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Reporting Reform



WORLD BANK GROUP
Governance



Internal Audit Training of Trainers

19 – 22 June 2017

Joint Vienna Institute, Vienna, Austria



Schweizerische Eidgenossenschaft
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Internal Audit Training of Trainers

Fundamentals Stream Workshop

19 – 22 June 2017, Joint Vienna Institute, Vienna, Austria

Context and Objectives

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 and institutions, based on the International Standards for the Professional Practice of Internal Auditing (ISPPIA) and international good practices in public sector internal auditing.

The IA ToT operates as a regional Community of Practice (CoP)¹, composed of participants who are skilled in public sector internal auditing and are extensively involved in training delivery in their respective countries and institutions. Participants are responsible to further disseminate the knowledge obtained through the regional 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 as well as participating in sharing good practices among the members of the CoP.

Approach and Format

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 courses based on ISPPIA;
- Sharing experiences, tools, audit documentation templates, 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 CoP.

Fundamentals Stream

The Fundamentals stream is a four day workshop that covers both technical topics and soft skills. Participants will have an opportunity to engage in many practical case studies on the simulated internal audit client, including planning, executing and reporting on the results of the internal audit engagement. Participants will be familiarized with many fundamentals of internal audit, including the COSO Internal Control Integrated Framework, the Three Lines of Defense model, the International Professional Practices Framework, PEMPAL Internal Audit Community of Practice (IACOP) Risk Assessment in Audit Planning Guide, IACOP Concept Paper on Cooperation among Public Sector Audit and Financial Inspection Entities, and many other topics. Trainers will engage in a group challenge aimed to develop their presentation and soft skills.

¹ Internal Audit Training of Trainers participants come from seven countries including: Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro, Serbia and Turkey.

Agenda

Monday, 19 June 2017 – Day 1

08:00	Registration of Participants and Morning Coffee
08:45	Opening and Introductory Remarks
Speakers	Arman Vatyán Senior Financial Management Specialist, The World Bank Kalina Sukarova Senior Financial Management Specialist, CFRR, The World Bank
Description	This session will welcome participants and provide introductory remarks to the content of the fundamentals and advanced streams of the IA ToT Program. Participants will be asked to briefly introduce themselves and express their expectations from the IA ToT Program, as well as share their feedback on the Modules Outline.
09:45	History of Audit
Speaker	Kalina Sukarova Senior Financial Management Specialist, CFRR, The World Bank
Description	This session will discuss the history of external audit and the need for internal audit. Participants will be also introduced to the International Professional Practices Framework (IPPF).
10:30	Coffee Break [15 min]
10:45	COSO Internal Control Integrated Framework
Speakers	Arman Vatyán Senior Financial Management Specialist, The World Bank Piotr Pyziak Consultant, CFRR, The World Bank
Description	This session will provide a presentation and many exercises how to link real life examples to the COSO Model. The session will also cover the history of COSO and its components and principles, including a high level introduction to the ERM framework. Participants will have an opportunity to be involved in the exercises and they will be asked to join the interactive discussions.
12:30	Lunch [90 min]

14:00	Three Lines of Defense (TLD) Model
Speaker	Arman Vatyán Senior Financial Management Specialist, The World Bank
Description	Participants will be familiarized with the Three Lines of Defense (TLD) model and the various roles of Senior Management, Internal Audit, Supervisory bodies and external bodies (e.g. State Audit Institutions, regulators, etc.). The session will also include an exercise on identification and placing various public sector positions into the TLD model.

15:30	Coffee Break [15 min]
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15:45	Training Challenges and Available Online Resources
Speaker	Kalina Sukarova Senior Financial Management Specialist, CFRR, The World Bank
Description	This session will familiarize participants with some common challenges faced while providing adequate training and continuing professional development to members of the profession and discuss some good practices how challenges can be overcome. Further, the session will provide a demonstration of some useful resources available online that can facilitate training providers while developing training and continuing professional development.

16:45	Day 1: Summary & Recap
Speakers	Arman Vatyán Senior Financial Management Specialist, The World Bank Kalina Sukarova Senior Financial Management Specialist, CFRR, The World Bank
Description	The session will recap the day and summarize the topics covered, as well as highlight important sessions of the following day. A participant breakout group will be selected to cover the daily recap for Day 2.

