

INTERNAL AUDIT, FRAUD & FORENSIC AUDITING EXCELLENCE 2018

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 3 Day Masterclass

 14th - 16th March 2018

 Hotel The Westin, Cape Town, South Africa



“Intergrating Risk Based
& Forensic Auditing to
Mitigate the Risk of Fraud”

OVERVIEW

In the aftermath of the global financial crisis, new rule making has targeted reductions in the levels of risks. Governments flooded markets with liquidity; prudential oversight was improved (e.g. governance, risk taking, bonuses); and financial institutions, agencies, companies and households were forced to increase solvency. Following scandals in product misspelling and FX and interest rate markets, market manipulation was targeted with new rules, tightened compliance requirements and increased oversight. Commitments to combating corruption and cooperation between regulators and law enforcement agencies have put pressure on companies to mitigate fraud, bribery and corruption risks. There is a growing consensus that increasing disclosure and transparency and prosecuting companies, directors and executives, will help tackle these issues.

And despite all efforts, in its January 2017 meeting, the Global Economic Forum in Davos concluded risks are up. Both in terms of probability and impact and the time it takes to recovery. Risks are up across the board, with inequality; climate change; polarisation, protectionism and; technology; and the aging population, peaking in the top 5. Also risk factors are expanding and getting more dynamic, complex and interlinked. This 3-day program will explore the role of Internal Audit in providing assurance over the level of control that Boards and Executives have over risks in their company. Participants will work through exercises and case studies to better understand Risk and Audit. We will design the most effective strategy and positioning of Internal Audit in meeting stakeholder expectations. As part of the focus on the emerging risk profile, day 3 will be dedicated to fraud, corruption and bribery.

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COURSE LEADER



Robert B. (Rob) Sweitser




Robert B. (Rob) Sweitser is an internationally commended Audit and Risk Executive with a career of over 30 years in Financial Services. He has extensive experience talking about audit, governance, risk, compliance and culture at Board and Executive tables. Rob has served as the Chief Audit Executive at Westpac Banking Corporation in Australia, the bank praised as 'the most sustainable company in the world' in 2014. Prior to joining Westpac in 2010, Rob was the Chief Audit Executive of ABN AMRO, navigating the firm through the complex split up of the bank by the RBS consortium amidst the heat of the Global Financial Crisis. Rob started his career as external auditor and consultant at PriceWaterhouse Coopers.

Through direct interaction, Rob has gained valuable insights in Risk, Compliance and Internal Audit in some of the largest financial institutions in the world, including Bank of America, Citi Bank (USA), RBS, Barclays, Lloyds (UK), ANZ, CBA, NAB (Australia), Bank of Asia (Thailand), Antonveneta (Italy), Santander (Spain), Fortis and ING (Netherlands).

Born in The Netherlands (1964), Rob holds a Masters Degree in Economics from the University of Groningen, where he graduated cum laude. He finished his post-graduate university study in Auditing and is a Chartered Accountant in the Netherlands. He also is a Certified Internal Auditor with IIA and a Certified Information Security Auditor with ISACA.

As a service to the community and contribution to the audit profession, Rob held various positions at professional institutes, a university, a museum and a financial and insurance fund. Also, together with his wife Natasja, he has hosted various fundraising activities and charities to help fight brain cancer.

COURSE LEADER

-  **Presentations**
-  **Exercises**
-  **Case Studies & Group Discussions**

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WHO SHOULD ATTEND

- ✦ Director
- ✦ Chief Internal Auditor
- ✦ Chief Risk Officer
- ✦ Head of Compliance
- ✦ Head of Finance / CFO
- ✦ Head of Fraud & Inspection
- ✦ Head of Vigilance
- ✦ Account Managers
- ✦ Company Secretaries
- ✦ External and Internal Auditors
- ✦ Internal Audit Managers
- ✦ Audit Committee Chairs and Members
- ✦ Regulators
- ✦ Corporate Governance

PRE-CLASS QUESTIONNAIRE (PCQ)

To ensure that you gain maximum benefit from this event, a detailed questionnaire will be sent to you to establish exactly what your training needs are. The completed forms will be analyzed by the course trainer. As a result, we ensure the course is delivered at an appropriate level and that relevant issues will be addressed. The comprehensive course material will enable you to digest the subject matter in your own time. This training course is designed specifically for participants to work through a dedicated strategic planning process. It is a high-level, intensive and vigorous programme that will move rapidly. The trainer will introduce the sessions and then participants will have the opportunity to develop their own plan. It is an extremely practical training course where participants will spend considerable time working on their own ideas that will enable them to achieve superior performance within their personal work domains. This training course will contain case studies and learning principles from various organizations, which will enable participants a frame of reference from which they can then launch into their own activity.

