

DOWNLOAD PDF INSTITUTE OF INTERNAL AUDITORS REPORTS ON FRAUD

Chapter 1 : Home | Audit Executive Center | The IIA

The Institute of Internal Auditors is an international professional association headquartered in Lake Mary, Fla. The IIA is the internal audit profession's global voice, recognized authority, acknowledged leader, chief advocate, and principal educator.

Develop and direct a comprehensive program of internal auditing in accordance with acceptable audit standards and stipulated schedules. Examine and evaluate the adequacy and effectiveness of management control. Supervise Internal Audit Department staff. Board of Trustees, with administrative supervision by the Superintendent of Schools. Auditing theory and practice. Principles of supervision and personnel management. Criminal law, civil law rules of evidence and expert witness matters. Crimes involving accounting and financial activities. Legal foundations of public school organization and finance in Texas. Office organization, methods and procedures. Direct, evaluate and train a professional staff. Plan, organize and direct an audit investigation. Express complex concepts effectively orally and in writing. Deal tactfully and effectively with all levels of the Board, District personnel and others. Analyze and evaluate accounting procedures, data and internal controls. Five 5 years experience in public accounting, internal auditing, or related experience. Identify activities subject to audit coverage, evaluate their significance, and assess degrees of risk to the activities in terms of cost, schedule, or quality. Develop a comprehensive flexible annual audit plan for evaluation of management controls over select District activities, using appropriate risk-based methodologies, including the evaluation of any risks or control concerns identified by administration or the Board of Trustees, using appropriate risk-based methodology, and submit the plan to the Board of Trustees for review, revision, and approval. Establish procedures for internal auditing activities and direct the technical and administrative functions of the Department of Internal Audits. Upon Board approval, implement and execute the annual audit plan in accordance with established procedures. Implement periodical special audits requested by the Superintendent or the Board as a whole. Perform investigations of suspected fraudulent activities within the District and report the results to the Board, the Superintendent, and the alleged perpetrator, when appropriate. Ensure that audits examine the effectiveness of management in their stewardship of district-resources and their compliance with established policies, regulations, procedures, and governing laws and regulations. Recommend methods for improvement. Authorize the publication of reports on the results of audit examinations, including recommendations for improvement; provide same to the Board of Trustees and the Superintendent, appropriate department or campus leader, and alleged perpetrator, when appropriate. Review action taken by operating management to correct identified deficient conditions, assess adequate corrective action, and continue follow-up reviews until satisfactory resolution is achieved. Perform consulting services on request to assist administration in meeting District objectives, including facilitation, controls self-assessment, process design, training, and advisory services. Issue periodic reports to the Board of Trustees and to the Superintendent summarizing the results of audit activities. Remain abreast of new auditing and control techniques; keep the Board of Trustees and Superintendent informed of emerging trends and successful practices in internal auditing. Establish the structure of the Internal Audit Department, and recruit, select, schedule, supervise, train, and evaluate department staff with sufficient knowledge, experience, and professional certifications to achieve Department goals. Develop the Internal Audit Department budget, subject to Board of Trustees approval, and develop a system of cost, budget, and schedule control over audit practices. Provide the Board of Trustees and the Superintendent with periodic reports on audit coverage and the results of audit activity, and interpret those results to improve the audit plan and coverage and to develop the next annual plan. Train District employees regarding financial accountability, fraud, and the mandatory reporting of fraud to the Internal Audit Department. Other duties as assigned by the Board of Trustees. Must maintain emotional control and exercise reasoning and problem-solving skills while under stress. Must demonstrate ability to communicate effectively oral and written. Should be able to interpret procedures and

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analyze data for decision-making. Frequent in-district and occasional in-state or national travel. Occasional prolonged and irregular hours. Perform all duties in a safe and responsible manner. Contribute to the prevention of accidents and injuries by observing safety rules and District policy, practicing the principles and skills taught in safety training, wearing personal protective equipment as required, reporting injuries and incidents immediately to supervisor, and being proactive in the ongoing efforts to improve workplace safety. You can follow any responses to this entry through the RSS 2. You can leave a response , or trackback from your own site.

