

## **2- day Audit Workshop / Seminar on Evolution of Internal Auditing concepts and techniques**

### **Overview:**

The voice of corporate governance today is about corporate disclosure, transparency, and shareholders' value. These are high on the agenda for businesses and non-businesses operations globally. Why is this so now? Largely due to the shockwave from poor governance that exposed massive profit manipulation, deceptive accounting, and appalling audit processes. Today's wave of change has elevated the profile of good corporate governance. How does internal audit support the board and management in meeting these agendas, or how does it provide the services that enhanced good corporate governance?

It is beyond doubt that internal auditors still face challenges. They need the courage to confront matters related to board and management's values, integrity, responsibility and transparency. Effective internal audit will yield good reports that are useful and value-added to the management and board. Today, investors, shareholders, audit committees and regulators are transforming internal auditing into the core or epi-centre of risk definition, risk quantification, risk monitoring and risk management. Participants of this seminar will share, understand, and explore how these audit and review concepts are evolving or put into practices.

### **Objective of the seminar:**

Among the deliverables that this seminar intends to provide for attendees are to:

- develop audit priorities more effectively using the risk-based auditing approach.
- learn to effectively evaluate the intangible risk impacts and negative consequences.
- evaluate the soft controls using the full range of self-assessment of controls.
- discover how to identify and evaluate and document corporate internal controls.
- map and review corporate governance requirements.
- identify practical solutions with management rather than just pointing out fingers.
- improve audit performance success and reputation by adopting more up to date audit techniques and approaches.
- delve into the assurance and consulting services that go beyond just auditing.
- discuss modern ways of auditing today for board and management's value-add versus the older days of fault-finding and basic compliance roles.

- learn and acquire good techniques and concepts of effective audit negotiations.
- impart the skill for audit managers/in charge to possess more effective supervising of audit team and department.
- acquire better insights of how to be a good auditor in charge and the superior audit planning that will assure better audit.

MODULE	TOPIC OR AREAS COVERED
1	OVERVIEW OF INTERNAL AUDIT IN CORPORATE ORGANISATIONS
	Definition: What is internal audit?
	Video presentation: Internal audit....important services for government and corporate organizations.
2	OLD VERSUS MODERN-DAY AUDITING
	How internal audit function has evolved over the years.
	The shape and attributes of audit today.
	Video presentation: Old stereotypes die hard.
3	AUDIT DEPARTMENT: STRUCTURE & ANNUAL PLANNING PROCESS
	Audit organisational structure and reporting hierarchy.
	Audit charter.
	Audit ordinance in governmental organisations.
	Audit framework: policy, procedure.
	Audit as a regulatory requirement function.
	Audit as a non-regulatory and corporate governance function.
4	RISK-BASED AUDITING IN CORPORATE ORGANISATIONS
	Enterprise-risk management.
	The dynamics of risk: Concepts, Impacts, Risk management framework, Key risk indicators.
	How risks influenced audit, audit planning and audit priority?
5	END-RESULT AUDITING
	Internal audit that supports corporate organisation's targets, goals, budgets and the objectives/purposes of internal audit: are in sync with corporate organisation's mission/vision, business operations and services objectives.
	Value added and 'internal consultant' in concept.
6	PROACTIVE AUDITING
	Management-centered auditing.
	Business-process driven audits.

	Checking on continuous improvements and Change-management.
	Thrive on innovation, creativity.
	Analysing and reviewing processes, methods, systems that enable more user-friendly, environmental-friendly concepts.
	Assessment of existing controls and streamlining adequacies.
7	<b>CONTROL SELF ASSESSMENT (CSA) PROGRAMME</b>
	Organisational control, management control, administrative control, financial control
	Applying the 5 types of internal control.
	CSA as a support for audit and audit follow-up.
	CSA as a critical management in corporate organisation's modern-day auditing.
8	<b>CORPORATE ORGANISATIONS AS CORPORATE CITIZENS</b>
	Corporate governance, corporate ethics and corporate social responsibility.
	Internal audit's role in corporate governance.
	Auditing the 4 pillars of corporate governance--- accountability/responsibility, transparency/openness, honesty/integrity, fairness.
	Internal audit engenders corporate organisation's accountability and responsibility.
9	<b>AUDIT REPORT</b>
	Transparency and public access internal audit report.
	The formation and usefulness of a public accounts committee (PAC) in some countries.
	The purposes/objectives of issuing audit report.
	Addressees and recipients of internal audit report.
	Acknowledging internal audit report as a management tool.
	Getting the 'buy-in' or acceptance from the auditee.
10	<b>THE HYPED-AUDIT OBJECTIVE---FRAUD PREVENTION</b>
	Distinguishing the two dynamics in auditing today: reactive auditing and proactive auditing.
	Reactive auditing....deterrent in nature. Event or incident-based.
	Forensic and investigative.
11	<b>MODERN DAY INTERNAL AUDIT AND BEST PRACTICES TODAY IN CORPORATE SECTOR AUDITING</b>
	Ad-hoc.
	Asked to.
	Investigative/fraud audit.
	Routine audit.
	Audit cycle.

