CIASP
CENTER FOR INTERNAL
ADVISORY SERVICES PHILIPPINES

Unit 2814 Tower II
The Enterprise Center
Ayala Avenue cor. Paseo de Roxas
1226 Makati City, Phils.
Tel.No: +632.885-8474
www.ciasp.com.ph

PLANNING, PERFORMING, REPORTING AND MONITORING THE AUDIT ENGAGEMENT

COURSE DETAILS

Schedule:

- **March 4, 5, 8, 9, 10, 11, 12, 15, 16, 17, 18 and 19, 2027**

Duration and Time: Total of **12 sessions** at 3.5 hours per session = 42 hours

- 8:30 am to 12:00 noon per session day

Delivery Format: Online Training though Zoom
Knowledge Level: Basic
Prerequisite: None
Competencies:

- Internal Auditing Competencies
- Professional Competencies
- Governance and Risk Management Competencies
- Operational Area Competencies (as applied in the workshops)

Position Level:

- Internal Auditors (with or without experience)
- Process Owners
- Other Personnel Handling Control Responsibilities

Regular Fee: Php 18,522.00 per participant inclusive of VAT

Discounted Fee: Php 16,800.00 per participant inclusive of VAT for **FIRST 10** paid participants

SEMINAR OBJECTIVES

At the end of the seminar, the participants are expected to:

- Explain the overall individual engagement audit process: planning, performing, reporting results and monitoring progress.
- Apply the key steps and components of engagement planning, performing the engagement, reporting and monitoring process
- Demonstrate ability to evaluate adequacy of control design and effectiveness of implementation
- Determine the appropriate workpaper to be produced at each stage of the audit process;
- Develop a systematic method to integrate the data to support the audit engagement results.
- Learn how to communicate audit findings clearly and report accurately;

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- Develop best audit report structure or format to meet management and Board requirements and improve business performance;
- Write audit findings using the key elements: criteria, condition, cause, consequences, and corrective action;
- Highlight and document opportunities for improvement and other best practices;
- Learn how to deliver effective presentations to audit clients, top management and other stakeholders by clarifying content, preparing effective materials and delivering with an "X-Factor."

COURSE OUTLINE

A. INTRODUCTION

- Overview of the individual audit engagement cycle
  - Planning the audit engagement
  - Performing or conducting the audit engagement
  - Communicating or reporting results
  - Monitoring progress or follow-up activity

- Principles in developing quality internal audit workpaper
  - Purpose of workpaper
  - Identifying users and their perspectives
  - Workpaper flexibility
  - Qualities of a good workpaper
  - Workpaper techniques
    - Organization
    - Indexing
    - Cross-referencing
    - Heading
    - Sources
    - Use of Tick Marks
    - Evidence of Review
- Use of the Objectives, Risk and Control (ORC) Matrix as the primary working paper

B. PLANNING THE ENGAGEMENT

- Audit engagement overview: "**The Big Picture**"
- Engagement planning considerations

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- **Key steps** in engagement planning
  - Set up the audit management files
  - Send out audit memorandum or audit engagement letter to the audit client
  - Conduct the **initial study**
  - Conduct the **entrance meeting**
  - Understand the process through a **preliminary survey**. Use common data gathering tools such as flowcharts, interviews, observations, document review, internal control questionnaires, and analytical procedures. Involve the process owner in the data gathering and discussion process.
    - Identify and define process or activity objectives
    - Identify and define process or activity risks
      - Incorporate knowledge of fraud risks
    - Identify, evaluate, and classify the controls. Ensure proper classification of controls such as by:
      - Placement (directive, preventive, detective, corrective, and monitoring controls)
      - Frequency (per transaction, as needed, and periodic controls)
      - Method (manual and automated controls)
        - Incorporate knowledge of IT application controls, IT general controls, and IT security
      - Level (transaction-level, department-level, and entity-level controls)
      - Criticality (key and non-key control)
      - Nature (hard and soft controls)
  - Analyze the control design if it is adequate to respond to the risks to meet the objectives (i.e., **assessment of design effectiveness**). Provide recommendations as appropriate.
    - Incorporate knowledge of business process mapping, analysis, and improvement
  - Complete the **engagement risk assessment** to determine the focus areas for testing
  - **Refine the audit objectives** based on the results of the risk assessment
    - Identify and use adequate criteria. Apply the audit rating system if already established. If not adequate, discuss with management on the use of suitable criteria. Consider expectations of senior management and the Board, LCE or Head of Agency.

