

Course title: Professional Audit Interviewing & Negotiating Techniques for auditors

Duration: 2 1/2 days to 3 days

OVERVIEW

Internal Audit's goal is to add value and improve an organisation's operations. This can be accomplished through the identification of risks, control weaknesses, potential process improvements, organisation's weaknesses and threats, and recommending positive change opportunities. Value-added and meaningful audit reports/recommendations come about if the audit ground work like (i) audit preparation, (ii) audit field work, and (iii) draft audit reports and filtering are conducted properly.

For audit field work, some main activities or processes to conduct effectively will be (a) interviews, (b) discussions, (c) queries, (d) checking and doing the 3 Vs of verifying, vouching and validating, and (e) focusing on the key areas for maximum results knowing that an audit is carried out within very tight, short and acute time period. Good working papers enabled auditors to document work performed from the planning stage to the exit audit briefing. Auditors can have good working papers when they perform proper audit field work (that includes audit interviews) to gather evidences and substantiate their findings.

This Course helps auditors to:

- (1) learn the art of inquiry and persuasion,
- (2) acquire the techniques in asking critical and relevant investigative questions,
- (3) learn the proper ways in conducting an effective interview to obtain admission/confession.

Synopsis and course modules

(A) KNOWING THE AUDIT CONCEPTS

1. Audit definition and fundamentals

- What is audit / internal audit?
- Audit of old versus modern day auditing.
- Recognising the purpose(s) and value(s) of audit to an organisation.
- The 5 objectives of auditing.
- Applying a global audit process structure.
- Knowing and implementing the 5 Cs of audit (or the 4Cs and 1E of audit), and the 3Vs.

- Proactive audit (contemporary) function versus reactive audit (traditional).
- 2. Audit set-up and structure**
- Audit organisational structure and reporting hierarchy.
 - Audit charter.
 - Audit Ordinance in government organisations and civil service ordinance.
 - Audit framework, policy, procedure.
 - Audit as a regulatory requirement function.
 - Audit as a non-regulatory and corporate governance function.
- 3. Video presentation**
- Old (audit) habits die hard.

(B) AUDIT KNOWLEDGE

- 4. Knowledge 1: Enhancing your audit knowledge**
Audit knowledge for supporting today's board and management
- Organisational philosophies, policies, procedures
 - COSO and control fundamentals, the 5 types of control.
 - COBIT
 - Control Self Assessment
 - Business Continuity Management (crisis/disaster management)
- 5. Knowledge 2: Enhancing your audit knowledge**
- Revised Code of Corporate Governance & CSR
 - Enterprise Risk Management encompassing the 6 groupings of risks (strategic, operational, credit, systems, market/treasury/investment, and others).
 - Risk Self Assessment
 - Whistle-blowing programme, fraud & ethics
 - Sarbanes-Oxley
 - AMLA (anti-money laundering & anti-financing of terrorism)
- 6. Knowledge 3: Knowing the various activities, functions, processes, products and services to audit in your organisation**
- The 2 activity-compartments in your organisation
 - Business and support compartments

- Identifying the various activities, functions, processes, products and services in your organisation to profile your audit universe/annual audit planning.

7. Audit myths.

- What audit can do/deliver.
- What audit cannot do/not able to guarantee.

(C) TODAY'S AUDITORS

8. Audit movie course walk-through.

Orientation for new auditors.

(D) PERSUASION & NEGOTIATION SKILLS FOR INTERNAL AUDITORS

9. Persuasion and negotiation skills for internal auditors.

- Defining persuasion and negotiating.
- The stages and steps of persuading and negotiating.
- Stage One: Conflict.
- Stage Two: Goals.
- Summary.

10. Video presentation.

Internal audit negotiating techniques for auditors.

11. Issues in audit interviews and auditee relationship.

- Body language, the video.
- Movie slides on tips to making an impression.

(E) CONDUCTING INTERNAL AUDIT INTERVIEWS

12. Interviewing skills.

- Standards relating to interviewing.
- Definitions of interviewing.
- Importance of interviewing.
- Gathering evidence.

13. Interviewing model

- Preparing
- Scheduling
- Opening
- Conducting
- Closing
- Recording
- Summary and conclusion

13. Video presentation.

Powerful people skills for building relationships.