Chapter 2 : Irving ISD-Internal Auditor :: Institute of Internal Auditors, Dallas Chapter

Report of Independant Auditors. The Board of Directors The Institute of Internal Auditors, Inc. and Affiliates Altamonte Springs, Florida, USA. Report on the Consolidating Financial Statements.

However, many internal auditors and internal audit functions struggle to find the right risk assessment framework that balances stakeholder needs and resources available for this time-intensive activity. Likewise, many internal auditors struggle with execution of risk assessment activities such as establishing practical and consistent measurement criteria for rating and ranking risks as well as keeping a keen focus on the risks that are most important to their stakeholders. Without effective risk assessment activities, an internal audit function has little assurance that it is deploying its resources in a way that fulfills its mission within the organization. This course provides practical insights relating to contemporary best practices of risk assessment activities and allows participants to apply what they have learned so that they can implement risk assessment activities at their organization. This interactive and engaging two-day course takes a deep dive into the fundamentals of risk assessment; nuances such as audit universe, risk appetite, and fraud; and the challenges of implementation. It also addresses skill gaps many internal auditors struggle with such as how to develop their own risk assessment frameworks and how to select or construct a risk ranking system. After reviewing real examples of risk assessment models used by leading internal audit functions, participants will have the opportunity to develop their own risk assessment frameworks by picking and choosing those elements and best practices that best meet the risk assessment needs of their organization, no matter the size or maturity level of their internal audit function.

What You Will Learn

Explain the fundamental nature of risk. Recognize patterns of change in an organization. List potential changes that could impact organizational opportunities and threats. Recognize types and categories of risk. Explain the strategic influences on risk assessment.

Risk Assessment Essentials

Identify the essential building blocks of a risk assessment. Contrast various control framework risk assessment criteria. Utilize a common vocabulary for discussing risk assessment activities. List the common risk assessment activities in which internal audit functions have engaged historically.

Contemporary Risk Assessment Trends

Discuss contemporary trends relating to risk concerns of internal audit stakeholders. Trace the history of events and regulatory influences on stakeholder perceptions and expectations concerning the role of the internal audit function. Describe the diversity of stakeholder needs for partnership in risk assessment activities past and present. Recognize how legislation and regulatory activity have created opportunities for internal audit to engage differently with stakeholders in regard to risk assessment activities. Identify internal audit trends in regard to the risk focus continuum.

The Audit Universe

Assess the completeness of the audit universe. Identify auditable units to include in the audit universe. Create an audit universe. Validate the completeness of the audit universe.

Audit Universe Risk Assessment

Develop a risk assessment methodology for assessing the audit universe. Identify the objectives of the audit universe risk assessment. Analyze examples of audit universe risk assessment methodologies. Determine the factors that influence the level of sophistication needed for the risk assessment methodology. Outline the audit universe risk assessment activities. Examine techniques for risk identification and measurement. Choose a method for prioritizing risk assessment results. Discuss communication of risk assessment results with various stakeholders.

Engagement Risk Assessment

Develop a risk assessment framework for engagement planning. Identify the objectives of the engagement risk assessment. Analyze examples of engagement risk assessment methodologies. Outline the engagement risk assessment activities.

Fraud Risk Assessment

Perform a fraud risk assessment. Identify the objectives of the fraud risk assessment. Identify potential fraud schemes. Prioritize potential fraud schemes base don risk. Discuss communication of risk assessment results to various stakeholders.

Risk Appetite

Integrate risk appetite into the risk assessment framework. Contrast various risk appetite and risk tolerance viewpoints.

Risk Assessment Implementation Challenges

Minimize risk assessment implementation issues. Contrast the advantages and disadvantages of various risk assessment models. Identify

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solutions to common implementation issues. Course Closing Apply newly learned concepts, techniques, and skills to the work place. Restate major concepts, techniques, and skills learned during the course. Develop an action plan to apply select concepts, techniques, and skills. Identify additional resources to help stay current on issues related to assessing risk.

Chapter 3 : Anti-Fraud Collaboration Releases Report on Misconduct

Internal Auditor's blogs reflect the personal views and opinions of the authors. These views may differ from policies and official statements of The Institute of Internal Auditors and its committees and from opinions endorsed by the bloggers' employers or the editors of Internal Auditor.

