates are not required to have any previous experience in Internal Audit to attend
- There are no minimum educational requirements
- No advance preparation is required
- Delivery method – Group-live (with exercises and role-plays to simulate audit scenarios and situations that new auditors will encounter)
- A pre-course questionnaire will be sent out 2-3 weeks prior to the course date to obtain some information about the delegate's role and to provide an opportunity to indicate specific learning requirements
- A short examination will be given at the end of the course

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

- Apply the theory and practice of modern internal audit
- Comply with the key aspects of the IIA professional standards
- Plan audit assignments effectively
- Work with other assurance providers to coordinate your efforts
- Develop testing plans to ensure optimum coverage
- Plan pre-meetings, audit interviews and clearance meetings with confidence
- Recognise the key steps to audit independence
- Write efficient and effective audit reports

### CPE credits

- Participants can earn up to 12 CPE credits in the Auditing field of study.

## Why you should attend

- This course covers everything you need to know as a newcomer to Internal Audit regarding the most effective audit practices.
- There has probably never been a more important or interesting time to be an internal auditor. People are joining Internal Audit from a variety of backgrounds and the function is becoming much more operationally rather than financially based
- If you have staff who are new to Internal Audit you will want them to learn the best audit practices and be able to apply them efficiently.
- The course will introduce you to the worldwide best practice and how to apply it
- Maybe you have auditors who are returning to the function, or staff who are to be seconded to you for a period of time? You will want them to learn about the changing role of the audit function.
- Perhaps you work in a line function with responsibility for providing assurance to the board and need a fuller understanding of the internal audit role.

## Day 1 The internal audit role

### What is Internal Audit?

- Definitions and trends
- What it means to be an internal auditor
- How the profession has changed in the last few years
- The psychology of internal audit

### Exercise 1 – What is Internal Audit?

- The 2013 Professional Standards
- Internal audit responsibilities
  - Integrity, objectivity and confidentiality
  - Competency and independence
  - Internal and external QA assessments
  - Role in relation to risk management
  - Role regarding fraud prevention
- FAQ's
- Misconceptions about the role
- How does the role differ from other Assurance Providers?
- The need to coordinate efforts with other assurance providers
- Corporate Governance and internal audit
- The Audit Committee and the audit relationship

## **Exercise 2 – Challenges for the inexperienced auditor**

### **Audit Skills**

- The skills required
- Analysing the skills
- Is IA a career or stepping stone?
- The competency framework

## **Exercise 3 – The skills inventory**

- Technical skills
- Analytical skills
- Appreciative skills
- Interpersonal skills

## **Exercise 4 – Team skills exercise – Moon shot**

### **The Internal Audit Role**

- The changing role
- What is best practice?
- The Audit Charter
- FAQ's about Internal Audit
- The different approaches to Internal Audit
- Risk Based audit
  - Auditing the things that really matter
  - Focussing on threats to achievement of business objectives
  - Best practice – forget the petty cash

## **Exercise 4 – Risk and controls – analysing a disaster**

- Audit as a catalyst for change
- How does IA link with external audit

### **Audit assignment planning**

- Preparing for an audit
- Terms of Reference for the assignment
- Determining sources of information
- The link between control, risk and objectives
- Determining the objectives of the function to be audited
- Evaluating the threats to achievement of these objectives
- Getting management input
- How to deal with your audit customers
- Personality differences – how to deal with different types of person
- Convincing the difficult audit customer

- Deciding who you will need to interview
- Meeting with management to discuss the audit
- Active listening

**Exercise 6 – Pre meeting with management – role play**

**Day 2 Completing an Audit**

**The audit in practice**

- Preparing for an Audit
- Explaining the audit approach to staff of the function being audited
- Building a picture of the system and processes
- Audit interviews

**Exercise 7 – audit interviews – role play**

**Audit testing**

- Audit programmes
- Walk through tests
- Fieldwork Techniques (compliance, transactional, analytical review, sampling etc)
- How to decide the depth of testing required
- Audit working papers
- The clearance meeting

**Exercise 8 – the clearance meeting – role play**

**Audit tools and measures**

- Audit planning software
- Computer assisted audit techniques
- Explanation of IDEA/ACL
- Audit KPI's (key performance indicators)

**Exercise 9 – measures of success**

**The Audit Report**

- The challenges
- The need for reports with impact
- Who is the report for?
- How to grab attention
- How do you know a good report when you see one

**Exercise 10 – What makes an excellent report?**

# How to write an effective report

- What management expects
- The IIA professional standards
- The problems with audit reports
- Knowing what to write
- Convincing the reader
- Getting the right balance
- Focussing the report guidance
- How to assess a report

## Exercise 11 – evaluation of two reports

- Discussion of implications
- The Executive Summary

### The main report

- The psychological dilemma
- How to ensure reports are taken seriously
- Formatting ideas
- Audit Opinions
- Words and phrases to avoid

## Exercise 12 – writing a report in best practice style

- Recommendations and action plans
- Follow-up

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