

Conducting an Audit from Cradle to Grave (CACTG)

DAY/S: 5

CPD:40

LEVEL: 1

TECHNICAL SKILLS



COURSE BENEFIT

- Learn to conduct an audit from beginning to end
- Learn to understand risks and their role in auditing
- Understand how to identify, evaluate, and document internal controls
- Use the preliminary survey to determine how and what to audit
- Discover the best techniques for gathering audit evidence and preparing workpapers
- Enhance and practice interpersonal and team-building skills throughout the audit
- Understand the importance of the audit communication process



COURSE CONTENT

The Internal Auditor's Roles and Responsibilities

- The definition of internal auditing explored
- Audit responsibilities and general audit objectives
- Types of internal audits and factors impacting audit emphasis
- Attributes of the 21st century internal auditor
- Your role in selling the internal audit function
- Case study: "Auditing the Titanic" demonstrating the role of Internal Audit vs. External Audit and other key principles.

Internal Auditing Standards

- Code of Ethics for Internal Auditors
- International Standards for the Professional Practice of Internal Auditing

The Audit Model – Performance of Audit Work

- Overview of the audit process
- Plan the audit – the preliminary survey, audit objectives, scope, and audit program
- Examine, evaluate, and document information during field-work

- Communicate results
- Follow-up procedures
- Time management (hints for budgeting your time)

Internal Control

- Understand management's responsibility for control
- Identify internal audit's responsibility regarding control
- Introduce the COSO control model
- Internal control components and factors
- Understand the difference between "hard" and "soft" controls
- Review tools for documenting and evaluating internal controls

Documenting and Evaluating Internal Controls

- Understand the purpose of the preliminary survey
- Determine which controls are efficient and properly designed and functioning effectively
- Compare and discuss audit tools for documenting control systems including narratives, ICQ's, flowcharts, and risk/control matrices
- Learn the advantages and disadvantages of each tool
- Exercise: Flowcharting

The Audit Program

- Understand the thought process involved in audit program development
- Review guidelines for preparing audit programs
- Learn to develop audit objectives, audit scope, and program test steps
- Exercise: Developing audit objectives, audit scope, and program test steps

Workpapers and Audit Evidence

- What the Standards say about work papers
- Typical work paper organization and contents
- Types of audit evidence

Developing Audit Findings

- Explore the art of developing the audit finding
- Understand when it is an audit finding through the five attributes of an audit finding approach
- Getting to the root cause (two methods); agreeing and reporting on the root cause

Please click here for [general course information](#)

Delegates are also requested to review the content and the levels of the courses presented before booking, to ensure they are attending the right course.

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- Developing the audit findings and value-add recommendations by addressing the identified root cause(s)

Analytical Review Using Audit Software

- Common uses of the computer as an audit tool
- Learn the concepts of data extraction and analysis in performing analytic review
- Review analyses to identify and investigate audit issues using the computer
- Exercise: Review of computer reports and how to make them better

Teamwork

- Understand the value of being an effective team member
- Determine who should be on your audit team
- Working 'with' the customer (getting the customer 'on board')
- Practical exercise in terms of teamwork principles

Interpersonal Skills and Interviewing

- Gain insight into behavioural skills and communication techniques to improve your ability to communicate effectively with others
- Learn basic techniques for effective interviewing
- The relationship between good communication and problem solving
- Exercise: Audit interview role playing

Case Studies

- Used throughout the course to reinforce concepts learned

fy the relevant IIA Standards and Code of Ethics values that relate to the example, but were not complied with]

- Case study to evaluate understanding of the concepts:
- various case studies will be conducted during the 5 days addressing the concepts dealt with during the day. Participants will be required to prepare answers to the 3-4 questions posed at the end of the day and to present their results during the start of the next day's session. I will re-cap at the start of every new day in terms of the previous day(s)' content to ensure that participants understand the concepts already dealt with.
- 'role-play' will also be used to enable participants to practice for example 'marketing internal audit to a difficult customer / to the audit committee'; 'interviewing skills – discussion of findings with management'; 'discussing the role of internal audit as part of good corporate governance and fraud prevention', etc.
- participants will also be exposed to delivering presentations – re the answers to their case study of the previous day, as well as the results of a comprehensive risk assessment (Alpha Piper Oil Rig Disaster 1988)
- at the end of the 5 days, the participants will have prepared a comprehensive case study re the Alpha Piper Oil Rig Disaster. They will watch the video of 24 minutes, where after they have to analyse the risks that materialised and prepare a detailed assessment of how they would have prevented and/or reduced the impact of the above risks. This case study will be presented in the form of an audit report to management. Identifying key risks, controls and recommendations for improvement.

The case study will be prepared by the participants and evaluated by the course presented to ensure that all concepts have been fully understood.



METHOD OF EVALUATION

- Case study to evaluate understanding of the concepts: Worldcom – Cynthia Cooper – demonstrating compliance with the IIA Standards and Code of Ethics [participants will be required to review the case study and to identify the relevant IIA Standards and Code of Ethics values norms that relate to the example]; and /or Enron – the ineffective role of the Internal Audit Department (Anderson Consulting) [participants will be required to review the case study and to identify



WHO SHOULD ATTEND?

- Auditors with less than six months of audit experience
- Non-auditors with responsibility for developing and monitoring internal control

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