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Centre for Financial Reporting Reform

WORLD BANK GROUP
Governance

Internal Audit
Training of Trainers

Contents

Acknowledgements

Introduction

The Internal Audit Training of Trainers (IA ToT) program aims to develop the capacity of the public sector internal auditors to deliver high-quality internal audit training within their countries/institutions, based on the International Standards for the Professional Practice of Internal Auditing (ISPPIA) and international good practices in public sector internal auditing.

The target participant group are auditors in the public sector who already have skills in internal auditing and are also extensively involved in training delivery in their respective countries and institutions. Participants are responsible to further disseminate the knowledge obtained through the IA ToT program locally by conducting replication workshops in their countries and institutions as well as contribute to the delivery of some sessions within the training modules and participate in sharing good practices among the members of the community of practice.

The approach and format of the IA ToT program is designed to be highly interactive and includes:

- A series of training sessions, both workshops and online sessions, aimed at developing the capacity of public sector internal audit trainers to deliver high-quality training and Continuing Professional Development (CPD) courses based on ISPPIA;

- Sharing experiences, audit documentation templates, tools and other resources. The integrated Internal Audit Case Study and the Simulated "Client File" Templates are the core teaching resources; and

- Facilitation of shared learning and peer exchange among countries in the region and members of the Community of Practice regarding the design, content, implementation arrangements, teaching and authorization environment for CPD.

The training session workshops have two streams: (i) Fundamentals stream with many practical case studies on simulated internal audit clients designed for the less experienced practitioner; and (ii) Advanced stream for the more seasoned internal auditor with a narrower focus and more involvement in more complex areas. In addition, shorter online sessions covering specialized topics will also be delivered.

Fundamentals stream

The Fundamentals stream is a four day workshop that covers both technical topics and soft skills. The proposed training program is presented below:

Day 1	Format	Duration
Introduction • Introduction to the program • Overview of content of Fundamentals and Advanced streams • Participants feedback	Introducing CoP members Presentation Interactive discussion	30 min
Common training challenges and good practices • Importance of training • CPD common challenges • Good practices and solutions • Table discussions	Presentation Survey input from participants gathered before event Short Discussion	60 min
History of audit • History of external audit • The need for internal audit • The International Professional Practices Framework (IPPF)	Presentation	30 min
COSO Internal Control integrated framework • History of COSO • 5 components of COSO • 17 principles of COSO • High level introduction to COSO ERM framework	Presentation Exercise on how to link real life examples to the COSO model	120 min
Three Lines of Defense (TLD) model • Role of Senior Management • Role of first line of defense • Roles of second line of defense functions • Role of internal audit: the third line of defense • Role of supervisory bodies • Role of external bodies: SAI, regulator	Presentation Exercise on identification and placing various public sector positions into the TLD model	90 min
Introduction to the Case Study The integrated audit simulation is a core teaching resource of the IA ToT workshops and this session will introduce participants with the Case Study that will be used through the IA ToT series	Presentation	30 min
Online knowledge resources Overview of online knowledge resources and tools available on the web (materials for preparing CPD and training sessions, templates and knowledge materials)	Presentation / demo	45 min
Conclusion of day 1 Note: Starting from day 2 a selected breakout group will be assigned a role to provide a daily recap, summarizing the topics covered and conclusions reached providing highlights to the rest of the CoP	Presentation	15 min
Total		**420 min / 7h**

Day 2	Format	Duration
International Professional Practices Framework (IPPF) • 10 core principles of internal audit • Definition of internal audit • Assurance versus consulting services • Professional standards for internal audit: attribute and performance standards	Presentation Interactive discussion	120 min
Code of ethics for internal audit	Presentation Short ethical dilemma game	90 min
Group Challenge: Develop as a Trainer (part 1) • Session aims to develop presentation skills of participating trainers • Participants divided into groups will prepare a ten-minute multimedia presentation on any topic related to internal auditing. Each group will present the results on Day 3, and the most effective presentation will be selected	Breakout group work	90 min
Organization of internal audit in the public sector • Centralized versus decentralized model • Relationship between internal audit, external audit and financial inspection • The role of the Central Harmonization Unit (CHU) • Professional requirements for internal auditors	Presentation Exercises Introduction to PEMPAL IACOP RIFIX guide	90 min
Conclusion of day 2	Presentation	30 min
Total		**420 min / 7h**

Day 3	Format	Duration
Types of internal audit Various aspects (e.g. IT, financial information, system, value-for-money, etc.) will be discussed within two broad internal audit categories: • Compliance audits • Performance audits Use of Internal Audit as an instrument for Pre-Accession Assistance (IPA) funds	Presentation	60 min
Independence and objectivity • How to achieve organizational independence • The internal audit charter • Objectivity and conflicts of interest • Threats to objectivity and independence	Presentation Case study on independence Template internal audit charter	90 min
Group Challenge: Develop as a Trainer (part 2) • Session aims to develop presentation skills of participating trainers • Participant groups will deliver the ten minute presentation developed during Day 2	Group presentations Feedback	90 min
Proficiency and due professional care • Required internal audit skills • How to exercise due professional care	Presentation Interactive discussion Stories	60 min

