Index

Page numbers with f or t indicate figure or table.

Abdolmohammadi, M. J., 78	compliance, 98
Active listening, 254	financial, 97
Adamec, B., 83	follow-up, 101
Add value. <i>See</i> Value	forensic, 101
Advisory services. See Consulting	integrated, 96
services	IT, 98
Aghapour, A. H., 13	management-initiated review, 101-102
Analytical auditing procedures, 242	performance/operational, 99–101
Anderson, R. J., 164, 296	plan. See Engagement plan
Annual audit planning, 203–224	thematic, 102
approval, 220	Auditable areas, 204, 246
budget, 217–218	Audit committee:
flexible, 219	chair, 39
formats, 219–220	providing value to, 81–83
interfaced, 216	report, 269
objectives-based, 204	Auditee, 245
resource allocation, 217–219	Audit evidence, 249–252
risk assessment, 205–210	Audit manual, 193–196
risk-based, 205–210	Small audit shop, 311-312
rolling audit plan, 2?0	Audit notification memorandum, 229
small audit shop, 312-313	Audit report. See Engagement report
Aristotle, 47	Audit sampling, 227, 239–242
Armstrong, Gibby, 54–55	Audit support activities, 117
Assurance, 97–103	Audit universe, 211–213, 312
combined, 102	Auditor General of Alberta, 142
control, 116	Australian Government Fair Work
level of, 231	Ombudsman, 173
value-added, 102	Australian Independent Commission
Assurance map, 213–215, 297	Against Corruption, 129
Assurance providers, 213	Australian National Audit Office, 80
Assurance services, 97–103	Authority, 131–133
small audit shop, 309	
ASX Corporate Governance Principles	Bahrmam, P. D., 309
(2010), 110	Balanced scorecard, 18-19
Audit. See also engagement	diagram, 19 <i>f</i>
conduct, 249–266	internal audit, 30, 31f

3GBINDEX 08/14/2014 15:53:21

Page ccclxviii

368 Index

Baker, Neil, 128, 205, 267 Client: Benchmarking, 243 engagement, 227-229 IIA GAIN Study, 57–58 liaison, 146 Bentley, M., 177 meetings, 227-228 Blackburn, Dr. Sarah, 36, 164, 231 satisfaction, 56-57 Branson, Richard, 169 Code of Ethics, IIA, 9-10, 83 Brink, Victor, 4 Cole, K., 143, 175 Brody, M., 287 Committee of Sponsoring Organizations Budget, internal audit, 89, 217-218 of the Treadway Commission Buffett, Warren, 14 (COSO), 32 Common Body of Knowledge (CBOK), Burch, S., 88, 123, 156 Business continuity plan (BCP), 89 Communication, 267–293 Butchatsky, O., 177 Byrne, J. T. S, 4 accurate, 282 clear, 282 CAE. See Chief audit executive complete, 284 Cameron, M., 300 concise, 283 Capability maturity model, 20 constructive, 284 objective, 282 Capability planning, 88–89, 142–149, 175 timely, 285 process, 143f Community of practice, 297 Competency, 144–145, 175 Carnegie Mellon Software Engineering Institute, 20 framework, 145 sets, 179*f* Cathcart, R., 132, 236 Causal issues. See Root cause analysis team-wide planning, 175 Cecere, M., 62 Compliance audits, 98 Certified Information Systems Auditor Computer-assisted audit techniques (CISA), 145 (CAAT), 243 Certified Internal Auditor (CIA), 145 Conduct. See fieldwork Chambers, A. D., 306 Confidence interval, 240 Chambers, Richard, 164 Confidence level. 240 Charter, internal audit 127, 133–135 Conflict, 273-276 authority, 131 culture, and, 275 elements, 134f managing, 274-275 stages, 273-274 small audit shop, 309 strategic context, 124 understanding, 273 review of, 134 Conflict of interest, 129 Cheskis, A. L., 299 framework for managing, 129 Chia, Karen, 155 Consulting services, 102–105 Chief audit executive (CAE): small audit shop, 309 advantages of in-house, 163 Continuing professional development. characteristics of, 164 See Professional development management responsibilities, Continuous improvement, 14-15 130 cycle, 15 responsibility for quality, 39 Coram, P. C., 116 role of, 163 Co-sourcing. See Sourcing models Churchill, Winston, 225 Covey, Stephen, 267 Clarke, C. C., 275 Craig, T., 253

