



Operational Auditing: A Risk and Self-Assessment Based Approach

What you will gain from this seminar:

- Understand an audit process used increasingly by world class audit departments
- Practice the key skills used in this process
- Take home proven evaluation tools used in this process

Who should attend: Auditors with at least one year of experience.

Course Outline

■ Introduction

- The COSO challenge: *How to evaluate soft controls?*
- Participatory auditing: *Get your customer on the audit team*
- New tools for operational auditing, from a major IIA research project (*Control*

Model Implementation: Best Practices)

■ A Better Audit Process

- The traditional audit process
- A better audit process:
 - Risk-based
 - Participative
 - Using simple, practical forms of self-assessment
 - Value-adding focus on evaluation of system design
- *Audit Simulation*: Introduction to Monolithic Diversified Industries (MDI)

■ Phase I: Planning

- Planning steps for a participative audit
- The acquisition audit approach
- *Audit simulation*: Research the Human Resources function
- *Audit simulation*: Participative audit planning meeting
- The risk assessment thought process
- Identifying and assessing risks: four helpful categories
- Planning memo: deliverables
- Characteristics of well-defined audit objectives
- *Audit simulation*: Define audit objective and scope for MDI Human Resources audit

■ Phase II: Evaluate the Adequacy of System Design

- Documenting internal controls: traditional methods
- Documenting internal controls: the risk/control matrix
- Teaching your audit customer the risk assessment thought process
- *Audit simulation*: Exercises in using the risk/control matrix:
 - Defining objectives
 - Identifying and assessing risks
 - Evaluating risk management techniques
- Traditional and emerging concepts of internal control
- Eight alternative versions of the risk/control matrix
- Key points in using the tool

■ Phase III: Evaluate the Effectiveness of Key Controls

- Fieldwork: purpose and methods
- End result auditing
- Rules of audit evidence, and how they apply to soft controls
- Five principles for evaluating soft controls
- Tool for evaluating the effectiveness of soft controls: three CSA questionnaires

■ Develop Recommendations for Improvement

- The five attribute approach to developing audit findings
- Form for developing and reporting audit findings
- Participative reporting

■ Report Recommendations for Improvement

- The final hurdle to participative auditing, and how to lower it:
 - MAP audit report format