Introduction

With businesses facing more scrutiny than ever before, the role of internal auditing has become crucial. This Fundamentals of Internal Auditing course offers an in-depth look into internal auditing standards and practices. Designed to ensure your company’s internal auditing processes are fully compliant, the course goes beyond basic accounting principles to address the managerial, political, and technical aspects of internal auditing.

Through this course, participants will gain valuable insights into audit evidence collection, risk management, and audit reporting techniques. They will also explore how internal auditing enhances organizational efficiency and transparency, contributing to improved decision-making and business integrity.

Course Outline

Unit 1: Internal Auditing and the International Business Environment

- Definition and essentials of internal auditing.
- Key components of a strong internal audit function.
- Management responsibilities within an internal audit function.
- Comparison between internal and external auditing.
- Types of internal audits and their unique functions.

Unit 2: The Road Map to Effective Internal Audits

- Principles of effective audits.
- Understanding alpha and beta audit risks.
- Performing compliance, substantive, and operational tests.
- Calculating audit risk.
- The relationship between internal control and audit testing.

Unit 3: Focusing the Investment in Internal Audit

- Developing internal audit strategies in the audit planning process.
- Long-term audit planning based on internal control risk assessments.
- Audit planning memorandums for individual audit projects.

Unit 4: Documenting and Evaluating Internal Control Systems

- Understanding and documenting work processes.
- Developing process flow diagrams and process maps.
- Completing the internal controls documentation matrix.
- Finalizing audit objectives.

Unit 5: Audit Evidence and Audit Sampling

- Basic concepts of audit evidence and its impact on audit work papers.

- Documenting analytical reviews.
- Testing and gathering audit evidence.
- Applying statistical sampling techniques and developing sampling plans.
- Ensuring audit work papers support conclusions and recommendations.

Unit 6: Planning and Conducting Successful Audit Interviews

- Planning and conducting audit interviews effectively.
- Framework for evaluating interview results.
- Overcoming resistance and managing conflict with management.
- Effective listening and speaking techniques in audits.
- Understanding confidentiality in audit interviews.

Unit 7: Managing and Monitoring Internal Audit Examinations

- Planning internal audit commencement meetings.
- Gathering and managing necessary documentation throughout the audit process.
- Upholding professional standards in auditing documentation.
- Tools and methods for ensuring a smooth internal audit process.
- Ensuring credibility for the internal audit team.

Unit 8: Issuing Reports of Audit Findings

- Conducting exit conferences and communicating audit findings.
- Implementing corporate governance policies for internal controls.
- Planning and distributing final internal audit reports.
- Conducting post-audit reviews and providing updates to the board of directors.
- Managing audit risk developments and near-term projects.