3GBINDEX 08/14/2014 15:53:21 Page ccclxix

<u>Index</u> 369

Critical thinking, 255	quality, 282–285
Cuzzetto, C. E., 306	ratings, 280–281
	recommendations, 279
Darius the Great, 3	verbal, 286
Data analysis, 98, 190, 142–143	Engagement risk assessment, 87,
Data collection, 178, 239–242	245–246
Deakin University Australia, 84	Engagement working papers. See
Definition of Internal Auditing, 3, 123	Working papers
Deming, J. Edward, 14–15	Enterprise risk management (ERM), 114
Deming cycle, 15 <i>f</i>	Environmental scanning, 234
Didis, S. K., 283	Equal Opportunity Act (2010) (Victoria,
Direct observation. See Observation	Australia), 150
Disaster recovery (DR), 89	Ethics:
Dixon, G., 62	ethical decision making, 171
Drucker, Peter, 295	ethical practice, 170–171
Due professional care, 170	European Court of Auditors, 99, 100
Durmisevic, A., 314	Evidence, engagement, 249–252
Duffinsevic, A., 314	appropriate, 251
Eldridge C 164	relevant, 251
Eldridge, C., 164	
Engagement, 95–97. See also audit	degree of persuasiveness, 250
communication, 276–288	direct observation, 252
criteria, 231–232	great, 250
functional, 96	reliable, 251
integrated, 96	sufficient, 250
program-based, 96	written, 252
scope, 232–233	Executive management support, 132
subobjectives, 231	Expectations of internal audit:
timing, 227	gap, 78–79
Engagement evidence. See Evidence,	reconciling, 79
engagement	setting, 79
Engagement plan, 225-248	External audit, coordination with, 216
methodology, 237-244	External quality assessment, 61–71
milestones, 245	full, 65–66
objectives, 230–231	justifying the expense of, 65
options paper, 243	peer review, 68–69
process mapping, 238	opinion on, 69–70
resourcing, 244	process for undertaking, 66f
risk assessment, 234-236	self-assessment with independent
Engagement program/work program,	validation, 67–68
237	type of, 64–69
Engagement report, 276–288	value of, 62–63
agreed management actions, 279	External quality assessor, 64
better practices, 277	
executive summary, 277–278	Falconer, T., 152
findings, 278	Fazlik-Frjak, B., 314
positive, 279–280	Federal Accountability Act (2006)
follow-up, 288–289	(Canada), 8
opinions, 280	Fieldwork, 249–266

3GBINDEX 08/14/2014 15:53:22 Page ccclxx

370

Grobler, Judy, 67 Figueiredo, Ana, 56–57, 175, 189 Guest auditor, 155 Financial audits, 97 Financial Reporting Council (UK), Häge, Max, 63 106 Harrington, H. James, 25 Finding, 257-258, 278 Health check, 41, 53–55 cause, 258 HM Treasury, 159 condition, 258 Internal Audit Records Management criteria, 257 (2011), 197effect, 258 Hollyman, Greg, 269 Fishbone diagram, 256f Holt, J. E., 132, 143 HR planning. See Workforce planning Fitzpatrick, G., 89 Flesher, D. L., 4 HR processes: Flexible work practices, 149-150 delegation, 146 Follow-up audit, 101 discrimination, 150 Ford, Henry, 13 exit interviews, 153 Forensic audit, 101 induction, 153 Fraud: job design, 146 recruitment, 151-155 investigation, 101 responsibilities (CAE), 130 retention, 151–155 risks, 115 cultural considerations in, 152 rotation, 154 secondment, 154 Global Audit Information Network survey, 57–58 succession planning, 154 Gainsford, Len, 162 Hubbard, L. D., 257 Gaukroger, Alan, 261–262 Gering, M., 19 IIA. See Institute of Internal Auditors Gandhi, Mahatma, 305 IIA Advanced Diploma (Chartered Giard, Y., 62 Institute of Internal Auditors), Gleim, I. N., 251 Goh Boon Hwa, 282 IIA Diploma (Chartered Institute of Goh Thong, 284 Internal Auditors), 145 Goodall, G., 62 IIA Position Papers: Governance, 106–113 7 Attributes of Highly Effective Internal auditing, 106-113 Auditors (2013), 174 discrete audits, 109-110 Three Lines of Defense in Effective Risk embedded audits, 109 Management and Control framework audit, 110-111 (2013), 116IIA Practice Advisories: types of audit, 108f planning to assess, 111–112 1110-1 (Organizational questions about, 112-113 Independence), 126 responsibility for, 107–108 2010–1 (Linking the Audit Plan small audit shop, 309 to Risks and Exposures), Graduate Certificate in Internal Auditing (IIA-Australia), 145 2110-1 (Governance: Definition), Graham, Ben, 14 Gray, R. E., 282 2110-2 (Governance: Relationship Greenawalt, M. B., 255 with risk and control), 108

