

SOUND FUNDAMENTALS FOR TODAY'S EFFECTIVE AUDITING

Looking at values in the following:

-new versus old ways of internal auditing,*
-implementing the 5 components of SPPIA for efficient & value-added auditing,*
-observing internal audit's 8 articles in the code of ethics for effective auditing,*
-gathering credible audit evidences,*
-generating effective audit reports, and*
-how to conduct fraud audits and anti-fraud management.*

Overview of this Course:

Internal auditing function is one of the essential activities that any organisation ought to establish, It is a 'check-and-balance' mechanism to support the board and management's objectives of meeting its corporate goals and business/operational objectives, fulfilling its CSR (corporate social responsibilities), managing risks, and that regulatory and legal compliances are always in place. Understanding some of the best contemporary internal auditing practices and procedures will enable an internal audit function to render the uttrrent sound

Who should attend

- Audit officers/audit section heads.
- Audit team-lead, audit supervisors.
- Audit managers, Head of Audit Dept/Groups.
- Company secretaries.
- Accountants/Finance Managers, Credit controllers.
- Supervisory, back-office support personnel.
- Human Resources Officers/managers, Training officers/managers.
- Risk Officers/Managers.
- Compliance Officers/Managers.
- Academicians, college tutors/lecturers/professors.

Benefits of attending

- You will recognise these main concepts and dynamics useful for internal auditing today, they are
- - (i) how risks influence audits and audit planning
 - (ii) organisational relationships that drive internal audit

- (iii) actualising the responsibilities of internal auditing
 - (iv) implementing the 5 components of SPPIA (standards for the professional practices of internal auditing)
 - (v) practising the 8 articles of the internal auditor's code of ethics
 - (vi) gathering audit evidences
 - (vii) preparing effective audit reports
 - (viii) ensuring effective audit follow up reviews, and
 - (ix) implementing SIAS #3 i.e how to deter, detect, investigate and report fraud.
- You learn to apply meaningful & friendly audit concepts and processes.
 - You can understand cost-effective audit deliverables and services.
 - You will be able to make your customers (auditees) more appreciative of your audit reports and recommendations.
 - Your audit functions for your organisation has better value-added contributions for your management and board.

Module	Topic
1	WHAT IS INTERNAL AUDITING?
i	Broad definition
ii	IIA's global definition
iii	Film presentation: "Internal Auditing....a vital service to government and organisation"
2	TODAY'S INTERNAL AUDITORS VERSUS OLD DAY'S STEREOTYPES
i	How internal auditors should work today
ii	Lessons learnt: Getting tips from 'Old stereotypes die hard'
3	5 INTERNAL AUDIT WORKSCOPES
i	Reliability & integrity of information
ii	Compliance with policies, plans, procedures, laws and regulations
iii	The safeguarding of assets
iv	The economical and efficient use of resources
v	The accomplishment of established objectives and goals for operations and programmes
4	HOW RISK INFLUENCES AUDIT DIRECTION
i	Is this you in your organisation, who are your customers, and how do you serve them?
ii	Risk measurement
ii	Risk-based auditing of today
iii	Knowing the risks in your company's 3 broad agendas of the board and management (products/services, networks/delivery channels, users/customers)

5	ORGANISATIONAL RELATIONSHIPS THAT DRIVE AUDIT FUNCTIONS
i	Board of directors....a governing force
ii	Audit committee.....linkage with the board
6	STATEMENT OF RESPONSIBILITIES OF INTERNAL AUDITING
i	Case Study
7	IMPLEMENTING THE 5 COMPONENTS OF SPPIA (Standards for the professional Practice of Internal Auditing)
i	100 Independence (a) Organisational status (b) Objectivity
ii	200 Professional Proficiency (a) The internal audit dept: (i) Staffing, (ii) Knowledge, skills, and discipline, (iii) Supervision (b) The internal auditor: (i) Compliance with standards of conduct, (ii) Knowledge, skills, and discipline, (iii) Human relations and communication, (iv) Continuing education, (v) Due professional care
iii	300 Scope of work (a) Reliability & integrity of information (b) Compliance with policies, plans, procedures, laws, and regulations (c) Safeguarding of assets (d) Economical and efficient use of resources (e) Accomplishment of established objectives and goals for operations and programmes
iv	400 Performance of audit work (a) Planning the audit (b) Examining and evaluating information (c) Communicating results (d) Following up
	500 Management of the Internal Audit Dept (a) Purpose, authority and responsibility (b) Policies and procedures (c) Personnel management and development (d) External auditors (e) Quality assurance
8	INTERNAL AUDITORS CODE OF ETHICS
i	Adhering to the 8 Articles of an Auditor's code of ethics
ii	Article 1: Obligation to exercise honesty, objectivity, and diligence

