



9099



In-Class



24 hours



GBP 750 +  
EGP11,000

## Course Description:

The practical Risk-based internal auditing course enables participants to effectively identify the top objectives and risks in their organisations to provide input on developing a risk based internal audit plan. The course discusses risk management basics on how to identify, assess, evaluate, mitigate and monitor risks; to aid in understanding risk management principles necessary to perform risk-based audits. Differences between traditional internal auditing and how to audit using a risk-based approach are discussed. Participants will develop the skills necessary to effectively plan and perform risk based internal auditing at their organization. The course will also extensively look at how risks are valued both financially and economically, and where applicable reported, along with risk management matrices.

## Target Audience:

This course is designed for internal auditors but will also be of interest to senior management and members of the audit committee.

Knowledge Pre-Requisites: a knowledge of the business and internal audit approaches and procedures is assumed.

## Course Objectives:

At the completion of this subject participants will be able to:

- Apply the key concepts of risk based internal auditing (RBIA) to the organisation
- Link each stage of RBIA to the organization's risk management framework
- Determine risk maturity and apply the relevant approach
- Understand how internal audit fits into the organization's assurance framework and undertake an assurance mapping exercise
- Produce a RBIA plan and apply a risk-based methodology to internal audit assignments
- Effectively report risk based internal audit findings

Analyze, assess and improve risk management practices within the organization

## Course Outline:

### Session 1: What do we mean by risk-based internal auditing?

- What is risk-based auditing?

- The auditing evolution and the 3 lines model
- The revised 3 lines model
- What's different, i.e. what's 'in' and what's 'out'?
- The key steps in risk-based auditing
- Why risk-based auditing?
- Risk maturity and its impact on RBIA
- Application to the assignment
- Application within an assignment
- What really matters and to whom?
- The IIA and RBIA
- Are you happy to reduce work in some areas?

Case Study: What are the highest risk assignments in our organization?

### Session 2: Enterprise Risk Management – The Key Elements

- The IIA definition of ERM
- The role of risk appetite
- Risk capacity, appetite and acceptance
- Inherent and residual risk
- The risk appetite statement
- The risk appetite framework
- The risk management framework
- Risk Identification
- The risk register
- Risk and control self-assessment
- Risk distributions and assessment
- Stress testing and scenario modelling
- Risk, performance and control indicators
- The role of internal audit in Enterprise Risk Management (ERM)

Case Study: Assess the level of maturity of risk management in your organization.

### Session 3: Risk Based Audit Planning and Risk Assessment

- Linking RBIA to the RMF
- Risk based assurance mapping and its impact on audit planning
- Setting business impact and probability factors
- Sample risk and materiality factors
- Risk drivers and their quantification



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- The scorecard and how inherent and residual risks are calculated
- Developing the audit plan

Case Study: Scoring audit assignments on their level of risk – what does this mean?

#### Session 4: Developing a Risk-Based Audit Programme

- The approach to understanding and documenting key business risks
- Testing and concluding on the adequacy and effectiveness of key controls
- Documenting findings and link to action plan
- The value of substantive tests of detail
- Sample sizes
- Attribute modelling
- Typical format of a risk-based audit programme

Case Study: Consideration of what makes a control key

#### Session 5: RBIA Tools and Techniques

- The role of internal audit aligned to risk management and compliance
- Making internal audit forward looking
- The role of continuous audit
- What is agile internal audit and management
- The role of substantive tests of detail
- The importance of monitoring in the 1st line
- The role of AI and ML
- The role of CAATs
- The impact of CRSA and incident management
- What to report and what to leave out

Case Study: What are the impediments to the implementation of RBIA and agile approaches?

#### Session 6: Practical applications of RBIA

- The audit of risk management within the organisation
  - Audit of the risk register
  - Audit of the risk management framework
  - Audit of risk appetite
  - Audit of risk reporting

- The audit of fraud deterrence
  - Audit of the fraud deterrence framework
  - Audit of incident management
- The audit of accounts receivable
  - Audit of invoicing and discounts
  - Audit of manual intervention and adjustments
  - Audit of payments received
  - Audit of recovery procedures
- The audit of projects
  - Audit of use of project management guidelines
  - Audit of documentation and reporting
- Other high risk audit areas

Case Studies: Multiple audit programs will be developed during this session

#### Session 7: Risk-Based Audit Reporting

- Governance and reporting issues
- Audit report objectives
- The role of risk assessment in an audit report
- The role of background in an audit report
- What constitutes an excellent audit report?
- Excellent audit reports - what's 'In' and what's 'Out'
- When to include metrics and financial information
- Risk-based audit reporting – best practices

Case Study: Developing and reporting audit findings

#### Session 8: RBIA and Governance

- Introducing RBIA
- The role of the audit committee
- The role of the governance grouping
- Embedding RBIA effectively

Case Study: Managing your audit committee

#### Course Provider:

Risk Reward