

## INTERNAL AUDITING SCHOOL I - Package (Complete course on the internal auditing cycle)

### PROGRAM DETAILS

**Schedule:** June 7, 8, 10, 11, 15, 16, 18, 19 and 26, 2021

- Part 1: June 7 and 8: Internal Audit Strategic Plan
- Part 2: June 10 and 11: Risk Based Annual Audit Plan
- Part 3: June 15, 16 and 18: Audit Workpaper: Planning, Performing & Follow-up
- Part 4: June 19 and 26: Audit Report Writing, Interviewing & Presentation

**Duration:** 9 Days

**Time:** 8:30 am to 12:00 noon; 2:00 pm to 5:00 pm per session day

**Delivery Format:** Online Training through Zoom

**Knowledge Level:** Basic and Intermediate

**Prerequisite:** None

**Competencies:**

- Internal Audit Management; Governance, Risk Management and Control
- Business Acumen, Internal Audit Delivery
- International Professional Practices Framework
- Persuasion and Collaboration, Communication, Critical Thinking

**Position Level:**

- Internal Auditors
- Quality Auditors, Risk and Compliance Officers, Process Owners
- Other personnel interested to know about the risk-based internal audit process

**Fee:** Regular Fee: Php 19,600.00 per participant;

Discounted Fee: **Php 10,000.00** per participant for the **first 10** paid participants

### PROGRAM DESCRIPTION

This program will provide a comprehensive, hands-on and systematic approach to understanding all the key areas of the internal audit process. It will provide the participants with the critical knowledge, skills and competencies for them to perform their job effectively. It will also align with any relevant competency framework or training needs analysis for audit personnel. This program is ideal for new internal auditors as well as for experienced internal auditors who want to refresh their knowledge on leading practices or benchmark with other participants and organizations. This will result more value-adding services given to Board, management and stakeholders.

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Website: [www.ciasp.com.ph](http://www.ciasp.com.ph)

## PROGRAM OBJECTIVES

At the end of the program, the participants will be able to:

### **Internal Audit Strategic Plan and Risk Based Annual Audit Plan**

- Understand the role of internal auditing under a governance, risk management and control framework;
- Understand the process and components in developing the internal audit strategic plan;
- Develop the risk-based plan of engagements; and
- Explain the overall individual engagement audit process: planning, performing, communicating results and monitoring progress.

### **Internal Audit Workpaper (Planning, Performing, Follow-up and Monitoring)**

- Determine the appropriate workpaper to be produced at each stage of the audit process;
- Understand the techniques, principles and practices of producing a good quality audit workpaper; and
- Develop a systematic method to integrate the data to support the audit engagement results.
- Understand the key principles and techniques of maintaining a follow-up and monitoring system;
- Determine the level of work and approach in validating the implementation of management actions

### **Report Writing**

- Learn how to communicate audit findings clearly and report accurately;
- Develop best audit report structure or format to meet management and Board requirements and improve business performance;
- Write audit findings using the key elements of an audit observation: criteria, condition, cause, consequences, and corrective action;
- Highlight and document opportunities for improvement and other best practices; and
- Improve the quality of audit reports through techniques that address tone, clarity, conciseness, and accuracy.

### **Interviewing and Presentation**

- Determine the techniques and considerations in planning and conducting the interview.
- Learn how to deliver effective presentations to clients, top management and other stakeholders by clarifying content, preparing effective materials and delivering with an "X-Factor."

## PROGRAM OUTLINE

### INTERNAL AUDIT STRATEGIC PLAN AND RISK BASED ANNUAL AUDIT PLAN

#### A. INTRODUCTION

- Internal Auditing Overview
  - Internal Auditing in the Governance, Risk Management and Control Framework
  - Key Principles in Internal Auditing
  - The IPPF and Other Guidelines or References
- Setting the Context
  - The Need for a Strategic Plan
  - Overview of the Components of a Strategic Plan
  - Quality Assurance Considerations

#### B. THE STRATEGIC PLANNING PROCESS

- **Establish or Review the Mandate of the Internal Audit Activity**
  - Adopt or revise the Internal Audit Charter
  - Apply the International Professional Practices Framework and other authoritative references
- **Revisit and Understand the Organizational Environment**
  - Understand the relevant industry and its environment
  - Revisit the organization's vision, mission, objectives and long-term plan
  - Determine the organizational factors that may affect the development of the internal audit strategic plan
- **Discuss with Stakeholders Their Expectations**
  - Identify the key stakeholders
  - Communicate directly with each key stakeholder
  - Ensure stakeholders understand the value and capability of internal audit
  - Ensure internal audit is appropriately positioned within the organization
  - Manage the 'expectation gap'
  - Confirm and document the expectations
- **Develop or Update the Internal Audit Vision and Mission**
  - Develop or update the:
    - Vision
    - Mission
    - Core values
  - Ensure all internal audit personnel are aligned with the vision and mission

