

# Executive Development Courses



## **A. Internal Audit Methodologies**

Conducting Internal Audits from Beginning to End

Monday & Tuesday

31 March & 1 April 2014

## **B. Developing and Managing an Internal Audit**

Internal Audit & Control Workshop for  
Senior Directors and Managers

Wednesday

2 April 2014

9:00 am - 5:00 pm



## A. Internal Audit Methodologies

Conducting Internal Audits from Beginning to End



### COURSE OBJECTIVES

To become a successful auditor, a strong base of knowledge and an understanding of basic audit skills and methodology are essential. With this program, new internal auditors, as well as non-auditors with internal control responsibilities, can learn the ins-and-outs of an audit from beginning to end.

Through team exercises, group discussion, and facilitator presentations, attendees will gain the background knowledge that will allow them to prepare properly for and conduct a successful internal audit, from planning to reporting stage. Understanding of how to identify risks and internal controls in auditing will also be stressed, along with evidence-gathering techniques and control frameworks.

### WHO SHOULD ATTEND?

Professionals with 0-3 years of experience in internal audit. This course is designed for internal auditors, external auditors or finance managers, accountants, consultants and other professionals who need to perform compliance, financial or operational internal audit engagement.

### COURSE CONTENT

#### 1. Role & Responsibilities of Internal Audit Today

- o Discuss some of the best practices within internal audit today.
- o Identify core services and value-added opportunities provided by internal audit.
- o Identify the roles of internal auditors.
- o List internal audit's customers and stakeholders.
- o Determine the activities that occur within each stage of the audit model.

#### 2. Risk Assessment and Management

- o Mitigate risks to help ensure management directives are carried out.
- o Use impact and likelihood factors to assess risk.
- o Define risk management concepts and terms.
- o Identify controls for mitigating risks to strategic objectives.
- o Internal Audit Assurance and Consulting roles

#### 3. Audit Planning

- o Discuss the audit planning process.
- o Identify guidance related to the planning phase of an audit.
- o Explain activities involved in planning audit projects.
- o Discuss planning the audit approach.
- o Assess roles in annual audit planning and audit project planning.
- o Assess preliminary scope area.
- o Discuss objectives and best practices for opening meetings

#### 4. Interviewing

- o Explain how interviewing is used within an audit.
- o Describe the uses, objectives, and expected outcomes of interviews at each stage in the audit model.
- o Discuss best practices for planning and conducting interviews.
- o Identify best practices and opportunities for improvement in interviewing
- o Practice preparing for and conducting an interview.
- o Prepare an interview based on a given scope-area objective.

#### 5. Business Control Frameworks

- o Contrast a basic narrative and a flowchart.
- o Create a narrative or flowchart.
- o Discuss the advantages of some best practices for narratives and flowcharts.
- o Complete a risk matrix.

#### 6. Audit Programs

- o Describe the development and use of audit programs.
- o Classify inherent impacts and likelihoods for various types of risks.
- o Classify controls as preventive or detective, and as automated or manual.
- o Determine which controls are key controls, and whether they should be tested during an audit.
- o Assess testing objectives.
- o Assess roles in the development of audit programs.