3GBINDEX 08/14/2014 15:53:23 Page ccclxxi

2110-3 (Governance: Assessing the	2000–Managing the Internal Audit
adequacy of the risk	Activity, 26, 80, 203
management process), 108	2010, 205, 312
2410–1 (Communication Criteria),	2010.A1, 205
257, 278	2010.C1, 104
IIA Practice Guides,	2020, 220
Assisting Small Internal Audit	2040, 190, 312
Activities in Implementing the	2050, 213
Standards (2011), 305	2060, 43, 268
Developing the Internal Audit	2070, 163
Strategic Plan (2012),	2100–Nature of Work, 106
76–77	2120, 114
Measuring Internal Audit	2120.A1, 114
Effectiveness and Efficiency	2120.A2, 115
(2010), 35	2120.C3, 114
Quality Assurance and Improvement	2130, 116
Program (2012), 41, 62, 70	2130.A1, 108
IIA Standards, 8–9	2200–Engagement Planning, 226
1000–Purpose Authority and	2210, 230
Responsibility, 131	2210.A. ² , 230
1000.A1, 97	2210.A3, 231, 234
1000.C1, 104	2210.C1, 230
1010, 134	2230, 244
1100–Independence and Objectivity,	2240, 226
128, 171	2240.A1, 237
1110, 125, 308	2300–Performing the Engagement, 250
1110, 123, 300 1110.A1, 128, 308	2310, 239, 262
1111, 125	2330, 262
1110, 125, 308 1110.A1, 128, 308 1111, 125 1120, 171 1130, 171	2330.A1, 197
1130, 171	2330.A2, 197
1130, 171 1130.A1, 172	
	2330.C1, 197
1130.A2, 128, 368 1130.C2, 172	2340, 52
1200–Proficiency and Due	2400–Communicating Results, 276
<u>-</u>	2410, 276
Professional Care, 144	2410.A1, 280
1210, 144	2410.A2, 280
1210.A1, 156	2420, 282
1210.C1, 104	2440, 276
1220, 170	2440.A2, 198
1220.A1, 170	2440.C2, 269
1220.A2, 243	2450, 280
1230, 178	2500–Monitoring Progress, 288
1300–Quality Assurance and	2600–Communicating the Acceptance
Improvement Program, 39, 163	of Risks, 269, 290
1310, 33	Independence:
1311, 42	internal audit, 128–129
1312, 43, 62	key principles, 129
1320, 43	small audit shop, 308–309

Independent validation, 67–68	information security, 197–198
Influence, 127, 271–272, 285–286	mapping processes, 192
Information technology (IT) audits, 98	quality assessment, 196
Insight, 54–55, 285–286	small audit shop, 311–312
Institute of Internal Auditors, The, 4–5	staff safety and physical security, 199
board of directors, 4	types, 191 <i>f</i>
chapters, 4	Internal audit strategy, 28, 73–92
global institutes, 5	inputs, 29f
Integrated auditing, 96	key elements, 76f
Internal assessment, 47–60	small audit shop, 307–308
benchmarking, 57–58	Internal auditor:
health checks, 53–56	competency, 144–145
maximizing the value of, 53–54	experience, 142–143
processes for embedding quality,	proficiency, 144–145
41–54	Internal control questionnaire, 241–242
periodic self-assessment, 53-56	Internal quality assessment. See Internal
small audit shop, 314	assessment
Internal audit:	International Organization for
annual report, 302	Standardization (ISO), 18
areas of responsibility, 106–117	International Professional Practices
budget, 89	Framework (IPPF), 8–10
charter, 127, 133–135	International Standards for the
small audit shop, 309	Professional Practice of Internal
definition, 3, 123	Auditing. See IIA Standards
history, 3–4	Interview, 252–255
	conducting, 253
in Canada, 8	preparing for, 253
in Japan, 6	scheduling, 253
in Australia, 7 in Canada, 8 in Japan, 6 in Portugal, 6	semi-structured, 253
in the United Kingdom. 7	structured, 253
in the United States, 6	techniques, 239
inputs, 27–29	ISACA, 145
manual, 193–196	Ishikawa, Kauru, 17
outcomes, 30	Ishikawa diagram, 256f
outputs, 30	ISO 9000, 18
position in the organization, 124-127	Issues paper, 259
reporting lines, 125 <i>f</i>	
risk assessment, 86-87. See also	Job design, 146
engagement risk assessment	Jobs, Steve, 61
roles, 78 <i>f</i>	Johannessen, Rune, 226, 278
stages, 191 <i>f</i>	Johnson, G. H., 273
stakeholder understanding of, 77	Johnson, Vanessa, 102, 283
structure, 87–88, 124–127	Joscelyne, J. Graham, 40
types of, 5	Juran, Joseph, 16
vision, 78	Quality Control Handbook, 16
Internal audit policies and procedures,	-
190–193	<i>Kaizen</i> , 15–16
human resources, 197	Kansayaku, 6, 77, 106

