

## RISK-BASED AUDIT

- Definitions, Trends (from the BRM Internal audit best practice database)
- The transition from systems based to risk based assurance
- The different approaches to audit, Audit's primary roles, objectives and concerns , What is best practice?
- ***Perceptions of internal audit – various survey results***
- The role of the function – policeman, risk assessor or consultant
- Institute of Internal Auditors professional standards
- How to ensure you adopt best practice
- How to get management buy-in
- The key challenges resulting
- The steps needed to embrace a risk based approach

### Exercise 1 Challenge for Internal Audit

#### Understanding Risk

- Approaches to risk management
- Surprises and Risk
- Risk and your organisations culture
- Assessing the changing risk environment
- Risk averse and risk embracing cultures and the impact on assurance
- Risk as the pulse of the organisation – and how Internal Audit needs to take this pulse

Exercise 2 a team event to allow you to experience Risk taking in action

## **Audit Planning**

- Risk based audit planning
- The factors you need to consider
- Determining the level of Assurance required
- Getting management input
- Translating key risks from the business risk process into the basis of the audit programme
- Audit challenges resulting
- Determining the audit universe
- Best practice audit risk planning model

### **Exercise 3 Audit planning using the model**

#### **Undertaking a Risk based audit (Interactive – exercise 4)**

- Brainstorm the functional objectives
- Build a picture of the risks
- Consider threats and opportunities
- Plan the assignment
- Determine types of test and techniques to use
- What use could be made of audit tools
- Determine the threats to success

## **Corporate Governance and the Internal Audit Role**

- The Corporate Governance challenges
- The tensions created for management
- The opportunities for Internal Audit
- The Internal Control Statement
- The converging role of the assurance providers
- The need to coordinate activities across assurance providers
- Audit Committees
- Relationships with external Audit

## **Marketing a risk based approach**

- The need to measure value added
- How to sell the benefits
- Who you need to sell the approach to

### **Exercise 5 Marketing a Risk based approach**