

Risk-based Auditing (RBA)

Day/s : 2

CPD : 16

Level : 1,2,3

TECHNICAL SKILLS

There is a real need in the business world today for effective corporate governance and risk management practices. Internal auditors have a critical role to play regarding effective governance and it is therefore imperative that they are up to date with current thinking in these areas.

COURSE BENEFIT

By attending this highly practical course you will discover how to:

- Address the full range of issues that concern management
- Understand how to link objectives, identify events, measure and respond to risks and control risks effectively
- Challenge management and sell the benefits of proactive risk management
- Audit major areas of risk for your business with confidence
- Add value to your organisation by the application of risk-based assurance and consulting services
- Gain confidence in your audit plans through understanding the role of risk
- Develop and use high productivity techniques and tools
- Master all the modern techniques and the COSO ERM benchmark
- Develop and deliver risk-based audit reports with real impact
- Measure success of implementation of a risk management system and a risk-based audit plan effectively

COURSE CONTENT

DAY 1 - ESSENTIALS OF RISK MANAGEMENT AND THE LINK TO RISK BASED AUDIT

Introduction and objectives Understanding Risk and Risk Management Systems

- What is Risk and Risk Management
- Approaches to risk management
- The COSO ERM Framework as a template for success

- 4 Objectives and 8 Component to Risk Management
- Risk and your organisations culture
- Assessing the changing risk environment
- Risk appetite and the impact on assurance
- Monitoring the Risk management Process
- Exercise: Risks and the repertoire of Risk Responses available to organisations

Risk Based Audit

- Definitions by the IIA
- Trends in Auditing (from the BRM Internal audit best practice database)
- The levels of transition from transactions and systems based to risk-based assurance
- The different approaches to internal and external audit
- Audits primary roles, objectives and concerns
 - Assurance and Consulting
 - Nature of Work
 - Independence and Other Issues
- What is best practice?
 - The IIA
 - External Audit
 - Audit Committees
 - Public vs Private Sector
 - International Laws, Regulations and Codes
- Institute of Internal Auditors professional standards
- How to ensure you adopt best practice
- The key challenges for planning audits
- Exercise Challenges for Internal Audit

Introducing a risk management program

- Options for involvement of IA in risk management
- How to introduce a successful risk management program
 - What do management think of you?
 - Have they embraced the wider role for IA?
 - How have they responded to changes already introduced?

The training is available in an attendance format, in-house format and an e-learning format. The cost of e-learning is up to 80% cheaper than attendance format. All training can be conducted on competency requirements basis, which will include testing, assessment and moderation. All three versions qualify for CPD points.

- What challenges have they posed?
- How to get management commitment
 - The need to measure value added
 - How to sell the benefits
 - Who you need to sell the approach to
- Low Cost Risk Identification and Measurement Methods
- Mature Risk Identification and Measurement Methods for Risk registers
- Risk Response and mitigation techniques and measurement
- The different measures for Inherent Risk and Residual Risk
- Monitoring and Assessing actual versus perceived controls
- Monitoring the effectiveness of risk management in your organisations
- Exercise a case study and discussion to allow you to experience Risk Workshop in action

Corporate Governance and the Internal Audit Role

- The Corporate Governance challenges
- The tensions created for management
- The opportunities for Internal Audit
- The converging role of the assurance providers
- The need to coordinate activities across assurance providers
- Audit Committees
- Relationships between Internal and External Audit
- Exercise Co-ordinating efforts with others

DAY 2 - RISK BASED AUDIT IN ACTION

Audit Planning

- Risk based audit planning
- The factors you need to consider
- Determining the level of Assurance required
- Linking management input from the Risk Management Process into the basis of the audit program

- Determining audit priorities and developing the audit plan.
- Which risks are not easily auditable and how should these topics be dealt with?
- Exercise - Risk based audit planning using the concepts
- A specific audit will be chosen for the purpose
- Brainstorm the issues
- Build a picture of the risks
- Consider threats and opportunities
- Plan the assignment
- Determine types of test and techniques to use
- What use could be made of audit tools
- Determine the threats to success

Risk Based Audit Reporting

(Delegates are asked to bring two recent reports with them to the event for their own reference only)

- Objectives of reporting
- Reports and the reporting process
- Professional standards
- Structure and Elements of the Audit Report
- What make a good report?
- What management expects and Audit s response to those expectations
- Exercise - 20 best practice questions about your reports

Why Traditional Reports need to Change

- The psychological dilemma
- Risk reporting the route to securing action
- How to link objectives, risk and audit findings
- Risk as a vehicle for promoting fundamental change

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