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
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INTERNAL AUDITING SCHOOL I - Package

(Complete course on the internal auditing cycle)

PROGRAM DETAILS

Schedule: February 22, 23, 24, 25, 26; March 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 15, 16, 17, 18 and 19, 2027

- Part 1: February 22, 23, 24 and 25, 2027; Internal Audit Strategic Plan
- Part 2: February 26; March 1, 2 and 3, 2027; Risk Based Annual Audit Plan
- Parts 3 and 4: March 4, 5, 8, 9, 10, 11, 12, 15, 16, 17, 18 and 19, 2027: Planning, Performing, Reporting and Monitoring the Individual Audit Engagement

Duration and Time: Total of **20 sessions** at 3.5 hours per session = 70 hours

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

Delivery Format: Online Training though Zoom
Knowledge Level: Basic and Intermediate
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)
- Chief Audit Executive (CAE) or Head of Internal Audit (HoIA)
- Accountants or supervising administrative officers who are tasked to establish an internal audit office or designated in an acting capacity (OIC)
- Quality Auditors, Risk and Compliance Officers, Process Owners
- Other personnel interested to know about the risk-based internal audit process

Regular Package Rate: Php 21,560.00 per participant (inclusive of VAT)
Discounted Rate: Php 19,400.00 per participant (inclusive of VAT) for the **FIRST 10** paid participants

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PROGRAM DESCRIPTION

This program will provide a comprehensive, hands-on and systematic approach to understanding all the key areas of the internal audit process. It will provide the participants with the critical knowledge, skills and competencies for them to perform their job effectively. It will also align with any relevant competency framework or training needs analysis for audit personnel. This program is ideal for new internal auditors as well as for experienced internal auditors who want to refresh their knowledge on leading practices or benchmark with other participants and organizations. This will result to more value-adding services given to Board, Local Chief Executive, Head of Agency, management and stakeholders.

PROGRAM OBJECTIVES

At the end of the program, the participants will be able to:

Internal Audit Strategic Plan and Risk Based Annual Audit Plan

- Understand the role of internal auditing under a governance, risk management and control framework;
- Understand the process and components in developing the internal audit strategic plan;
- Develop the risk-based plan of engagements;

Planning, Performing, Reporting and Monitoring the Individual Audit Engagement

- Explain the overall individual engagement audit process: planning, performing, communicating 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;
- 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;

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- 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."

PROGRAM OUTLINE

INTERNAL AUDIT STRATEGIC PLAN AND RISK BASED ANNUAL AUDIT PLAN

A. INTRODUCTION

- Internal Auditing Overview
  - Internal auditing in the governance, risk management and control framework
  - Key principles in internal auditing
  - The Global Internal Audit Standards and other authoritative guidance in the public sector such as IASPPS, LGIAM and RPGIAM
- Setting the Context
  - The need for a strategic plan
  - Overview of the internal audit strategic planning process
  - Quality assurance considerations

B. THE STRATEGIC PLANNING PROCESS

- **Establish or Review the Mandate of the Internal Audit Activity**
  - Adopt or revise the Internal Audit Charter; or other references for the public sector such as the Sanggunian resolution, ordinance, department order or executive order creating the internal audit service

- **Revisit and Understand the Organizational Environment**
  - Understand the relevant industry and its environment
  - Revisit the external context of the organization (e.g., PESTLE Analysis) to develop understanding of the possible sources and nature of externally-driven risks
  - Revisit the internal context of the organization (e.g., culture, personnel, process, technology, capital, and assets) to understand the nature of internally-driven risks
  - Revisit the organization's vision, mission and values and understand how it is responsive and relevant to the external and internal environment

- **Discuss with Stakeholders Their Expectations**
  - Identify the key internal and external stakeholders of internal audit
  - Communicate directly with each key stakeholder
  - Ensure stakeholders understand the value and capability of internal audit

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- Ensure internal audit is appropriately positioned within the organization
- Manage the 'expectation gap'
- Confirm and document the expectations

- **Develop or Update the Internal Audit Vision, Mission and Strategic Objectives**
  - Develop or update the vision, mission, strategic objectives and core values based on the mandate, external and internal context of the organization, stakeholder expectations and other considerations
  - Ensure all internal audit personnel are aligned with the vision and mission

- **Assess the Current Situation**
  - Conduct SWOT analysis for the internal audit activity
  - Consider inherent risks in managing the internal audit activity

- **Develop Clear Roadmap and Initiatives to Attain the Vision**
  - Develop roadmap aligned with the vision and the appropriate capability or maturity model to ensure that internal audit moves up from the current situation to the desired level
  - Develop indicators or critical success factors to determine the achievement of each stage or milestone of the plan
  - Determine key initiatives to attain the milestones

- **Let the Strategic Plan Drive the Annual Risk Based Plans**
  - Divide the strategic plan into manageable units or time intervals (annual plans)
  - Establish guidelines in preparing the annual plans
  - Determine the audit cycle (e.g., three-year plan of engagements updated annually)
  - Revisit assumptions and parameters underlying the short-term organizational goals

C. THE RISK-BASED ANNUAL AUDIT PLANNING PROCESS

- **Understand the Organization**
  - Revisit or update understanding the organization's vision, mission, strategic objectives, and long-term plan
  - Determine if there are emerging strategic and organizational changes

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- **Conduct the Risk Assessment**
  - Understand the organization's risk management process, if already fully established; if not, facilitate the conduct of the risk assessment:
    - Identify the risks relevant to the organization that would affect its vision, mission, and strategic objectives (i.e., risk universe or risk register)
    - Analyze or measure impact and likelihood of the risks (i.e., use of risk matrix or criteria)
    - Evaluate and determine top risks for the organization (i.e., use of risk map and development of business risk profile)

- **Establish or Refine the Audit Universe**
  - Define clearly the audit universe which can be divided based on:
    - Organizational structure (office/department, section/unit, activities); or
    - Process (executive, operational and support processes; or mega process, major process, sub-process); or
    - Other classification scheme.