Responding to Fraud Risk: Araj, has some interesting content. I think everybody would agree that the risk of fraud merits serious attention by internal audit, whether we are talking about financial statement fraud the filing of fraudulent statements with government agencies , theft, or bribery and corruption. It is my experience that many internal audit departments, their managers and staff, are fascinated or even obsessed with fraud. It is similarly my experience that many management teams and boards set the expectation that internal audit should be obsessed with fraud – both its prevention and its detection. Some commentators seem to believe that fraud should be the primary concern of internal audit, Yet, it is very unusual for fraud to bring down a company or even to have a significant effect on its results. It happens, but not as often as people think. The Association of Certified Fraud Examiners has studied the level of fraud for many years. Surely, every organization has more critical risks – that can lead the company to fail. The CBOOK report discusses this in an important chart, which compares board and executive views of top risks to those of internal audit. While 31 percent of internal audit respondents identified fraud as one of the top five risks that internal audit should focus on there was a huge range of responses when you look at this by region , just 19 percent of executives agreed. The IIA report lists a number of standards that require internal audit to consider fraud risk – but the key is that there should be consideration of fraud, not that fraud must always rise to the top of the internal audit agenda. My view is that internal audit should consider fraud risk together with all enterprise risks, and dedicate time and resource accordingly. If the risk is high in terms of the likelihood of a fraud that would be significant to the success of the organization , do more than if the risk is not among the top risks to the enterprise. The IIA study also looks at ownership of fraud-related responsibilities. However, with the approval of the audit committee, internal audit can take on, as an advisory service, the operation of the whistleblower line. Internal audit can also, depending on the level of risk, decide it is appropriate to perform some degree of fraud detection – without absolving management of that responsibility. The last point I want to make concerns investigations. In World-Class Internal Auditing: I also share some of the principles that drive my approach to fraud investigation. When I formed a team at Tosco, one of the requirements was that the investigators hold a Certified Fraud Examiner CFE credential and had demonstrated, to my satisfaction, their abilities by performing investigations under the direct supervision of a CFE. When investigations are performed by people without the requisite training and experience, the risk to the organization can be greater than the fraud itself!

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Chapter 4 : County Of Orange - Internal Audit

Fraud awareness (e.g., reasons and examples for fraud and potential fraud indicators). Fraud roles and responsibilities. Internal audit responsibilities during audit engagements (e.g., execution responsibilities and communicating with the board).

Expense Reports – Following the road to Fraud Results of the North American Pulse of Internal Audit survey, focusing on the public sector and government auditor perspective, will be discussed in depth during this season. Attendees will learn how to lead courageously and instill confidence from within. In this session, participants will:

- Consider risks from company communications not traditionally subject to independent assurance e.
- Gain an understanding of environmental, health and safety risks. View how various internal audit functions are utilizing data analytics.
- Consider interpersonal dynamics between internal audit and others in the organization and how that impacts reviews that are conducted.

He also is deeply versed in risk management, internal control, governance, and investigative techniques. A pain to prepare, a pain to review, hardly worth the time or attention of a world class internal audit function. Discuss revealing details such as the propensity for expense-report fraudsters to be involved in other, more damaging fraudulent schemes. Learn how to identify and investigate fraudulent employee expenses. Discover effective techniques for minimizing your risk. He has published numerous articles on the subjects of fraud and corporate governance and is a contributing author to *Fraud Casebook: Lessons from the Bad Side of Business*. *Fraud Auditing for Internal Auditors Program Description* A four-hour course overview of the basics of performing a comprehensive fraud risk assessment, fraud auditing, and fraud red flags. All auditors should have basic fraud knowledge to meet their obligation as an auditor. Included in this course is a pragmatic approach to a comprehensive Fraud Risk Assessment. Attendees will learn how to identify fraud risk and appropriate tools and techniques. Attendees will learn key opportunities to commit fraud and specific red flags. Attendees will learn how to identify fraud through fraud indicators. Attendees will discover how fraud occurs and the characteristics of a fraudster. About the Speaker Danny M. Goldberg is a well-known speaker on internal auditing and *People-Centric Skills*. This is the first book published specifically to address the wide-ranging topic of communication skills for internal auditors. He has published numerous articles in trade magazines, including: *Verschoor and Mort A. Dittenhofer* – co-author of *Sawyers Internal Auditing* Danny Goldberg has been recognized as a top speaker at numerous events over the past three years, including: Participants are required to register on the following link <http://>

Chapter 5 : Pages - Internal Auditing and Fraud

The Institute of Internal Auditors (IIA), founded in , serves more than , members in over countries and territories and is the internal audit profession's chief advocate, educator, and provider of.

