

2- day Audit Workshop / Seminar on Essentials in Today’s Risk-based Auditing

Overview:

The management of an organisation is responsible for controlling events and seizing opportunities. It is also responsible for identifying, assessing and managing risks. The correct operations of these processes are essential if an organisation is to achieve its objectives. Stakeholders, including investors, as well as other interested bodies now expect confirmation that this risk management framework is operating effectively. Just as external auditors provide confirmation concerning the financial accounts, so internal auditors provide this confirmation concerning the risk management framework and, performing the necessary review of how the various key risks are being managed in an organisation.

What is risk-based auditing or RBA?

RBA is a methodology or audit process that provide assurance that risks are managed to within the level of an organisation’s risk-appetite. The audit begins by identifying the inherent risks in the businesses and operations, and then identifying appropriate controls to transform those inherent risks to residual risks that require effective and appropriate management treatments.

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.
- Know how to identify the key risks in an organisation’s business, operations, activities and structure; and being able to highlight in their audit reports issued for the business/operations’ owners and management these risks and to suggest or recommend ways to manage and treat those risks by identifying appropriate risk controls and risk mitigants.
- Assure that the process used by management to identify all significant risks are effective.
- Give assurance that risks are correctly assessed, scored by management in order to prioritise them.
- Evaluate risk management process to ensure the response to any risk is appropriate and confirm to his organisation’s policies.
- Evaluating the reporting of key risks, by managers to directors.
- Review the management of key risks by managers to ensure controls have been put into operations and are being monitored.

MODULE	TOPIC OR AREAS COVERED
1	UNDERSTANDING RISKS
	Definition

	Risk concepts, characteristics, attributes
	Common risk nomenclatures, interpretation
	How to measure risk: event occurring, risk impact
2	THE NEED TO MANAGE RISK
	Risk management objectives
	How to manage risk: Control and mitigant as tools
	How to treat risk: 6 options available
3	ORGANISATIONAL OR ENTERPRISE-WIDE RISKS
	4 domains or groupings
	Understanding the key or main risk-issues for each domain
4	CONTROL DYNAMICS AND INFLUENCES OF CONTROLS TO AUDIT AND RISK MANAGEMENT
	Significance & meaning of control
	5 control components
	3 purposes of organisational or management controls that shape audit's objectives.
5	OLD VERSUS MODERN-DAY AUDITING
	How internal audit function has evolved over the years.
	The shape and attributes of audit today.
	Compliance and 'watch-dog' auditing.
	End-result or performance-based auditing.
	Risk-based auditing.
6	KNOW WHO SUPERVISES ORGANISATION'S BUSINESS / OPERATIONS/ACTIVITIES
	(a) Internal Supervision
	By who, and how they are discharged?
	(b) External Supervision
	By who, and how they are conducted?
7	TYPES OF INTERNAL AUDIT
	Ad-hoc or asked-to audit.
	Routine audit (as per planned audit cycle and annual time-table).
	Investigative forensic audit.
8	AUDIT APPROACHES
	Performance or project-review audit.
	Fraud-gathering evidences
	Compliance-based auditing and applying the 5Cs of auditing
	Risk-based internal auditing

9	WHAT IS RISK-BASED AUDITING OR 'RBA'?
	Definition.
	Value added and 'internal consultant' in concept.
	Starts and end with 'risk' as a focus.
	How risks affect organisation's purposes, objectives, goals.
	How risks influenced audit, audit planning, and audit priority.
10	RISK-BASED AUDIT REPORT
	The purposes/objectives of issuing audit report.
	Getting the 'buy-in' or acceptance from the customer or auditee.
	Addressees and recipients of the report.
	Acknowledging internal audit report as a management decision-making tool.
	Customer-focus or business and management-centered risk-based audit report.
11	THE CSFs FOR EFFECTIVE RBA
	People/auditors
	Conducive environment
	Support
	Implementation
	Peer reviews and search for areas to improve continuously
12	CASE STUDY #1:
	Exercise on risk-based auditing approach using risk-self assessment and mapping an organisation's 'high, medium, low' risk profiling. Apply the 'ERIC' model for risk-scoping.
13	CASE STUDY #2:
	Conducting RBA for an organisation's operations, department, function.

Who should attend

This seminar is very relevant and tailored for the following:

- Auditors
- Senior Internal Auditors, section heads, audit team leaders.
- 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.

2. Delivery:

Power Point. OHP and laptop. Flipchart.

3. Relevant risk management books:

Two books for each participant to be given out as compliments. These books were written by Dr J. E. Ruin. Title of the books are *“Internal Auditing”* and *“Guide to Effective Management of Business Organisations”*.

Facilitator / speaker:

Dr Joseph Eby Ruin is a knowledgeable, and possess hands-on practicing knowledge 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 of Operational Risk Management Department & 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 Malaysia.
- (iii) **Deputy General Manager/Chief Auditor/Head of Internal Audit Division/Secretary Board Audit Committee** for a national and corporatised Malaysian 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 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, Seoul Korea, Phnom Penh Cambodia, Bangkok and Khon Kaen Thailand, Mauritius, Brunei, Melbourne and Sydney Australia, Phnom Penh Cambodia, Manila Philippines, Singapore, and in Kuala Lumpur Malaysia.

He has written 18 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 Treasurer of FAAM (Fulbright Alumni Association of Malaysia), 2008-2009. He was elected the Regional Director of PRMIA, KL Malaysia Chapter in November 2007. 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

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