Internal audit planning • Development of an audit universe • Performance of internal audit in more than one institution. • Strategic plan • Annual plan	Presentation Exercise PEMPAL IACOP Good Practice "Risk Assessment in Audit Planning"	90 min
Conclusion of day 3	Presentation	30 min
Total		**420 min / 7h**

Day 4	Format	Duration
Phases of an internal audit engagement • Planning the internal audit engagement • Executing the internal audit engagement • Reporting on the results of the internal audit engagement	Presentation	30 min
Planning the internal audit engagement • Preliminary survey • Understanding the audit object and its risks • Development of audit objectives and audit scope • Development of the audit program	Presentation Case study	70 min
Executing the internal audit engagement • Kick-off meeting • Review the design of controls • Testing of controls • Statistical sampling • Audit working papers • Sharing observations with auditees	Presentation Case study Template for audit observations	120 min
Reporting on the results of the internal audit engagement • Closing meeting • Development of recommendations • Development of the draft report • Contradictory procedure • Issuing the final report • Development of an action plan by the auditees • Follow-up on the implementation of the action plan	Presentation Case study	150 min
Participants feedback Participants will be asked to rank topics in order of priority of interest and relevance to be discussed during the next online sessions and Good Practice note	Discussion and Quick Survey	20 min
Conclusion of day 4 and the module "Fundamentals"	Presentation	30 min
Total		**420 min / 7h**

Advanced Stream

The Advanced stream is a four day workshop that focuses more on technical topics and complex areas. The proposed training program is presented below:

Day 1	Format	Duration
Introduction • Introduction to the Advanced stream • Recap of the Integrated Audit Case Study	Presentation	20 min
Presentation of good practice survey from participants on selected topic of interest	Presentation Survey input from participants gathered before event Short Discussion	40 min
Independence threats and effective safeguards	Presentation Short Discussion	40 min
Responsibilities of the Head of Internal Audit • Develop and update the internal audit charter • Continuously look for adequate skills and resources • Direction and supervision • Coordinate with and rely on other internal assurance providers • Periodic reporting to senior management and oversight body	Presentation Exercises	120 min
Strategic and annual internal audit planning • Development of an audit universe • Assessing risks on components of audit universe • Development of a strategic plan • Development of an annual plan	Presentation PEMPAL IACOP Good Practice "Risk Assessment in Audit Planning" Case study	120 min
Roles of internal audit with regard to • Risk management • Internal control • Governance	Presentation Exercise	60 min
Conclusion of day 1	Presentation	20 min
Total		**420 min / 7h**

Day 2	Format	Duration
Role of internal audit with regard to fraud and corruption - Fraud awareness and fraud prevention - Red flags for fraud and fraud detection - Fraud investigation - Coordination with other bodies involved in fraud and corruption investigation	Presentation Stories IACOP Concept Paper on RIFIX	150 min
Data Analytics	Presentation	60 min
IT audit - The CobIT framework: 4 domains, 34 processes - General IT controls versus application controls - IT audits - Cyber security - Business continuity planning	Presentation Exercises on IT related risks and controls	180 min
Conclusion of day 2	Presentation	30 min
Total		**420 min / 7h**

Day 3	Format	Duration
Running a compliance audit based on a scenario - Draft a flowchart of the process - Analyze the risks and key controls - Develop the audit objectives - Develop the audit program - Reporting on the audit results - Group challenge: Role Play exercise while obtaining the evidence in the internal audit engagement	Case study	195 min
Running a performance audit based on a scenario - Draft a flowchart of the process - Develop a question tree - Develop the audit program - Reporting on the audit results - Group challenge: Role Play exercise while presenting the results of the internal audit	Case study	195 min
Conclusion of day 3	Presentation	30 min
Total		**420 min / 7h**

Day 4	Format	Duration
Quality assurance and improvement - Develop a solid quality assurance and improvement program (QAIP) - KPI's for internal audit - Apply the QAIP to the attribute standards for internal audit	Presentation Introduction to PEMPAL IACOP Quality Assessment Guide	150 min
Quality assurance and improvement Apply the QAIP to the: (i) planning, (ii) execution, and (iii) reporting on the results of an internal audit engagement	Case study	220 min

Participants feedback on proposed topics for next online sessions and Good Practice note • **Establishment of Audit Committees**	Discussion	30 min
Conclusion of day 4 and the module "Fundamentals"	Presentation	20 min
Total		**420 min / 7h**

Online Sessions

Two online sessions follow each workshop and complement both the fundamentals and advanced streams. They are delivered to the members of the Community of Practice and also include an opportunity for greater outreach. The online sessions will include selected specialized topics (e.g. fraud or data analytics) based on participants identified topics of interest.