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        - Incorporate knowledge of audit rating system
    - Consider probability of significant errors, fraud, and non-compliance when developing the engagement objectives
- Refine the **audit scope** based on the engagement objectives. Scope should include what is covered such as records, personnel, systems, and physical properties. Scope should also state what is not covered or any scope limitation.
- Develop the engagement procedures or **work program** including how to:
    - Determine the combination of tools to gather audit evidence
        - Incorporate knowledge of CAATs or data analysis tools
    - Develop sampling plan and methodology, if applicable
        - Incorporate knowledge on attribute sampling and variables sampling
    - Provide evidence of approval by chief audit executive or designee
    - Determine if the work program can be standardized, if applicable
        - Incorporate knowledge on standardized audit work program and test templates
- Identify the **engagement resources** needed. Ensure they are sufficient and adequate.
- Complete the engagement plan

C. PERFORMING OR CONDUCTING THE ENGAGEMENT

- Performing the engagement considerations
- **Key steps** in performing the engagement
    - **Gather or validate audit evidence**
        - Understand the qualities of audit information or evidence (sufficient, useful, relevant, and reliable)
        - Determine if the work program needs to be adjusted based on the evidence gathered. Ensure that any adjustments are approved promptly
    - **Analyze the audit evidence** or the test results
        - Use the 5 C's
            - Criteria: Review the criteria
            - Condition: Analyze the test results. Compare with the criteria. If condition meets the criteria, acknowledge satisfactory performance, or give a commendation. If condition does not meet criteria, analyze the extent of the audit observation or finding

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- Consequence: Determine and quantify the consequence or effect of the deviation from the criteria (e.g., financial, operational, regulatory compliance, reputational, budgetary, physical, health and safety, and environmental consequence). Determine if it is an audit issue or not based on risk impact (i.e., risk tolerance or materiality thresholds).
- Cause: Conduct a root cause analysis and discuss with the process owner.
  - Incorporate knowledge of root cause analysis tools:
    - Qualitative tools such as the Ishikawa fishbone diagram, 5 Whys, etc.,
    - Quantitative tools such as Pareto diagram, check sheets, histogram, statistical control charts, scatter diagram, stratification, etc.
- Corrective Action or Recommendation: Provide recommendations that address the root cause. Provide cost-benefit analysis as appropriate. Recommendations can be classified as: immediate, short-term, and long-term

- **Draw conclusion**
  - Provide assessment on the effectiveness of controls to respond to risks to achieve the objectives (i.e., **assessment of operating effectiveness)**
  - Highlight the top issues (e.g., top three issues)

D. COMMUNICATING OR REPORTING RESULTS

- Finalize the audit findings worksheet and audit issues worksheet.
- Conduct an alignment meeting, if necessary, to confirm audit evidence and answer questions of facts
- Present the results in an exit meeting
  - Get **management response** on the recommendations and action plans. Management response can be:
    - *Accept the recommendation.* Management will provide the details of the action plan, the agreed timeline for implementation, the person responsible and the resources needed.
    - *Modify the recommendation and submit counter proposal*. The internal auditor must assess feasibility of the counter-proposal to address the risk.
    - *Reject the recommendation*. Internal auditor must assess the exposure to the open risk. If the auditor finds the exposure as significant and unacceptable, elevate this issue to higher levels of management. If not resolved, discuss with

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the Board, LCE or Head of Agency the significant exposure and communicate management's acceptance of the risk

Report Writing

- Framework to writing more effectively
- Effective communications model
  - The basics of business communication
    - Writing to inform
    - Writing to influence
  - Steps to effective communication
    - Defining the audience
    - Getting clear on the message
    - Determining the communication method
- POWER model to writing better
  - **P**lan
  - **O**rganize
  - **W**rite
  - **E**dit
  - **R**evise
- The elegant finishing touches
  - Mechanics: toplining
    - Headings and subheadings
    - Lists
    - Indentations
  - Cosmetics
    - Character formatting
    - White space
- Writing effective audit observations
- Findings and test results
  - What, Who, How
  - Format
    - Observation or test results
    - Observation or test details
    - Policy reference
  - Tips and techniques

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- Writing effective audit issue statements
  - What, Who, How
  - Format
    - Issue (Title)
    - Issue details
    - Risk or impact
    - With internal classification as to "critical, major, minor" or "high, medium, low"
    - Policy references
    - Recommendations
  - Tips and techniques
- Writing effective audit reports
  - What, Who, How
  - Format
    - Introduction or background
    - Purpose, scope or methodology
- Executive summary
    - Assessment, strong points, top issues, details of other issues, top recommendations
    - Audit results and recommendations
  - Tips and techniques
- Workshop