It is conceptually similar in many ways to financial auditing by public accounting firms, quality assurance and banking compliance activities. Professional internal auditors are mandated by the IIA standards to be independent of the business activities they audit. This independence and objectivity are achieved through the organizational placement and reporting lines of the internal audit department. Internal auditors of publicly traded companies in the United States are required to report functionally to the board of directors directly, or a sub-committee of the board of directors typically the audit committee , and not to management except for administrative purposes. The required organizational independence from management enables unrestricted evaluation of management activities and personnel and allows internal auditors to perform their role effectively. This is typically the Audit Committee , a sub-committee of the Board of Directors. Organizational independence is effectively achieved when the chief audit executive reports functionally to the board. Examples of functional reporting to the board involve the board: Role in internal control[edit] Internal auditing activity is primarily directed at evaluating internal control. Effectiveness and efficiency of operations. Reliability of financial and management reporting. Compliance with laws and regulations. Safeguarding of Assets Management is responsible for internal control, which comprises five critical components: Managers establish policies, processes, and practices in these five components of management control to help the organization achieve the four specific objectives listed above. Internal auditors perform audits to evaluate whether the five components of management control are present and operating effectively, and if not, provide recommendations for improvement. Sarbanes-Oxley regulations require extensive risk assessment of financial reporting processes. Corporate legal counsel often prepares comprehensive assessments of the current and potential litigation a company faces. Internal auditors may evaluate each of these activities, or focus on the overarching process used to manage risks entity-wide. In larger organizations, major strategic initiatives are implemented to achieve objectives and drive changes. As a member of senior management, the Chief Audit Executive CAE may participate in status updates on these major initiatives. The internal audit function may help the organization address its risk of fraud via a fraud risk assessment, using principles of fraud deterrence. Internal auditors may help companies establish and maintain Enterprise Risk Management processes. In these latter two areas, internal auditors typically are part of the risk assessment team in an advisory role. Role in corporate governance[edit] Internal auditing activity as it relates to corporate governance has in the past been generally informal, accomplished primarily through participation in meetings and discussions with members of the Board of Directors. The internal auditor is often considered one of the "four pillars" of corporate governance, the other pillars being the Board of Directors, management, and the external auditor. In recent years, the IIA has advocated more formal evaluation of Corporate governance, particularly in the areas of board oversight of enterprise risk, corporate ethics, and fraud. Audit Project Selection or "Annual Audit Plan"[edit] Based on the risk assessment of the organization, internal auditors, management and oversight boards determine where to focus internal auditing efforts. The Audit Plan is typically proposed by the CAE sometimes with several options or alternatives for the review and approval of the Audit Committee or the Board of Directors. Internal Auditing activity is generally conducted as one or more discrete assignments. Establishing and communicating the scope and objectives of the Audit to appropriate members of management. Describing the key risks facing the business activities within the scope of the Audit. Identifying management practices in the five components of control used to ensure that each key risk is properly controlled and monitored. Internal Audit Checklist [13] can be a helpful tool to identify common risks and desired controls in the specific process or specific industry being audited. Developing and executing a risk-based sampling and testing approach to determine whether the most important management controls are