<b>COURSE CONTENT</b>	
Organisational governance	<ul style="list-style-type: none"> <li>- Corporate governance principles</li> <li>- Various frameworks, codes and legislation</li> <li>- The role of the audit committee and internal auditing</li> </ul>
Understanding risks and controls	<ul style="list-style-type: none"> <li>- ERM, methods, processes and structures</li> <li>- Control frameworks and procedures</li> <li>- Relationship between internal audit and risk management</li> <li>- Various risk assessment processes (models and differences)</li> <li>- Overall risk management methodologies (risk management framework)</li> </ul>
Establishing the internal audit function	<ul style="list-style-type: none"> <li>- Management and board approval of resources including the budget and staffing</li> <li>- Charter content topics such as: <ul style="list-style-type: none"> <li>• Position and standing of the function</li> <li>• Scope of activities</li> <li>• Access to all documentation, etc</li> </ul> </li> <li>- Structure of the function within the organisational <ul style="list-style-type: none"> <li>• Reporting structure of the Head of Internal Audit</li> </ul> </li> <li>- Independence of the function</li> <li>- Structure of the function's <ul style="list-style-type: none"> <li>• In-house, outsourcing and co-sourcing</li> <li>• Different departments</li> </ul> </li> <li>- Development of the policies and procedure manual <ul style="list-style-type: none"> <li>• Job description, performance evaluation</li> <li>• Audit roadmap</li> <li>• Audit tools</li> <li>• Standard documents such as audit report format</li> </ul> </li> <li>- Internal auditors skills and knowledge &amp; staffing strategy <ul style="list-style-type: none"> <li>• Use of consultants</li> <li>• Rotation of internal auditors to address shortage of organisational-specific knowledge</li> </ul> </li> </ul>
Managing the internal audit function	<ul style="list-style-type: none"> <li>- Plan the priorities of the function based on: <ul style="list-style-type: none"> <li>• Key risk areas</li> <li>• Board and management's needs</li> <li>• Resources available (size and budget)</li> </ul> </li> <li>- Managing the resources of the function: <ul style="list-style-type: none"> <li>• Based on the annual plan</li> <li>• Budget allocation</li> <li>• Staff allocation based on competencies, objectivity</li> </ul> </li> <li>- Marketing the function's role</li> <li>- Performance measurement <ul style="list-style-type: none"> <li>• Function's performance related to the overall annual plan</li> <li>• Performance of individual staff</li> </ul> </li> <li>- Various reporting activities <ul style="list-style-type: none"> <li>• Activity reports</li> <li>• The function's performance based on the annual plan approved by the audit committee</li> <li>• Quality assurance and improvement program: <ul style="list-style-type: none"> <li>• Implement the various elements</li> <li>• Improve where weaknesses are identified</li> </ul> </li> </ul> </li> </ul>
Relationships of the internal audit function	<ul style="list-style-type: none"> <li>- The relationship of the function with various parties such as the board and senior management, risk function(s), external auditors, line management and other assurance providers</li> <li>- The relationship with the audit committee <ul style="list-style-type: none"> <li>• Responsibilities</li> <li>• Expectations</li> </ul> </li> <li>- Attending strategic meetings / serving on strategic committees</li> </ul>

### 7. Testing

Describe methodologies used to gather audit evidence.

- o Define terminology related to sampling and testing.
- o Contrast various types of sampling and testing approaches.
- o Assess the appropriateness of varying sampling and testing approaches for the achievement of specific testing objectives
- o Describe the components of an audit workpaper
- o Draft an audit workpaper.

### 8. Audit Reporting

Write an audit report using the five components.

- o Recognize the components of an audit report.
- o Determining the readers of audit reports.
- o Assess the quality of an audit opinion.

### 9. Selling the Results

Discuss methodologies for "selling" audit findings to stakeholders.

Describe factors that help "sell" audit findings and recommendations.

Prepare for selling an audit finding.

Identify best practices and opportunities for improvement in closing meetings

### 10. Case-study

The case study will feature a typical internal audit assignment and the different steps and tasks to be completed based on real situations

## B. Developing and Managing an Internal Audit

Internal Audit & Control Workshop for Senior Directors and Managers



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### COURSE OBJECTIVES

This course provides a foundation for the establishment and management of an internal audit function to senior directors and managers to fulfil their responsibilities and achieve compliance with governance codes.

### WHO SHOULD ATTEND?

Board of directors, audit committees, finance directors, controllers, internal auditors, external auditors, regulators, and others involved in reporting, assessing and directing internal control review assessment in relation to codes of governance or regulatory compliance requirements.

### LEARNING OBJECTIVES

1. Understand the fundamentals of establishing an internal audit department.
2. Review the concepts of internal control and frameworks for evaluating internal control and audit in organisations, as well as best practices
3. Understand the role of internal audit managers and heads of internal audit in the organization.
4. Discuss leadership aspects managing internal audit teams

## DATE AND TIME

### A. Internal Audit Methodologies

Monday & Tuesday 31 March & 1 April 2014 9:00 am - 5:00 pm

### B. Developing and Managing an Internal Audit

Wednesday 2 April 2014 9:00 am - 5:00 pm

## FEES

**Fees for Workshop A:** HKMA Member: HK\$4,250 Non-member: HK\$4,500

**Fees for Workshop B:** HKMA Member: HK\$2,980 Non-member: HK\$3,180

Members of The Hong Kong Institute of Certified Public Accountants can enjoy HKMA Member rate.

### Group Discount

HK\$150 per person (for companies that send two or more participants to the SAME workshop)  
(Lunch is provided with compliments.)

## VENUE

Dr Kennedy Y H Wong Management Development Centre  
The Hong Kong Management Association  
1-6/F First Commercial Building  
33-35 Leighton Road  
Causeway Bay HONG KONG Tel: 2574 2238

## LANGUAGE MEDIUM

English

## OVERVIEW – INTERNAL AUDIT PROGRAMMES

Internal Audit workshops have been developed to meet the needs of professionals at different levels: either internal auditors dealing directly with the practical execution of the internal audit assignments, or managers and board level executives assuming responsibilities for the quality and performance of the internal audit practices in their organisation

The workshops can be attended either separately or consecutively. The seminars cover the standard definition and international professional standards for the practice of internal auditing (IIA standard) although considering that the practice of internal auditing can be influenced by a variety of company-specific or environmental factors such as culture or compliance requirements.