BENEFITS OF ATTENDING

- ✦ Understanding the risk profile in the aftermath of the Global Financial Crisis
- ✦ Understand the increasing expectations of internal audit and improve the value add for stakeholders
- ✦ Deepen the understanding of the expanding Risk-universe and how risk strategies, control and culture help to maintain an acceptable level of risk
- ✦ Reassess the fundamentals and concepts of assurance within the Three Lines of Defense to help build your own world class internal audit strategy and framework meeting stakeholder expectations
- ✦ Discuss practical tools and techniques to deliver on the internal audit strategy
- ✦ Understanding the role and responsibility of the auditor in finding, investigating and reporting on fraud
- ✦ Discuss the fraud risks and how to approach forensic investigations
- ✦ Evaluate tools and techniques you use in your forensic work
- ✦ Working with legal counsel and lawyers and other specialist resources in forensic investigations
- ✦ Improving communications with the Board, Executives, Regulator and External Auditor
- ✦ Developing an advanced internal audit plan by leveraging– Strategy-Based Audit (SBA)
- ✦ Why audit committees and risk committee are demanding SBA?

OUR PAST ATTENDEES

Corporate Houses: • Abraxus Petroleum Corporation • Air Togo • Anglo American Platinum Corporation • Asenjo Energy • Ayala Corporation • Bamburi Cement • Bindura Nickel Corporation • Cell C • CT Holdings • Dragon Oil • Etisalat • Gold Fields • Goldman Insurance • Kenya Airways • Kumba Iron Ore • Kuwait Projects • Liberty Group • MCB Group Ltd • Messobo Cement • Middle East Oil Refineries • MTN South Africa • Naftal Petrol Services • Netcare • Nigerian Breweries Ltd • Olam International • Orascom Telecom PGN Malaysia Airlines • Pioneer Foods Rogers & Co. Ltd • RwandaTel • Samir Refining • Sanlam Insurance • Shell Petroleum Development Company • Sinopec-China Petroleum • Sogara Gabon • South African Breweries • Steinhoff International Holdings • TATA Africa • TELKOM Terracom • Toyota Kenya Ltd • Universal Robina Corporation • Vodacom • Wilmar International • Star life Insurance • Copper belt Zambia • Riozim • SIC insurance • Resolution Insurance • National Motors • Finca Zambia • Toyota Kenya • Turkys Group • NNPC • GNPC • Gail • STET Tanzania • Edgar Stores • Astra Zeneca • Anglo American • SabMiller • Dangote Group • Sanlam • Aspen Pharma • Remgro • Nedcro • Safaricom • Nestle Nigeria • Sonatel • Telecom Egypt • East African Breweries • Sun International • Unilever Nigeria • Nigeria LNG • PGS Group • GSK Nigeria • Sameer Group

Banking & Financial Institutions: • ABSA Bank • ACCESS Bank • African Banking Corporation • African Investment Bank • Alinma Bank • Arab African International Bank • Bank Audi • Bank Negara Malaysia • Bank of Baroda • Bank Windhoek • Barclays Bank • Capitec Bank • CDH Malawi • Central Bank of Zimbabwe • Chase bank • CIB Bank • CITI Bank • Commercial Bank of Oromia • DCB Bank Tanzania • Development bank of South Africa • Eco Bank • Equity Bank • Fidelity Bank • First National Bank Malawi • GT Bank • ICB Group Holdings • ICICI India • INDE Bank • Jordan Commercial Bank • Krungthai Bank Thailand • Mashreq Bank • Millenium BIM • Ministry of Finance Malaysia • National bank Malawi • National Bank of Kuwait • National Development Bank Botswana • NedBank • Reserve Bank of India • RHB Banking Group • Riyadh Bank • Samba Financial Group • Sasfin Bank • Skye Bank Nigeria • Standard Chartered Bank • State Bank of India • State Bank of Mauritius • Teba Bank • Zenith Bank

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Day 1: The environment

Session 1

Introduction

- ✧ Who is in the audience?
- ✧ Who is the facilitator?
- ✧ What do we want to learn, discuss, challenge?
- ✧ How will we go through the programme of the course
- ✧ Icebreaker

Group discussion of pre-class questionnaire

Session 2

The global risk outlook

- ✧ Aftermath of the Global Financial Crisis
- ✧ Global Economic Forum Davos risk map and trends
- ✧ An unlimited and expanding risk universe and only a defined and costly set of controls
- ✧ Making a company specific risk map
- ✧ Trends and developments in risk

Session 3

What is (most) important?

- ✧ Why do we manage risk?
- ✧ Why do we need assurance?
- ✧ How do we measure risk and control effectiveness?
- ✧ What is material?
- ✧ How do you explain the value to your stakeholders

Structured group discussions

Session 4

Governance and regulations

- ✧ Board role and expectations of internal audit
- ✧ Executive role and expectations of internal audit
- ✧ Regulators
- ✧ External auditor
- ✧ Control frameworks: COSO, SOX
- ✧ Trends and developments in governance and regulations

Session 5

Professional foundations and concepts of audit (compared to risk and compliance)