- **Determine Priority Areas to Audit**
  - Conduct the internal audit risk assessment to determine prioritization of audit areas using any of the following approaches for assurance engagements:
    - Direct; Specific risk approach
      - Directly link the top risks to the audit universe
      - Determine primary and secondary risk owners and stakeholders
    - Indirect; Risk factor approach
      - Identify risk factors
      - Evaluate each auditable area based on the risk factors
    - Hybrid approach
      - Combine both direct and indirect approach
  - Include advisory engagements (if specific and formalized) or provide for informal consulting engagements
  - Include follow-up audits
  - Ensure regular discussion with the President, CEO, senior management (or Head of Agency, LCE, Sanggunian, department heads, as applicable) and other key personnel to validate the priority areas and adjust as needed
  - Consider the work and scope of other internal assurance providers (i.e., 2nd line of defense) and external assurance providers (e.g., external auditor, CoA, CSC, DILG,

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auditors of grant-making agencies, as applicable) when finalizing the scope of the priority areas to audit
- Determine if there are regulatory guidelines that require some areas to be audited more frequently than others
- Prepare in good form the annual plan of engagements based on the defined audit cycle
- Ensure adequate coverage of the audit universe over the term of the plan

- **Ensure Adequate Resources to Support the Plan**
  - Ensure resources are appropriate, sufficient, and effectively deployed
    - Appropriate
      - Mix of knowledge, skills, and competencies for the audit team; sourcing strategy such as in-house, co-sourcing or outsourcing
        - Incorporate knowledge of internal audit competency framework and technical competencies
    - Sufficient:
      - Number of auditors needed; person-days or person-hours per engagement and total for the year; determine productive work hours and administrative work hours
      - Provision for contingencies or unplanned audit engagements such as special projects requested by board, LCE and management; fraud audits
      - Financial resources (i.e., operating expense and capital expense budget)
      - Other resources (e.g., new technology or audit management system)
    - Effectively Deployed
      - Assignment of auditors based on their skill, expertise, and professional development considerations
      - Duration of deployment (i.e., full-time, part-time, as needed, or based on agreed-upon procedures)

- **Enable the Approval, Reporting and Monitoring of the Internal Audit Strategic Plan and Risk Based Annual Audit Plan**
  - Consolidate the plan for presentation and approval
    - Use the suggested template or develop one
  - Secure approval for the plan
    - Get feedback and endorsement

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- Get final approval from the Board / Audit Committee or the functional reporting authority (e.g., LCE, Head of Agency)
- Fine-tune the reporting process
  - Agree on the frequency, form, and content of the reporting activity
  - Deliver effective reports highlighting significant governance, risk management and control issues and other matters requiring board, LCE, Head of Agency and senior management attention
- Monitoring
  - Establish a monitoring process
  - Ensure periodic review of the plan
  - Integrate with the quality assurance and improvement program

PLANNING, PERFORMING, REPORTING AND MONITORING THE AUDIT ENGAGEMENT

A. INTRODUCTION

- Overview of the individual audit engagement cycle
  - Planning the audit engagement
  - Performing/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

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B. PLANNING THE ENGAGEMENT

- Audit engagement overview: "**The Big Picture**"
- Engagement planning considerations
- **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 or kick off meeting** as appropriate
  - Understand the process through a **preliminary survey as part of the engagement risk assessment**. 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

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- 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.
  - 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/conducting the engagement
  - **Gather or validate audit evidence**
    - Understand the qualities of audit information or evidence (sufficient, 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

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commendation. If condition does not meet criteria, analyze the extent of the audit observation or potential engagement finding

- 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 (engagement finding) 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: Request action plans or 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.

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- *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 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

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        - Policy reference
    - Tips and techniques
- Writing effective audit issue statements
    - What, Who, How
    - Format
        - Issue (Title)
        - Issue details
        - Risk or impact
        - With 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

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 **Internal Auditing School I - Package**. 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/1FAIpQLSeyFJ6VJuuZNuE3__KnYAHRMMpKzhaUxVek8Kak5qAgD0HnYw/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 Package Rate - Php 21,560.00 inclusive of VAT
- **Discounted Package Rate** – Php 19,400.00 inclusive of VAT for the **FIRST 10 paid participants**
- Limited slots. Guaranteed seats will be given to those with paid registration.
- 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, LDDAP, 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, audit report format, sample executive summary, presentation format
  - References and other reading materials
  - Certificate of completion
  - Post-webinar consultation
    - Consultation with the resource speaker(s) 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 internal audit engagement practices 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/Meeting through Zoom
- Resource Speakers/Facilitators
  - Pol B. Mirafuentes

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