14. Models, figures, tables relating to interviews techniques and principles for auditors

Figures:

- Interviewing model
- The communication process
- Barriers in the communication process
- Listening test
- Four listening problems
- The impact of the situation on questioning
- Memory loss

Tables:

- Barriers in the interviewer-interviewee relationship
- Active listening techniques
- Basic types of questions

15. Audit movie.

The auditor in charge

16. Conducting the post-audit conference or PAC

- The purpose of PAC
- Requirements of the Standards for the Professional Practice of Internal Auditing.
- Behavioural implications of the PAC
- PAC objectives
- Preparing for the PAC
- The PAC and effective written communication
- The PAC and effective oral communication
- Summary and conclusions

17. Presenting audit results: logic, content and form.

- The challenge of report writing.
- Understanding and managing the power of the audit report.
- The psychology of the report structure.
- The complications of an apparently simple structure.
- Example of audit comments.
- Sample 1: Audit comment: fiduciary responsibility.
- Sample 2: Audit points: review of Accounts Payable Department.
- Some suggestions for re-writing the audit report.
- Making the approach fit the situation.
- Sample audit reports.
- Sample 3: Audit report: installment loans.
- Revision #3: Audit report: installment loans.
- Summary of Revision #3.
- Sample 4: Audit report: Purchasing.
- The importance of conclusions.
- A summary of techniques.
- Following a logical pattern and management's point of view.
- Implementing the techniques.

18. Group and case study, role play.

(F) OPTIONAL: AFTER THE GROUP OR CASE-STUDY

19. Other short relevant videos/movies for internal auditors (if time permit).

- Walk the talk
- Even eagles need a push
- The fish
- The change is good

Method of teaching/presentation:

1. Materials:

Notes, Bullet point presentation. Essays. Articles and newspaper cuttings.

2. Optional:

Book to purchase :

Participants can purchase at a discounted price an audit book '*Internal Auditing----- supporting risk management, fraud awareness management, and corporate governance*'.

Book is available for participants at discounted cost of only RM29 per book.

3. Delivery:

Power Point notes. Flipchart. Videos. Discussion and group case studies.

4. Case studies:

Using case studies or generic examples.

COURSE FACILITATOR

A knowledgeable and past hands-on practitioner of internal audit of various organisations like shipyard, real estate property development company, casino, construction, financial institutions, postal and courier organisation:

Dr Joseph Eby Ruin

Audit career:

Joseph's audit experience began when he was an Audit Assistant in the Big 4 audit firms in early 1976. In his 30 years of employment (5 non-banking and 6 banking institutions), Joseph spent 11 years in the internal audit management 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.

He retired from full-time employment in April 2007 upon reaching the working retirement age of 55 years. He is now the Principal and Proprietor of RiskFirst Consultancy & Training Services. Prior to that, he was the Executive Vice President or CRO (Chief Risk Officer) and Head of Risk Management Division of a Malaysian commercial bank. Before his CRO posting in that bank, he was the General Manager and Head of Operational Risk Management Dept as well as the AML/ATF (anti-money laundering/anti-terrorism financing) Compliance Officer of another Malaysian commercial bank.

Since 1996, Dr Ruin has been invited by Event or Conference Organisers to speak and deliver his various audit and risk management papers at public conferences in Malaysia, as well as outside Malaysia like in Mumbai and Hyderabad in India, Sydney, Melbourne Australia, Beijing and Shanghai China, Singapore, Bali and Jakarta Indonesia, Seoul Korea, Bangkok and Khon Kaen Thailand, Mauritius, Brunei, Phnom Penh Cambodia, and Manila Philippines.

He has written 19 management books that are on sale at local Malaysian bookshops; focusing mainly on internal audit, banking/finance, corporate governance, controls, people and customer services, project management, business & report writing, team building, import & export, personal motivation and leadership, managing organisations and business, and risk management.

He was elected the Regional Director of Professional Risk Managers' International Association or PRMIA, KL Malaysia Chapter in November 2007; and was regional Director from 2007-2009.

He is also the Treasurer of Fulbright Alumni Association of Malaysia (FAAM) for 2008-2010).

For details of these past local and overseas seminars/conferences, please refer to the website at www.riskfirstconsult.com

For any enquiry please contact:

Dr Joseph Eby Ruin.

Handphone: 017-3334700.

Fax: 03-2273 4506.

Email: jeruin@riskfirstconsult.com

or at jerwin001@hotmail.com

Website: www.riskfirstconsult.com

Mailing address:

A-5-7, Menara Pelangi,

No: 8, Lrng Angseng 2 Brickfields,

50470 Kuala Lumpur, MALAYSIA.