

2- day Audit Workshop / Seminar **Principles and Practices of Today's Audit & Operational** **Reviews.**

Overview:

Corporate governance today is about corporate disclosure, transparency, and shareholders' value. They are high on the agenda in any business and non-business operations globally. What could be the reason? Mainly due to the shockwave from poor governance that exposed massive deceptive accounting, profit manipulation, and even some appalling audit processes. Today's inevitable change has elevated the profile of good corporate governance. For the internal audit function how does it supports the board and management in meeting these agendas? How does internal audit provide the services that enhanced good corporate governance?

Needless to say internal auditors still face challenges even today. They must have the courage to confront matters related to board and management's values, fairness, accountability, integrity, responsibility and transparency. The good value in internal audit is that when it is effective it yields good reports that are useful and value-added to the management's good governance and board's responsibility. These day, regulators, investors, audit committees, and shareholders are transforming internal auditing into the epi-centre of risk definition, risk quantification, risk monitoring and risk management. Participants of this seminar will share, understand, and explore how new or more effective ways of audit and review concepts are evolving or put into practices.

Objective of the seminar:

The obvious deliverables that this seminar intends to provide for attendees are to:

- develop audit priorities more effectively using the risk-based auditing approach.
- evaluate the soft controls using the full range of self-assessment of controls.
- discover how to identify and evaluate and document corporate internal controls.
- Know what corporate governance is all about, and to 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 like proactive investigative auditing .
- 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.
- impart the skill for audit managers/auditor-in-charge to possess more effective supervising of audit team and department.
- be aware of better insights of how to be a good auditor in charge and the superior audit planning that will assure better value-added audit.

Synopsis for Day One

1. Definition:

- What is audit / internal audit?

2. Audit set-up and structure.

- Audit organizational structure and reporting hierarchy.
- Audit charter.
- Audit Ordinance in government organizations and civil service ordinance.
- Audit framework, policy, procedure.
- Audit as a regulatory requirement function.
- Audit as a non-regulatory and corporate governance function.

3. Audit of old versus modern day auditing.

- Recognising the purpose(s) and value(s) of audit to an organisation.

4. Audit objectives in government organisation.

- Ad-hoc. Asked to.
- Investigation/fraud audit.
- End of project. Part of public project/public spending and PAC (public audit /account committee).
- Routine audit. Audit cycle.

5. Applying a global audit process structure.

- Knowing and implementing the 4 Cs of audit (or the 3 Cs and 1E of audit).
- Proactive audit (contemporary) function versus reactive audit (traditional).

6. Video presentation.

- Old (audit) habits die hard.

7. Routine audit versus fraud audit.

- Fraud audit reactive in nature. View to prosecute.

- Routine management audit proactive in nature. Constructive and value-added view.
- 8. Audit myths.**
- What audit can do/deliver.
 - What audit cannot do/not able to guarantee.
- 9. Group discussion. Case study.**

Synopsis for Day Two

- 1. Using today's popular audit framework**
 - Risk-based auditing.
- 2. Tools available for audit.**
 - Manual and using audit trail.
 - Computer-aided auditing systems or techniques (CAATs).
 - Hard copy. Soft copy.
- 3. Detailed audit process.**
 - Vouching, verifying, checking, comparing, tracing, trending/pattern, audit trail.
 - Importance of pattern/trend versus one-off incident/transaction.
- 4. Importance of audit evidences.**
 - What to look for?
 - Evidence-gathering process.
- 5. Keeping credible audit files and records.**
 - The need to keep records, files.
 - Applying and reviewing archive policy, process, procedure and filing
 - Audit of Storage, retention, destruction of records and files in government organizations.
- 6. Hard or technical skills necessary for good audit.**
 - Who can be an auditor?
- 7. Soft or human and personnel skills vital for effective audit.**
 - Personnel and interaction skill.
 - Communication skill.
 - Writing skill.

- Emotional intelligence/ emotional quotient (EQ) and intellectual quotient (IQ).
8. **Values placed on audit report.**
 - Audit findings.
 - Audit comments, views.
 - Audit recommendations.
 9. **Audit recommendations & conclusions.**
 - Controls and 5 types of management or administrative controls.
 - R & D/ re-designing process/business or operational re-engineering.
 - Manage, and take advantage of change effectively.
 10. **Case study. Group discussion.**
 - Review of case studies and group discussion examples from Day 1.
 - Involvement of participants' input.
 - Participants' sharing of experience and past actual audit files from the participants.

End of 2nd day.

Method of teaching/presentation:

1. Materials:

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

2. Delivery:

Power Point notes. Flipchart.

3. Case studies:

Using case studies or generic examples.

4. Management book:

Management books for each participant. These books were written by Dr J. E. Ruin.

Titles of the books

'Managing Services, Finance Credit and Debts,

'Guide to Effective Management of Business Organisations, 2nd edition'.

A very knowledgeable and past hands-on practitioner of internal audit:

Dr Joseph Eby Ruin is the Principal and Proprietor of RiskFirst Consultancy & Training Services.

Out of his 30 years of banking and non-banking working career, he 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 has 30 years of executive and managerial experience in 12 organisations (6 banks and 6 non-banking institutions). 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 post as the CRO of that commercial 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.

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, Hanoi & Ho Chee Min City Vietnam, Bali and Jakarta Indonesia, Seoul Korea, Bangkok and Khon Kaen Thailand, Mauritius, Brunei, Melbourne and Sydney Australia, Phnom Penh Cambodia, Manila Philippines, Nairobi Kenya, Kursk Russia, and in Kuala Lumpur Malaysia and Singapore.

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 elected the Regional Director of PRMIA, KL Malaysia Chapter in November 2007.

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

For any enquiry please contact:

Dr Joseph Eby Ruin.

Handphone: (6) 017-3334700.

Fax: (6) 03-2273 4506.

Email: jeruin@riskfirstconsult.com

or at jerwin001@hotmail.com

Mailing address:

A-5-7, Menara Pelangi,

No: 8, Lrng Angseng 2 Brickfields,

50470 Kuala Lumpur, MALAYSIA.