

Financial Auditing for Internal Auditors

For internal auditors and managers who want to understand and expand their roles related to financial reporting, as well as those who simply need a refresher on financial accounting, this course is the ideal way to get up to speed. By exploring concepts that go beyond basic accounting, this course will enable participants to approach financial auditing with renewed confidence.

In this course, participants will learn how key business processes relate to financial statements, as well as the impact of technology on financial auditing. The course will walk participants through an analysis of an organization's financial statements using case study exercises, where participants will calculate key ratios and analyze trends over time. Finally, by taking on such topics as "common recipes for cooking the books" and engaging in discussions on both historic and current fraud cases, participants will learn how to recognize "red flags" in financial statement reporting.

Global Headquarters

247 Maitland Avenue

Altamonte Springs, FL

32701-4201 USA

T: +1-407-937-1100

F: +1-407-937-1101

www.theiia.org

Course Duration:

2 Days

CPE Hours Available:

16 CPE

Knowledge Level:

Intermediate

Field of Study:

Auditing

Prerequisites:

None

Advance Preparation:

Organizations bringing this course onsite will need to provide participants with computer access to complete exercises in Microsoft Excel.

Delivery Format:

On-site Training (Group-Live); Seminar (Group-Live)

Course Outline:

Accounting and Auditing Review

- Define key accounting terms.
- Understand accounting rules, equations, and basic principles.
- Demonstrate how journal entries are used for accounting purposes.
- Discuss the Financial Accounting Standards Board's (FASB's) GAAP hierarchy according to FASB Statement No. 162.
- Perform a risk assessment using the financial auditing process.
- Evaluate controls in the audit process by using finance-related management assertions.
- Review an IIA Practice Guide about formulating and expressing internal audit opinions.

Financial Statements – Overview

- Review the characteristics of key financial statements.
- Recognize the flow of information from source documents to financial statements.
- Identify the components of a financial balance sheet.
- Distinguish where in an income statement financial accounts should appear.
- Calculate key ratios from a company's financial statements.

Business Processes and Accounting

- Differentiate between management-level reporting and consolidated financial statement-level reporting.
- Analyze data using horizontal and vertical analysis.
- Describe revenue process activities and associated rules.
- Describe procurement process activities and associated rules.
- Describe fixed asset process activities and associated rules.
- Recall key revenue, liability, and inventory-related ratios.
- Practice using a risk assessment template to analyze risks, and design and test controls.

Recipe for Cooking the Books

- Identify the basic elements of an accounting scandal (fraud).
- Discuss the five most common financial “games.”
- Calculate financial indices to use in analyzing data.

Technology and Accounting

- Discuss the risks and control breakdowns of User-developed Applications (UDAs) and best practices for controls over UDAs.
- Describe how to minimize risk and limit exposure in using spreadsheets.
- Discuss how Enterprise Resource Planning (ERP) supports and automates business processes.
- Identify audit techniques to use in performing an application review of a financial audit.