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- **Assess the Current Situation**
  - Conduct SWOT analysis for the internal audit activity
  - Assess the organization's control environment and its impact to the internal audit activity
  - Consider inherent risks in managing the internal audit activity
- **Develop Clear Roadmap and Initiatives to Attain the Vision**
  - Develop roadmap aligned with the vision and the appropriate capability or maturity model
  - Develop indicators or critical success factors to determine the achievement of each stage or milestone of the plan
  - Determine key initiatives to attain the milestones
- **Let the Strategic Plan Drive the Annual Risk Based Plans**
  - Divide the strategic plan into manageable units or time intervals (annual plans)
  - Establish guidelines in preparing the annual plans
  - Revisit assumptions and parameters underlying the short-term organizational goals

### **C. THE RISK-BASED ANNUAL AUDIT PLANNING PROCESS**

- **Understand the Organization**
  - Revisit or update understanding the organization's vision, mission, objectives and long-term plan
  - Determine if there are emerging strategic and organizational changes
- **Conduct the Risk Assessment**
  - Identify the risks
  - Analyze or measure the risks (e.g. impact and likelihood)
  - Evaluate and prioritize the risks
- **Determine Priority Areas to Audit**
  - Identify the audit universe
  - Determine the risk owners
  - Consider coverage and scope of other assurance providers
  - Ensure adequate coverage of the audit universe over the term of the plan
- **Ensure Adequate Resources to Support the Plan**
  - Review the key resources needed
    - People
    - Financial
    - Processes

- Technology, equipment and others
- Perform capability planning and assessment over the resources
- Consider appropriate sourcing strategies or service delivery models
- Establish or enhance the professional development program
- Consolidate requirements for endorsement and approval
- **Enable the Approval, Reporting and Monitoring on the Plan**
  - Secure approval for the plan
    - Get feedback and endorsement
    - Get final approval from the Board or the functional reporting authority
  - Fine-tune the reporting process
    - Agree on the timing and content of the reporting activity
    - Deliver effective reports
  - Monitoring
    - Establish a monitoring process
    - Ensure periodic review of the plan
    - Integrate with the quality assurance and improvement program

## **INTERNAL AUDIT WORKPAPER: PLANNING, PERFORMING, FOLLOW-UP AND MONITORING THE AUDIT ENGAGEMENT**

### **INTERNAL AUDIT WORKPAPER**

- Key Principles for Documenting Information
  - Purpose of Workpaper
  - Identifying Users and their Perspectives
  - Workpaper Flexibility
  - Qualities of a Good Workpaper
  - Workpaper Techniques
    - Organization
    - Indexing
    - Cross-referencing
    - Heading
    - Sources
    - Use of Tick Marks
    - Evidence of Review

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- Workpapers in the Internal Audit Engagement
  - Planning Stage
    - Initial Study and Background Information
    - Entrance Meeting
    - Process Documentation
    - Objectives, Risks and Controls Register
    - Scope and Work Program
    - Engagement Resources
  - Performing Stage
    - Documentary Qualities of Audit Evidence
    - Test Results, Audit Observations and Findings
    - Conclusions and Audit Rating
  - Reporting Stage Overview and Engagement Supervision
    - Draft Report and Comments
    - Quality Control and Supervision

## **FOLLOW UP AND MONITORING PROCESS**

### **Establishing the Follow-up and Monitoring System**

- Proper classification and prioritization of audit observations and relative risk rating as aligned to the audit rating system
- Agreement with management on the responses and details of the actions plans
- Procedures on:
  - Receiving periodic updates from management
  - Evaluation of response
  - Verification of response
  - Communication process
- Mechanism for tracking observations (manual method or use of tracking software)
- Coordination with compliance function or other internal assurance providers who are also monitoring outstanding issues

### **Implementing the Follow-up and Monitoring System**

- Determining the level of effort (or level of testing) to validate closure
  - Table audit
  - Testing done by other control groups
  - Full follow-up audit

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- Evaluating adequacy, effectiveness and timeliness
- Documenting results
- Periodic reporting and updates

### **Reporting to Senior Management and the Board**

- Reports to Senior Management
  - Discussion and clear understanding of expectations of senior management
  - Frequency and content of reports
  - Escalation process
- Reports to the Board / Audit Committee
  - Discussion and clear understanding of expectations of Audit Committee
  - Frequency and content of reports
  - Board / Audit Committee guidance

### **Communicating the Acceptance of Risk**

- Management response and justification
- CAE discussion with senior management
- Overall evaluation by the CAE if the unresolved matter is either within or beyond the risk tolerance of the organization
- Reporting to the Board / Audit Committee

## **AUDIT REPORT WRITING, INTERVIEWING AND PRESENTATION**

### **Report Writing**

- Framework to writing more effectively
  - Effective communications model
    - The basics of business communication
      - Writing to inform
      - Writing to influence
    - Steps to effective communication
      - Defining the audience
      - Getting clear on the message
      - Determining the communication method
- POWER model to writing better
  - **P**lan
  - **O**rganize