iii	Article 2: Holding the trust of employers
iv	Article 3: Refrain from entering into any activity having conflict of interest
v	Article 4: Not accepting gift or fee without consent and knowledge of senior mgt
vi	Article 5: Not using confidential information for personal gain or use
vii	Article 6: To obtain sufficient factual evidence in expressing opinion
viii	Article 7: Continual strive for improvement in proficiency and effectiveness of internal audit
ix	Article 8: To abide to bylaws and uphold objective of internal audit profession and IIA
9	AUDIT EVIDENCE
i	Definition of evidence
ii	Standards of audit evidence
iii	4 classifications schemes for audit evidences: source of evidence, audit procedure, persuasiveness, legal rules
iv	Audit evidence classified by source
v	Audit evidence classified by audit procedure
vi	Audit evidence classified by persuasiveness
vii	Audit evidence classified by legal rules of evidence
10	CONSIDERATIONS IN AUDIT EVIDENCES & ADEQUACY
i	The desirability of a mix of various types of evidences
ii	Risk factors in audit evidences
iii	Cost-benefit consideration in selecting audit evidence
iv	Materiality
v	Evaluating adequacy of audit evidence: sufficient evidence, competent evidence, relevant evidence, useful evidence
vi	Documenting evidence in working papers
vii	Evidence as determinant of professionalism
viii	The consequences of unsubstantiated claims
11	VIDEO PRESENTATION
i	The new supervisor in charge
12	THE IMPORTANCE OF AUDIT WORKING PAPERS (AWP)
i	The use or purpose of audit working papers or AWP
ii	Gather necessary information
iii	Contents of AWP
iv	How to prepare AWP
v	How to review AWP
vi	Ownership, custodian and retention of AWP
vii	Audit closing conferences & key factors to successful closing

	conferences
13	REPORTING THE INTERNAL AUDIT
i	Preparing to write the report
ii	Written audit reports & reporting standard
iii	Clear writing techniques, use conversational style, keep sentences short/simple, use active verbs, clear familiar words, captions, short paragraphs, graphics
14	AUDIT REPORT FORMAT & CONTENT
i	Basic audit report model: cover, formalities section, executive summary or highlights, detailed findings, exhibits & attachments
ii	Internal audit opinions and conclusions
iii	Auditee's or management's responses in audit reports
iv	Review and editing by the CIA
v	Checklist for review and editing
vi	Usefulness in issuing interim audit report
vii	How report serves (i) auditor, (ii) operating management, (iii) top management, (iv) others
15	FOLLOW-UP REVIEWS AND AUDIT EVALUATION....PAGE 411 ONWARDS
i	Standards for follow-up
ii	Ideal or best practice follow up roles of auditors, auditees, and executive management
iii	Types of follow-up actions
iv	Practical considerations dealing with follow-up
v	Policies for follow-up
vi	Keys to follow up success and documentation
vii	Rejection to auditee's responses
viii	Audit critique for quality assurance
16	FRAUD & AUDIT
i	SIAS (statement of internal auditing standard) No:3....Deterrence, Detection, Investigation, and Reporting fraud
ii	The reality of fraud and the fraud landscape.....use old notes on who can commit fraud
iii	Impetus for fraud audit
iv	The narrow objective of fraud audit
v	Qualitative materiality of fraud
vi	The role of security and investigation department
vii	Joint roles of internal audit & security/investigation departments
viii	Looking at red flags
ix	Key distinction between fraud audits and other audit engagements

x	Picking team for fraud audit assignments
17	CONDUCTING FRAUD AUDIT
i	The approach
ii	Content of a fraud audit report

The Course Facilitator

Dr Joseph Eby Ruin {FCCA(UK); CA(M'sia); Hon DBA-Mgt Phi (Kurst).