17:00	End of Day 1
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Tuesday, 20 June 2017 – Day 2

08:30 Morning Coffee

09:00 International Professional Practices Framework (IPPF)

Speaker **Ljerka Crnkovic'**

Leader of the Quality Assurance Working Group (QAWG) and Former Acting Chair, PEMPAL IACOP

Description The session will cover a number of important areas of the IPPF, including the definition of internal audit and the 10 core principles of internal audit. Participants will be familiarized with assurance versus consulting services and the professional standards for internal audit (attribute and performance standards) will be covered. Participants will encouraged to join the interactive discussion and participate in Q&A.

10:30 Coffee Break [15 min]

10:45 Professional Ethics, Independence and Objectivity

Speaker **Kalina Sukarova**

Senior Financial Management Specialist, CFRR, The World Bank

Description The session will cover the fundamental requirement for the internal audit to be independent and objective as well as discuss and explore how to achieve organizational independence and ensure that the internal audit charter reflects this requirement. The code of ethics for internal auditors and treats to objectivity and independence, including conflicts of interest will be covered.

Following the brief presentation, participants will be divided into teams and invited to resolve several short ethical dilemma scenarios through a group board game. The team that answers most of the ethical dilemmas correctly has the greatest chance of winning the Ethical Dilemmas Board Game and will be awarded the "Champion of Ethics Certificate".

12:15 Introduction to the Case Study: Capital City Orotavia

Speaker **Piotr Pyziak**

Consultant, CFRR, The World Bank

Description Participants will be introduced to the integrated audit client case "Orotavia", which will be used throughout the workshop series. A brief overview of the Capital City large municipality and its operations will be provided in preparation for the group work during Days 3 and 4.

12:30 Lunch [75 min]

13:45 Group Challenge: Develop as a Trainer (part 1)

Moderator **Kalina Sukarova**

Senior Financial Management Specialist, CFRR, The World Bank

Description Participants divided into groups will prepare a fifteen-minute multimedia presentation on any topic related to internal auditing. Each group will present the results on Day 3, and a panel of expert judges will vote on the most effective presentation. The winning group will be awarded the IA ToT certificate for the “Most Inspiring Audit Trainer”. The criteria for judging will be: (i) presentation skills, (ii) engaging the interest of the audience, and (iii) innovativeness of the presentation.

15:15 Coffee Break [15 min]

15:30 Organization of Internal Audit in the Public Sector

Speaker **Arman Vatyan**

Senior Financial Management Specialist, The World Bank

Description Centralized versus decentralized models of internal audit organization, as well as the relationships between the internal audit, external audit and financial inspection will be covered. Further the role of the Central Harmonization Unit (CHU) will be discussed and participants will be familiarized with the PEMPAL IACOP “RIFIX” guide.

16:45 Day 2: Summary & Recap

Speakers **Selected Participant Group**

Description The session will recap the day and summarize the topics covered.

17:00 End of Day 2

18:30 Group Dinner

Wednesday, 21 June 2017 – Day 3

08:30 Morning Coffee

09:00 Group Challenge: Develop as a Trainer (part 2)

Moderator	Kalina Sukarova Senior Financial Management Specialist, CFRR, The World Bank
Facilitators (panel of judges)	Arman Vatyán Senior Financial Management Specialist, The World Bank Ljerka Crnković Leader of the QAWG and Former Acting Chair, PEMPAL IACOP Piotr Pyziak Consultant, CFRR, The World Bank
Description	Each group will deliver the ten-minute multimedia presentation developed during Day 1. The panel of expert judges will decide on the winning team, which will to be awarded the Audit ToT certificate for the “Most Inspiring Audit Trainer”.

10:30 Coffee Break [15 min]

10:45 Types of Internal Audit

Speaker	Arman Vatyán Senior Financial Management Specialist, The World Bank Ljerka Crnković Leader of the QAWG and Former Acting Chair, PEMPAL IACOP
Description	This session will discuss the various aspects of internal audit (e.g. IT, financial information, system, value-for-money, etc.) within the two broad internal audit categories: (i) Compliance audits and (ii) Performance audits. Use of Internal Audit as an instrument for Pre-Accession Assistance (IPA) funds will also be covered.

