

Persuasive Evidence

Convincing Management through Audit Evidence

Course Overview

MAJOR TOPICS

- A Simple View of Control
- Management Controls vs. Internal Controls
- Using the COSO Control Framework
- Internal Control Policy for the Organization
- Audit Evidence and the Standards
- Efficient Workpaper Preparation
- Basic Probability Theory
- Sample Sizes and Methods of Selecting Samples
- Presenting Audit Issues to Management
- Writing Audit Reports that get Action

Auditors sometimes worry about “selling” recommendations to management. But “selling” is not the right word – that implies management needs to be persuaded to have effective internal controls. They don’t. Management fully understands the importance of controls, and will accept any recommendation that truly adds more value than it costs.

What management doesn’t want is an auditor’s “opinion” about how something should be done, unless that auditor truly has the process-level business experience and expertise to know a better way. And even then, if another equally-experienced auditor would offer still another way of doing the same thing, management doesn’t know who to believe. Couple that with our ability to “force” management into doing something by writing an audit finding, and we have all the makings for major disagreements between auditors and managers and even audit managers. Selling won’t help.

Auditing internal controls should be more consistent than that. Different audit teams should be consistent enough in their work to identify exactly the same internal controls in the same situation. Most of the time, auditors can’t do that – it’s one of auditing’s dirty little secrets – we are really not very good or consistent at identifying internal controls.

This course is designed to change all that.

OBJECTIVES

- Sharpen control identification and evaluation skills
- Develop agreement in advance with management on required controls
- Gather sufficient audit evidence through effective sampling
- Prepare effective and efficient audit workpapers
- Learn ways to present audit issues that management will always address

Course Leader:

Larry Hubbard is a professional trainer and consultant with a broad background in accounting, auditing, and finance. Prior to founding Larry Hubbard & Associates, Larry’s work experience included Mobil Corporation and Ernst & Young.



COURSE FLOW

Control and Risk Fundamentals

- A Simple View of Control
- What's Not a Control
- Control and Risk Frameworks
- The COSO Map
- Risk Matrix Alternatives
- Risk Assessment Errors
- An Internal Control Policy

Audit Evidence

- What the Standards Say
- Workpaper Techniques
- What Constitutes Sufficient Evidence?
- Statistical and Non-Statistical Sampling

Presenting Audit Findings

- It's all about Criteria
- Are You Reporting On Symptoms or Problems or Controls?
- Audit Opinions
- Determining the Importance of Audit Issues
- Influencing and Coordinating Management Responses to Issues

Administration:

No advance preparation or prerequisites are necessary for this course. The program level is basic. The delivery method is Group-Live and 15 CPE hours in the Auditing field of study are available.

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