operating as intended. Reporting issues and challenges identified and negotiating action plans with the management to address these problems. Following-up on reported findings at appropriate intervals. Internal Audit Departments maintain a follow-up database for this purpose. Audit Assignment length varies based on the complexity of the activity being audited and Internal Audit resources available. Many of the above steps are iterative and may not all occur in the sequence indicated. In addition to assessing business processes, specialists called Information Technology IT Auditors review Information technology controls. Internal audit reports[edit] Internal auditors typically issue reports at the end of each audit that summarize their findings, recommendations, and any responses or action plans from management. An audit report may have an executive summaryâ€”a body that includes the specific issues or findings identified and related recommendations or action plans, and appendix information such as detailed graphs and charts or process information. What is the particular problem identified? What is the standard that was not met? The standard may be a company policy or other benchmark. Why did the problem occur? What should management do about the finding? What have they agreed to do and by when? Audit findings and recommendations may also relate to particular assertions about transactions, such as whether the transactions audited were valid or authorized, completely processed, accurately valued, processed in the correct time period, and properly disclosed in financial or operational reporting, among other elements. Under the IIA standards, a critical component of the audit process is the preparation of a balanced report that provides executives and the board with the opportunity to evaluate and weigh the issues being reported in the proper context and perspective. In providing perspective, analysis and workable recommendations for business improvements in critical areas, auditors help the organization meet its objectives. Quality of Internal Audit Report [14] [edit] Objectivity - The comments and opinions expressed in the Report should be objective and unbiased. Clarity - The language used should be simple and straightforward. Accuracy - The information contained in the report should be accurate. Brevity - The report should be concise. Timeliness - The report should be released promptly immediately after the audit is concluded, within a month. Strategy[edit] Internal audit functions may also develop functional strategies described in multi-year strategic plans. This helps guide the IA function in its mission of helping the organization address the risks it faces. Specific topics considered in IA strategic planning include: An IA function may be involved in addressing risks related to financial reporting, operations, legal and regulatory compliance, and the company strategy. There may also be special topics of interest to stakeholders that change considerably year-to-year. IA functions may provide traditional audit assurance across the risk spectrum as well as consulting project support in a variety of areas such as project management, data analysis, and monitoring of major company initiatives. Larger audit functions may establish specialty areas to handle their service portfolio. The stakeholder expectations around scope and service portfolio determine what competencies the function needs, which drives decisions regarding hiring of specific skills and training programs. Other topics[edit] Measuring the internal audit function[edit] The measurement of the internal audit function can involve a balanced scorecard approach. However, this is primarily qualitative and therefore difficult to measure. Scoring on dimensions such as professionalism, quality of counsel, timeliness of work product, utility of meetings, and quality of status updates are typical with such surveys. Understanding the expectations of senior management and the audit committee represent important steps in developing a performance measurement process, as well as how such measures help align the audit function with organizational priorities. Critical issues typically have a reasonable likelihood of causing substantial financial or reputational damage to the company. For particularly complex issues, the responsible manager may participate in the discussion. Such reporting is critical to ensure the function is respected, that the proper " tone at the top " exists in the organization, and to expedite resolution of such issues. Audit philosophy[edit] Some of the philosophy and approach of internal auditing is derived from the work of Lawrence Sawyer. His philosophy and guidance on the role of internal audit was a forerunner of the current definition of internal auditing. He encouraged the modern internal auditor to act as a counselor to management rather than as an adversary. Sawyer saw auditors as active players influencing events in the

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business rather than criticizing all degrees of errors and mistakes. He also foresaw a more desirable auditor future involving a stronger relationship with members of Audit Committee and the Board and a divorce from direct reporting to the Chief Financial Officer. Writing about positive observations in audit reports was rarely done until Sawyer started talking about the idea. He understood and forecast the benefits of providing more balanced reporting while simultaneously building better relationships. Sawyer understood the psychology of interpersonal dynamics and the need for all people to receive acknowledgment and validation for relationships to prosper. He strongly encouraged looking beyond financial statements and financial-related auditing into areas such as purchasing, warehousing and distribution, human resources, information technology, facilities management, customer service, field operations, and program management. This approach helped catapult the chief audit executive into the role of a respected and knowledgeable adviser who was thought to be reasonable, objective, and concerned about helping the organization achieve the stated goals.

Chapter 6 : The Institute of Internal Auditors - Annual Report - Internal Audit Rising

The Institute of Internal Auditors (IIA), founded in , serves more than , members in over countries and territories and is the internal audit profession's chief advocate, educator, and provider of standards, guidance, and certifications.