11:45 Proficiency and Due Professional Care

Speaker	Kalina Sukarova Senior Financial Management Specialist, CFRR, The World Bank
Description	The session will cover the required internal audit skills in order to exercise due professional care. Participants will be briefly familiarized with a few highlights of a recent Accountancy Education Study in the Western Balkans and its findings relating to IPD & CPD.

12:30 **Lunch [75 min]**

13:45 **Internal Audit Planning**

Speaker **Ljerka Crnković**
Leader of the QAWG and Former Acting Chair, PEMPAL IACOP

Description The session will cover at a high level the Internal Audit Planning and especially the establishment of an audit universe, performance of internal audit in more than one institution, strategic plan and annual plan.

The PEMPAL IACOP Good Practice “Risk Assessment in Audit Planning” will be showcased as a tool to facilitate the Internal Audit Planning.

14:45 **Phases of an Internal Audit Engagement**

Speaker **Kalina Sukarova**
Senior Financial Management Specialist, CFRR, The World Bank

Description Participants will be briefly reintroduced to the phases of the Internal audit engagements, including planning, executing and reporting.

15:00 **Coffee Break [15 min]**

15:15 **Planning the Internal Audit Engagement**

Speaker **Kalina Sukarova**
Senior Financial Management Specialist, CFRR, The World Bank

Description This session will cover the following planning activities: preliminary survey, understanding the audit object and its risks, development of audit objectives and audit scope and development of the audit program.

Participants will engage in the case study Orotavia and involve in planning activities based on the simulated audit object scenario.

16:45 **Day 3: Summary & Recap**

Speakers **Selected Participant Group**

Description The session will recap the day and summarize the topics covered.

17:00 **End of Day 3**

Thursday, 22 June 2017 – Day 4

08:30	Morning Coffee
09:00	Executing the Internal Audit Engagement – Part 1
Speaker	Arman Vatyan Senior Financial Management Specialist, The World Bank
Description	<p>Participants will be familiarized with activities undertaken during the execution of the Internal Audit Engagement such as kick-off meeting, the review of the design of controls and the testing of controls.</p> <p>Participants will engage in the case study Orotavia and practice design and testing of controls based on the simulated audit object scenario.</p>
10:30	Coffee Break [15 min]
10:45	Executing the Internal Audit Engagement – Part 2
Speaker	Piotr Pyziak Consultant, CFRR, The World Bank
Description	<p>Participants will be familiarized with activities undertaken during the execution of the Internal Audit Engagement such as sampling, audit working papers and sharing observations with auditees.</p> <p>Participants will engage in the case study Orotavia and engage in sampling and documentation exercises based on the simulated audit object scenario.</p>
12:30	Lunch [75 min]
13:45	Reporting on the Results of the Internal Audit Engagement – Part 1
Speaker	Ljerka Crnković Leader of the QAWG and Former Acting Chair, PEMPAL IACOP
Description	<p>This session will provide an in depth overview of the following internal audit activities: closing meeting, development of recommendations, preparation of the draft report, contradictory procedure, issuing the final report, development of an action plan by the auditees and follow-up on the implementation of the action plan.</p>
15:00	Coffee Break [15 min]

15:15	Reporting on the Results of the Internal Audit Engagement – Part 2
Speaker	Kalina Sukarova Senior Financial Management Specialist, CFRR, The World Bank
Description	Participants will engage in the case study Orotavia and develop a set of recommendations as well as draft sections for the draft report based on the simulated audit client scenario.

16:15	Day 4: Summary & Recap
Speakers	Selected Participant Group
Description	The session will recap the day and summarize the topics covered.

16:30	Concussions, Feedback and Next Steps
Speakers	Arman Vatyán Senior Financial Management Specialist, The World Bank Kalina Sukarova Senior Financial Management Specialist, CFRR, The World Bank
Description	Participants will be asked to rank topics in order of priority of interest and relevance to be discussed during the next online sessions and for development of the Good Practice note. Feedback will be welcomed as well as any suggestions for the Advanced stream workshop.

17:00	End of Day 4 and Fundamentals Stream
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