- ✧ Definitions of risk management, internal audit and compliance
- ✧ What is the audit proposition?
- ✧ Who are the primary stakeholders and what is the value add?
- ✧ Audit ethics: independence, objectivity, professionalism and confidentiality
- ✧ Balancing independent objective assurance against consultancy and advisory
- ✧ Professional standards and regulatory requirements (IFAC, Basel, IIA)
- ✧ Internal audit framework
- ✧ Organisational status and arrangements: Charters for the Audit Committee and the Internal Audit function
- ✧ Trends and developments in minimum expectations

Case study

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Day 2: Risk and Assurance

Session 6

Risk versus Control versus Culture

- ✧ Unlimited risk universe break down into classes: business risks, financial reporting risks, operational risks and regulatory risks
- ✧ Risk management: identification, measurement & management of risk
- ✧ Risk appetite and tolerance: defining, allocating and accepting risk
- ✧ Control set break down: Preventative, detective and directive controls
- ✧ Culture: an area of development
- ✧ Defining values and measuring culture
- ✧ Trends and developments

Case study: Group presentations

Session 7

Three lines of defense – a governance model

- ✧ Segregation of duties: Two sets of eyes, three or five.
- ✧ Who owns risk: if things go well and when it goes wrong?
- ✧ Who owns the controls: designs, implements and operates the controls?
- ✧ Who provides assurance?
- ✧ Three lines of defense model:
 - Management
 - Risk
 - Audit
- ✧ Separation versus collaboration between the lines

- ✧ Regulatory expectations
- ✧ Alternative arrangements within the model

Case study

Session 8

Questions that the Audit strategy need to answer

- ✧ Who is the (primary) stakeholder?
- ✧ Rules based or principles based?
- ✧ Controls based or outcomes based?
- ✧ Legal entity, functional or value chain?
- ✧ Risk based or cyclical?
- ✧ What is material?
- ✧ What are you primarily providing assurance over: Performance, Risk, Controls, Compliance, Reputation or Audit Risk?
- ✧ Gross risk or remaining risk: Placing reliance on management control, risk management, outsourced vendors or external audit?
- ✧ What is the required resourcing in terms of capacity and expertise?
- ✧ What is (not) in scope?
- ✧ What is (not) on the audit plan?
- ✧ How do you assure your understanding of stakeholder expectations and how do you make sure they agree with the plan?

Structured group discussions with presentations

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Day 3: Fraud

Session 9

Fraud

- ✦ Definition of fraud
- ✦ Fraud risks
 - Internal fraud versus external fraud
 - Red flags
 - Theft, embezzlement, extortion, blackmail
 - Financial statement fraud
 - Regulatory fraud
 - Tax evasion
 - Money Laundering and Terrorist Financing
 - Bribery
 - Corruption
 - Nepotism
- ✦ Fraud cases and what can we learn from them
- ✦ Fraud triangle
- ✦ The mind of the fraudster
- ✦ Trends and developments in fraud

Session 10

Auditor responsibility for fraud

- ✦ External audit
- ✦ Internal audit
- ✦ Management and Board responsibility
- ✦ Fraud prevention

- ✦ Looking for fraud - where does fraud sit in the audit plan and audit approach
- ✦ Finding fraud

Session 11

Forensic auditing

- ✦ Definition Forensic auditing
- ✦ Investigating fraud
 - The forensic investigation process
 - The forensic investigation techniques
 - Required expertise
 - Who should (not) be involved
- ✦ Reporting fraud

Session 12

Money Laundering and Terrorist Financing

- ✦ Definition Money Laundering and Terrorist Financing
- ✦ Anti-Money Laundering and Terrorist Financing Legislation
- ✦ Panama Papers

Case study

Session 13

Bribery

- ✦ Definition Bribery
- ✦ UK Bribery Act

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Session 14

Corruption

- ✦ Definition Corruption
- ✦ US Foreign Corrupt Practices Act
- ✦ Transparency International
- ✦ Siemens case

Case study

Session 15

Legal perspective

- ✦ Working with legal counsel and lawyers
- ✦ Audit evidence versus legal evidence
- ✦ Civil law and criminal law
- ✦ Legal privilege
- ✦ Non-disclosure agreements

Facilitated group discussion

Session 16

Panel discussion

- ✦ External auditor
- ✦ Lawyer
- ✦ Internal auditor

Course concludes

TESTIMONIALS

Nicely organized, friendly team of organizers & very good and useful course material.

CBZ Bank, Zimbabwe

Well Selected Trainer with Good Presentation Skills.

Stanbic Bank, Uganda

Very relevant Masterclass. Good trainer with International exposure & Multi cultural perspective.

CRDB Bank, Tanzania

I am very impressed. This is the best course I have ever attended. This course was quite an inspiration to think outside the box.

Nairobi Safari Club, Kenya

They are professional and highly motivated in introducing our company to quality investor groups of many varying types- in quite a few different cities. We have, and will continue to, recommend Quest on the Frontier to others.

Copperbelt, Zambia

Trainer is very experienced and made the masterclass interesting.

Valco, Ghana

A very well organised & coordinated event, great level of professionalism.

Kaduna Electric Distribution Company, Nigeria

High quality delivery of the content by the trainer. Good learning experience.

National Water and Sewerage Corporation, Uganda