Presentation Techniques

- Effective presentation basics
  - Review of communication basics – how is it different for presentations
  - The framework: introduction, body, recap
- Principles for effective presentation materials
  - Guidelines for content
  - Guidelines for visual impact
  - Discussion of what works and what does not work
- Exercise/case study
- Common presentations done by auditors (and how to rock them)
  - The kick-off meeting
  - The client update meeting
  - The wrap-up and issues discussion meeting

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- Management and board presentation
- Exercise/case study

E. CLOSING THE AUDIT ENGAGEMENT

- Ensure there is evidence of **proper supervision** throughout the engagement so that objectives are achieved, quality is assured and staff is developed.
  - Use of engagement checklist form as a guide
- Send audit client survey and analyze results
- Conduct individual and team appraisals
- Update QAIP or relevant performance measurement metrics
- Close the engagement file and store properly in manual or electronic form

F. MONITORING PROGRESS

- **Establish** the follow-up and monitoring system
  - Proper classification and prioritization of audit findings/issues and relative risk rating as aligned to the audit rating system
  - Confirmation with management on the responses and details of the actions plans
  - Procedures on:
    - Receiving periodic updates from management
    - Evaluation of response
    - Verification of response
    - Communication process
    - Mechanism for tracking observations (manual method or use of tracking software)
  - Coordination with compliance function or other internal assurance providers who are also monitoring outstanding issues
- **Implement** the follow-up and monitoring system
  - Determine the level of effort (or level of testing) to validate closure
    - Table audit
    - Testing done by other control groups
    - Full follow-up audit
  - Evaluate adequacy, timeliness and effectiveness
  - Document results
  - Conduct periodic reporting and updates

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- Report submitted to senior management, Board, LCE, Head of Agency on the status of implementation of management action plans
- Communicate the acceptance of risk, as applicable

INTEGRATION AND WRAP UP

REGISTRATION

To register, please consider either of the following options:

- Option 1: Please visit CIASP website, www.ciasp.com.ph. Click on the "Register" button for the seminar on **Planning, Performing, Reporting and Monitoring the Audit Engagement**. You will be directed to an online Google form. Please fill in your details on the form and click 'Submit.' We will acknowledge your registration as soon as practicable.
  Or click here to register:
  https://docs.google.com/forms/d/e/1FAIpQLSc8y_7If5mIU9Jt7T1SQqTXCHdu1J9msikyl_jwBv76EhDArg/viewform
- Option 2: You can email or communicate with us through information@ciasp.com.ph and/or centerforinternalauditservices@gmail.com. Please provide your full contact details (full name, organization, designation, email address, office phone and mobile phone).

We will provide billing invoice upon receipt of the registration.

FEES AND PAYMENT DETAILS

- Regular Fee - Php 18,522.00 inclusive of VAT
- Discounted Fee – Php 16,800.00 inclusive of VAT for the FIRST 10 paid participants
- Payments can be made **in cash or check**.
- Payment should be deposited to any BPI branch. Payment can also be done through online funds transfer (e.g. PesoNet, GCash, Maya, InstaPay, bank wire transfer, etc.). CIASP bank account details are:
  - Bank of the Philippine Islands (BPI)
  - Current Account Number: 1621-0070-72
  - Account Name: Center for Internal Advisory Services Philippines Inc
  - SWIFT Code/BIC: BOPIPHMM
  - For check payment, please make it payable to the account name.
  - For GCash transfer – bank: BPI; payee: Ciasp; Account number: 1621-0070-72

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- Payment through **credit card or debit card** (Mastercard, Visa, Amex) through Paypal also accepted.
- Please email scanned copy or picture of deposit slip or online transfer form so we could confirm receipt and provide the relevant seminar details and procedures.

OTHER SEMINAR DETAILS

- Seminar Inclusions:
  - Attendance to the webinar sessions
  - Copy of presentation or powerpoint slides in pdf
  - Templates, sample workpapers, worksheets, references and other reading materials
  - Certificate of completion
  - Post-webinar consultation
    - Consultation with the resource speaker can be made up to one month after webinar date.
    - Consultation can be done for the relevant areas of the modules, such as:
      - Guidance on how to fill out and customize the templates for your internal audit department
      - Review of participant outputs or accomplished templates with comments and recommendations, as applicable
      - Possible benchmarking between your existing practices for workpaper and follow-up system and the recommended approach
      - Guidance on interpretation of concepts or Standards under the International Professional Practices Framework
    - Consultation can be done through email, call, Zoom meeting or similar means
- Delivery Mode:
  - Webinar through Zoom
- Resource Speaker/Facilitator
  - Pol B. Mirafuentes
- Time Schedule for the Webinar Sessions
  - 8:30 am to 12:00 noon per session day

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