## ABOUT THE SPEAKER

Jean-Yves Le Corre is currently an independent coach and trainer based in Shanghai, accompanying organisations in various sectors and industries to adapt management practices and learning techniques to cultural gaps, which reflect in behaviors, management styles and social values of organisations.

He has spent over ten years corporate experience working in Europe in finance, management consulting and internal audit roles in large multinationals. More recently, Jean-Yves's career has increasingly focused on more business-oriented approaches to human capital elements in cross-cultural contexts. Being based in China for the last eight years, he has specialised in training and coaching executives in Asia and more particularly Mainland China to modern performance management, risk, auditing and financial management practices, including for example strategic planning, process improvement, key performance indicators, quality management, organisation and change management.

Jean Yves holds a Master's degree in Management from London Business School (United Kingdom) and from ESCP Europe. He is a Sloan Fellow from London Business School (2005). He is currently conducting his PhD research at the Bulacan State University Hong Kong campus which aims to better understand cultural frameworks in the profession of internal auditing and management control in China, aiming at better understanding skills as well as provide tools to professionals in order to ensure their effectiveness in various professional contexts. He is a Certified Internal Auditor and a member of the Institute of Internal Auditors

## REGISTRATION

All interested parties are requested to complete the registration form and return it together with appropriate fee(s) to the Secretariat one week before the programme commences. To enjoy the Early Bird Discount, participants should settle the payment one month before the first day of each workshop. Reservations by fax 2365 1000 are welcome but are subject to payment in full prior to programme commencement. For information on the seminars, please contact Ms Jane Ma on 2774 8552 or Ms Cathy Shen on 2774 8536. For registration details, please contact Ms Mei Tang on 2774 8553. Successful registrants will be notified by telephone. No separate letter of acceptance will be issued. As space is limited, bookings will be on a first-come, first-served basis.

### Registration Form

**To: Executive Director  
The Hong Kong Management Association  
16/F Tower B Southmark  
11 Yip Hing Street  
Wong Chuk Hang  
HONG KONG**

Please fill in the following information if a cheque/receipt is not attached.

*Our company undertakes to pay the course fee for the above applicant.*

Name of Contact Person \_\_\_\_\_

Telephone No. \_\_\_\_\_

Signature: \_\_\_\_\_

Company Chop and Date: \_\_\_\_\_

Please enrol me in the following programme(s):

A.  Internal Audit Methodologies 31 & 1 April 2014 (AC- 47337-2014-1-FC)

B.  Developing and Managing an Internal Audit 2 April 2014 (AC - 47336-2014-1-FC)

**HKICPA**

Enclosed is a crossed cheque (No. \_\_\_\_\_) for HK\$ \_\_\_\_\_ (made payable to The Hong Kong Management Association) for the programme. Fee paid by  company  self

Name: Mr/Ms \_\_\_\_\_ Position: \_\_\_\_\_

Company: \_\_\_\_\_

HKID Card No.: \_\_\_\_\_ HKMA Membership No.: \_\_\_\_\_

Correspondence Address: \_\_\_\_\_

Co. Telephone: \_\_\_\_\_ Fax (office): \_\_\_\_\_ E-mail: \_\_\_\_\_

Where did you **FIRST** learn about this programme?

Email Promotion from HKMA  Direct Mail by Post  HKMA Website

MTR Station Display (Please specify): \_\_\_\_\_  Exhibition (Please specify): \_\_\_\_\_

#### Note:

1. I shall comply with The Hong Kong Management Association (HKMA) Privacy Policy Statement, the Hong Kong Personal Data (Privacy) Ordinance (Cap.486) and other related regulations which will be changed from time to time. I declare that the data given in support of this application are, to the best of my knowledge, true, accurate and complete. I understand that the data will be used in the admission assessment process and that any misrepresentation, omission or misleading information given may disqualify my application for admission and enrolment in the programme.
2. I understand that, upon my registration in the programme, the data will become part of my student record and may be used and processed for all lawful purposes relating to my academic and/or non-academic activities in accordance with the established policy of the HKMA and the Hong Kong Personal Data (Privacy) Ordinance (Cap.486).
3. I expressly consent that the personal data will be used for the HKMA administrative, academic, research, statistical, alumni activities and prescribed purposes as allowed by HKMA and the laws of Hong Kong from time to time.

#### Declaration

I authorize the HKMA to use my data to keep me informed of any direct marketing information including training and education programmes, awards and competitions, membership, alumni, promotional activities and other services and activities that it may arrange.

Please tick the box to indicate your consent.

Please tick the box to indicate your objection.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_