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- **Write**
- **Edit**
- **Revise**
- The elegant finishing touches
  - Mechanics: toplineing
    - Headings and subheadings
    - Lists
    - Indentations
  - Cosmetics
    - Character formatting
    - White space
- Writing effective audit observations
  - Findings and test results
    - What, Who, How
    - Format
      - Observation or test results
      - Observation or test details
      - Policy reference
  - Tips and techniques
- Writing effective audit issue statements
  - What, Who, How
  - Format
    - Issue (Title)
    - Issue details
    - Risk or impact
    - With internal classification as to "critical, major, minor" or "high, medium, low"
    - Policy references
    - Recommendations
  - Tips and techniques
- Writing effective audit reports
  - What, Who, How
  - Format
    - Introduction or background
    - Purpose, scope or methodology
    - Executive summary



- Assessment, strong points, top issues, details of other issues, top recommendations
- Audit results and recommendations
- Tips and techniques
- Workshop

## **Interviewing Skills**

- I. Interview preparation
  - Key considerations
    - Relevance of questions
    - Selection of respondents
    - Ease of response
    - Designing interview questions
    - Appropriateness and level of the language
    - Avoid speaking down to an interviewee
    - Clarity and use of qualifying language
- II. Initiation
  - Preparing for the "First 30 Seconds." First impressions matter.
- III. Conducting the interview
  - Developing rapport with the audit client and showing interest
  - Giving the audit client a reason to participate
  - Eliciting responsiveness from the audit client
  - Ensuring understanding and nonbias
  - Common challenges encountered by auditors:
    - Scenario 1: Process understanding (handling vague answers from clients)
    - Scenario 2: Understanding test results (handling irate clients)
    - Scenario 3: Aligning Issues (handling bad news and disagreements)
- IV. Post-Interview assessment
- V. Summarizing results of the interview

## **Presentation Techniques**

- I. Effective presentations basics
  - Review of communication basics – how is it different for presentations
  - The framework: introduction, body, recap
- II. Principles for effective presentation materials
  - Guidelines for content

- Guidelines for visual impact
  - Discussion of what works and what does not work
  - Exercise/case study
- III. Common presentations done by auditors (and how to rock them)
- The kick-off meeting
  - The client update meeting
  - The wrap-up and issues discussion meeting
  - Management and board presentation
  - Exercise/case study

## REGISTRATION

To register, please consider either of the following options:

- Option 1: Please visit CIASP website, [www.ciasp.com.ph](http://www.ciasp.com.ph). Click on the "Register" button for the seminar on **Internal Auditing School I - Package**. You will be directed to an online Google form. Please fill in your details on the form and click 'Submit.' We will acknowledge your registration as soon as practicable.
- Option 2: You can email or communicate with us through [information@ciasp.com.ph](mailto:information@ciasp.com.ph) and/or [centerforinternalauditservices@gmail.com](mailto:centerforinternalauditservices@gmail.com). Please provide your full contact details (full name, organization, designation, email address, office phone and mobile phone).

We will provide billing invoice upon receipt of the registration.

## FEES AND PAYMENT DETAILS

- Regular Rate - Php 19,600.00 inclusive of VAT
- Discounted Rate – **Php 10,000.00** inclusive of VAT for the **first 10 paid** participants
- Limited slots. Guaranteed seats will be given to those with paid registration.
- Payments can be made in **cash or check**.
- Payment should be deposited to any BPI branch. Payment can also be done through online funds transfer (e.g. PesoNet, GCash, PayMaya, InstaPay, bank wire transfer, etc.).  
CIASP bank account details are:
  - Bank of the Philippine Islands (BPI)
  - Current Account Number: 1621-0070-72
  - Account Name: Center for Internal Advisory Services Philippines Inc
  - SWIFT Code/BIC: BOPIPHMM
  - For check payment, please make it payable to the account name.
- Payment through **credit card or debit card** (Mastercard, Visa, Amex) through Paypal also accepted.
- Please email scanned copy or picture of deposit slip or online transfer form so we could confirm receipt and provide the relevant seminar details and procedures.

## OTHER SEMINAR DETAILS

- Seminar Inclusions:
  - Attendance to the webinar sessions
  - Copy of presentation or powerpoint slides in pdf
  - Templates, sample workpapers, worksheets, audit report format, sample executive summary, presentation format
  - References and other reading materials
  - Certificate of participation
  - Post-webinar consultation
    - Consultation with the resource speaker(s) can be made up to one month after webinar date.
    - Consultation can be done for the relevant areas of the modules, such as:
      - Guidance on how to fill out and customize the templates for your internal audit department
      - Review of participant outputs or accomplished templates with comments and recommendations, as applicable
      - Possible benchmarking between your existing internal audit engagement practices and the recommended approach
      - Guidance on interpretation of concepts or Standards under the International Professional Practices Framework
    - Consultation can be done through email, call, Zoom meeting or similar means
- Delivery Mode:
  - Webinar/Meeting through Zoom
- Resource Speakers/Facilitators
  - Pol B. Mirafuentes; President, CIASP
  - Kristy M. Abello
- Time Schedule for the Webinar Sessions
  - 8:30 am to 12:00 noon; 2:00 pm to 5:00 pm per session day

## CONTACT DETAILS

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