But the ultimate objective of internal audit reporting is not to describe what we found or to make recommendations for improvement. It is to persuade readers to take action. Impact is imperative, but not all internal auditors realize the difference that writing style can make to ensure corrective action is complete and timely. The content of a report informs readers, but I would argue that writing style is what motivates. For example, when the U. Army tested two versions of a business message asking readers to perform a specific task, those who received a well-written, "high impact" letter were twice as likely to comply with the memo on the day they received it. During my career as an internal auditor, I wrote or edited hundreds of internal audit reports – some that were good, and some that could have used another round of edits. Following are some recommendations that can help ensure your audit reports are effective – that they will not only change minds but that they will create a call to action that gets results. As a former IG, I can appreciate the need for detail. The scope of the review was daunting, the issues were complex, and every aspect of the engagement was surrounded by controversy. Trying and failing to read the IG report in a single evening reminded me of the words of the great Winston Churchill, who said, "This report by its very length, defends itself against the risk of being read. If a word, idea, or sentence does not contribute directly to the point, consider eliminating it. Keep It Simple The best internal audit reports express big ideas in small words, never small ideas in big words. Our writing is most persuasive when we use clear, direct, and familiar language. There is compelling evidence that plain language is more likely to be read, understood, and heeded in much less time. In , the U. Navy conducted a study of officers who read business memos written either in plain English or in a bureaucratic style. Officers who read the plain memo: Had significantly higher comprehension. Took 17 percent to 23 percent less time to read the memo. Felt less need to reread the memo. Many internal auditors use tools such as the Flesch Reading Ease or Flesch-Kincaid Grade Level tests to determine whether their reports are readable. Those tests are available online at no cost, or if you prepare your reports using Microsoft Word, you can choose to display information about reading level when you finish checking the spelling and grammar. The lesson for internal auditors: Plain language sells ideas better. Your writing is more likely to be persuasive if it is not pompous, unnecessarily complicated, or loaded with technical jargon. Make Your Best Ideas Stand Out We need to make it easy for busy executives to read, absorb, and act on the results of our work. Keeping things short and simple can help, but we also must organize our reports to make the most important ideas stand out. Message-style headings, subheadings, and call-out boxes can bring attention to the most important information in your report. For longer reports, an executive summary is essential. Different stakeholders have different needs, so we need to help individual readers access the specific information they need. You probably thought twice about seriously considering the individual or company that sent it. The same goes for your audit report. If it contains misspellings or incorrect grammar or punctuation, readers may get the impression that you are not detail-oriented or, worse, careful about your work. Even a single error can adversely impact your credibility. It may not be fair, but if your report contains errors careless or otherwise , your well-reasoned arguments may fall flat. Pay attention to details. Consider the Implications We all try to be unbiased, but sometimes we overlook the implication of our words. If we want readers to buy into our ideas, our tone needs to be objective – even when we deliver a negative message. In Clarity, Impact, Speed: Biased and More Negative: Unbiased and More Positive: We rarely persuade by making someone feel hostile or defensive. If our report seems biased or unfair, the client is likely to tune us out. Criteria what should be. Cause the reason for the difference. Your description of potential consequences is particularly important: One well-written is the "so what? It indicates who will benefit, how they will benefit, and why. Often, persuasiveness is enhanced if consequences are described in business-oriented terms, with measurable

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elements and specific time frames. If money, safety, or program integrity are at stake, for example, you should say so. Those are some of my tips for making internal audit reports more persuasive, but you may have other suggestions. I welcome your thoughts. Some comments may be reprinted elsewhere, online or offline.

Chapter 7 : Internal audit - Wikipedia

"The Anti-Fraud Collaboration is pleased to present these recommendations to help companies detect, report, and deter fraud," Institute of Internal Auditors President and CEO Richard F. Chambers, CIA, QIAL, CGAP, CCSA, CRMA, said on behalf of the Anti-Fraud Collaboration.

Chapter 8 : City Auditor Kevin W. Barthold

Internal auditing and Fraud 2 / The Institute of Internal Auditors "Ongoing reviews" an internal audit activity that considers fraud risk in every audit and performs.

Chapter 9 : Writing an Impactful Audit Report: 6 Tips for Being More Persuasive - Chambers blog -

Internal Auditor Internal auditors work for the company they audit, unlike external auditors, who are hired independently to audit the company's financial statements and perform a review of the internal control structure.