	Applying end-result auditing in corporate organizations.
	Video presentation: Effective audit negotiations.
12	<b>SKILLS AND TECHNICAL ENHANCEMENT IN INTERNAL AUDIT STAFF</b>
	Importance of leadership and taking initiatives in the internal audit function.
	Introducing new management frontiers among internal audit staff.
	Video presentation: Supervising for quality.
13	<b>THE CSFs (CRITICAL SUCCESS FACTORS) FOR GOOD AND EFFECTIVE INTERNAL AUDIT</b>
	Operational support.
	Remote system audit.
	Dedicated and motivated internal audit team
	Capacity for adequate people, financial and equipment/support facilities.
	Independent from the management.
	Chief auditor and senior staff report direct to the board's audit committee.
	Conduct regular peer reviews and search for areas to improve for continuous improvement.
	Video presentation: The new auditor in charge.
14	<b>UNDERSTANDING WHO SUPERVISES CORPORATE ORGANISATION'S BUSINESS / OPERATIONS</b>
	(a) Internal Supervision
	Internal audit.
	Compliance department.
	Risk management department.
	Board committees.
	Management committees.
	Business and operations committees or working groups.
	(b) External Supervision
	Regulators.
	Government agencies.
	Ratings agencies (if appropriate).
	External audit.
15	<b>AUDIT MYTHS</b>
	What audit can do / deliver.
	What audit cannot do / promise / not able to guarantee.
16	<b>CASE STUDY</b>
	Exercise on risk-based auditing approach using risk-self assessment and mapping an organisation's 'high, medium, low' risk profiling.
	Apply 'ERIC' model for risk-scoping.

17	AUDIT REVIEW OF CORPORATE ORGANISATION'S REPUTATION / IMAGE TO ENHANCE CORPORATE GOVERNANCE
	Customer / public complaints.
	Rating types from ratings agencies.
	Standing as a corporate citizen and CSR activities.
	Auditing of CSR by assessing CSR's programme on workplace, marketplace, environment, community
	Present and future plans.
	Mission / vision / objectives.
	Looking at the organisation's short / medium / long-term plans and rationalisation.

### **Who should attend**

**This seminar is very relevant and tailored for the following:**

- Senior Internal Auditors.
- Audit Managers/Heads, Chief Auditors and Audit directors.
- Accounts Managers.
- Company secretaries.
- Admin managers.
- Risk officers/managers.
- Compliance officers/managers.
- Audit committee members.
- Directors and other senior management staff who would like to know more about the roles and functions of audit in supporting their organisations' businesses and operations.
- Operations Managers.
- Lecturers and academicians who want to look at the more practical aspects of audit today.
- Back-office and support function managers.

### **Method of teaching/presentation:**

**1. Materials:**

Notes, Bullet point presentation. Essays. Articles and newspaper cuttings.  
Discussion and group learning, case studies and brainstorming among groups.

**2. Delivery:**

Power Point. OHP and laptop. Flipchart.

**3. Relevant management books:**

Two books for each participant. These books were written by Dr J. E. Ruin. Title of the books are “*Business Planning & Report Writing, 2<sup>nd</sup> edition*” and “*Internal Auditing*”.

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**Facilitator / speaker:**

DR Joseph Eby Ruin is a very knowledgeable and past hands-on practitioner of internal audit: He worked for 30 years in 12 different organisations. He retired from full-time employment in April 2007. He is now the Principal and Proprietor of RiskFirst Consultancy & Training Services.

Among his senior management positions in banking were as Executive Vice President/Chief Risk Officer of one Malaysian bank. Before that he was the General Manager & Anti-Money Laundering/Counter-Financing of Terrorism/Compliance Officer of another Malaysian bank.

In internal auditing and management corporate reviews, he spent 11 years holding various positions as follows:

- (i) **Audit Assistant** with a large international audit firm.
- (ii) **Head of Internal Audit Dept/Secretary Board Audit Committee** for a large shipyard company based in Labuan.
- (iii) **Deputy General Manager/Chief Auditor/Head of Internal Audit Division/Secretary Board Audit Committee** for a national and corporatised postal organisation.
- (iv) **General Manager/Head of Audit Group** for a large local conglomerate in Malaysia.
- (v) **Chief Auditor/Head of Internal Audit** for a local Malaysian bank.

Dr J. E. Ruin had also held the post of Head of Internal Audit Division/ Secretary of board's Audit Committee in the corporations he joined prior to his career in banking.

Since 1996, Dr Ruin has been invited by event or conference organisers to speak and deliver his various corporate governance/audit and risk management papers at public conferences in Malaysia, as well as outside Malaysia like in Mumbai India, Sydney Australia, Beijing and Shanghai China, Bali and Jakarta Indonesia, Nairobi Kenya, Seoul Korea, Phnom Penh Cambodia, Bangkok and Khon Kaen Thailand, Hanoi & Ho Chee Min City Vietnam, Mauritius, Brunei, Melbourne and Sydney Australia, Phnom Penh Cambodia, Manila Philippines, Kursk Russia, and in Kuala Lumpur Malaysia and Singapore.

He has written 19 management books that are on sale at local Malaysian bookshops; focusing mainly on audit, banking/finance, corporate governance, controls, people and customer services, and risk management.

He was the Hon Treasurer of FAAM (Fulbright Almuni Association of Malaysia), 2008-2010. He was elected the Regional Director (RD) of PRMIA, KL Malaysia Chapter in November 2007, and was RD from 2007-2010. He also served as a Director of The Institute of Internal Auditors Malaysia from 1998 to 1999.

For details of these past local and overseas seminars/conferences, please refer to the website at [www.riskfirstconsult.com](http://www.riskfirstconsult.com)

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