Joseph graduated in ACCA(UK) in 1976, was an Associate Member in 1979, and elevated to Fellow Member in 1984. He is a member of The Malaysian Institute of Accountants since 1983. For his many publications of management books, newspaper articles, and the conference/seminar/workshop papers where he was invited to present his papers since 1996, he was conferred an honorary degree of Doctor of Business Administration (Mgt Philosophy) by Kursk State Technical University Russia in 2006. He was elected the Regional Director for the Malaysian Chapter of PRMIA (Professional Risk Mgrs' International Association) in November 2007. He was also a Committee-member of FAAM (Fulbright scholars Alumni Association of Malaysia), 2008-2009.

Executive/managerial experience:

Joseph's executive and managerial career spanned the past 3 decades. Throughout this 30 years, he worked in 6 different banks as Branch Manager and later holding various posts at the corporate head office. He also worked in 6 non-banking organisations where he held various executive/ managerial capacities, as Head of Internal Audit/Chief Auditor and Secretary to the Board's Audit Committee. His last job before he retired in April 2007 was as the Chief Risk Officer/Head of Risk Management Division of a large Malaysian commercial bank.

He is now the Principal/Proprietor of RiskFirst Consultancy & Training Services.

Sabbatical work:

He was awarded the US-sponsored Fulbright Professional Exchange Program in 1995/96. For this sabbatical in the US he was attached to the Institute of Internal Auditors Inc Head Office at Altamonte Springs Florida; where he participated in advanced auditing & corporate governance review workshops in Orlando Florida, Pheonix Arizona, Dallas Texas, and in Washington DC. In May 2004 he participated in the intensive workshop/seminar on risk management at INSEAD Paris France.

Speaker:

From 1996 onwards, Joseph has been a regular speaker/facilitator/panel chairman for public and inhouse forums / workshops and conferences. He has accepted invitations to deliver his papers in **Kuala Lumpur**, Mekong Institute Khon Kaen University Thailand, **Ho Chee Min City & Hanoi** Vietnam, **Brunei, Melbourne** Australia, Fontainbleu **Paris** France, **Shanghai** China, **Sydney** Australia, **Bangkok** Thailand, **Mumbai** India, **Singapore, Nairobi** Kenya, **Phnom Phen** Cambodia, **Orlando**

Florida, **Hong Kong**, **Mauritius**, **Beijing** China, **Manila** Philippines, **Seoul** Korea ,
and in **Bali** and **Jakarta** Indonesia.

Newspaper, journals, and management books:

Since 1996 Joseph has contributed articles focusing on his areas of work. These articles are published in the local Malaysian newspapers (the NST) regularly, as well as in Malaysian business-magazines and professional newsletters/journals.

Joseph has todate authored 19 management-books, and among them is (i) Essentials of Managing Yourself, 2nd edition. It will be distributed to all participants of this Course.

Dr Joseph Eby Ruin's website is at : www.riskfirstconsult.com

For any enquiries please contact:

Dr Joseph Eby Ruin.

Mobile phone: (6) 017-3334700.

Faxes: (6) 03-2273 4506.

Email: jeruin@riskfirstconsult.com; or at jerwin001@hotmail.com

Mailing address:

No: A-5-7, Menara Pelangi,

8, Lrng Angseng 2 Brickfields,

50470 Kuala Lumpur, MALAYSIA.

RiskFirst Consultancy & Training Services

A-5-7 Menara Pelangi, Jalan Angseng 2, Brickfields,
50470 Kuala Lumpur, Malaysia.

Tel: 603-2273 5506 Fax: 603-2273 4506

E-mail: jeruin@riskfirstconsult.com.my

Website: www.riskfirstconsult.com.my

Knowledge = Theory + Experience