3GBINDEX 08/14/2014 15:53:24 Page ccclxxiii

<u>Index</u> 373

Kaplan, Robert, 18	emerging, 48
Kapoor, G., 132, 236	established, 48
Kaye, S., 286	foundation, 47
Keating, G., 289	leading, 48
Keith, J. T., 256	Maturity model, 20–21
Keyhoe, D., 177	inputs, 51f
Key process area, 21	internal audit, 32, 32f
quality indicators, 50f	key process area, 49f
Kilmann, 274	outcomes, 30
King III (2010), 110	outputs, 30
Kinsella, D., 63	sample model, 20f
Knowledge management, 295-298	McDonald, Bob, 148
	Memorandum of understanding, 85
Le Caré, John, 95	Mentoring, 177
Leadership, internal audit, 165	Middleton, Bill, 132
Leandri, S., 296	Milne, A. A., 187
Legislation, 124	Morita, Takuya, 65
Lindberg, D., 254	Motivation, 165, 175
Lipp, G. D., 275	Motorola, 17
Logic model, 19–20, 30	Mukherjee, il., 295
inputs	Murdock, H., 146
internal audit, 36f	Muray, A., 3
outputs, 30	Musashi, Miyamoto, 75
outcomes, 30	20
sample logic model, 20f	Nature of work, 106–107
Louw, G. J., 152	small audit shop, 309
Lynn, Mike, 53–54, 64, 272	Ng-Yip Chew Ngoh, Constance, 142
	Norton, David, 18
MacDonald, C. B., 63	
Maiyo, P., 174	Objectivity, 171–172
Management, better practices,	Observation, 239, 252
52–53	OECD, Principles of Corporate
Management information,	Governance (2004), 106, 110
Management initiated review (MIR),	Ongoing internal monitoring, 47–51
101–102	small audit shop, 314
Management responsibilities (CAE), 130	Ooi, Chin, 307
Manchanda, A., 63	Operational audit, 99–101
Mandate, 123–124	Opinion:
Marketing, 298–302	engagement, 280
collateral, 301	overall, 280
plan, 298–299	Options paper, 243
strategy, 298–299	Organizational context, 124
website, 299–300	Outsourcing, responsibility for quality,
Martin, A. G., 115	40–41
Martinez, Cesar, L., 228, 299	
Maturity ladder, 48f	Pak Tee Ng, 297
Maturity level, 47–48	Park, P., 164
embedded, 48	Pastor, J., 273, 275

Paterson, J., 26, 101	Professional practices, 28, 187–201.
PDCA Cycle. See Deming cycle	See also Internal audit
Peer review, 68-69. See also External	manual
assessment	building, 189 <i>f</i>
round robin, 69f	elements, 188f
Performance, 14	inputs, 29 <i>f</i>
measurement models, 18-21	modernizing, 189
measures, 32–37	Professional standards: See also IIA
balanced scorecard, 18-19	Standards
SMART, 36–37	Policy on Internal Audit–Canada
metrics, 33–35	(2012), 8
adequacy, 34	need for, 11
effectiveness, 34	Public Sector Internal Audit
efficiency, 34	Standards–UK, 7
output, 34–35	Proficiency, 144–145
outcome, 35	small audit shop, 310
Performance audit, 99–101	Program logic, 30
differences to financial audit, 101	sample program logic, 27f
economy, 100	Purpose, internal audit, 123–123
effectiveness, 99–100	
efficiency, 99	Quality, 13
Performance management, 172-174	assurance, 16
360-degree feedback, 173	circles, 17
annual staff appraisals, 173	control, 16
peer reviews, 173	drivers, 26–30
performance reviews, 172–173	compliance based, 26
post-engagement reviews, 172	demand based, 26–27
staff satisfaction surveys, 173	framework, 24–25
underperformance, 173-174	improvement, 16
Periodic self-assessment, 53-55	management systems, 14–18
Personal qualities, 147-148	planning, 16
Presentations, 286-227	processes for embedding, 51-52
Process mapping, 238	reporting on, 43
Procurement of service providers,	responsibility for, 38f
156–161	board and audit committee,
common contract provisions, 160t	38–39
Professional attributes, 169–172	chief audit executive, 39
Professional development:	senior management, 39
individual, 177–179	team, 55–56
interpersonal skills, 179	triangle, 14 <i>f</i>
management training, 179	Quality Assurance and Improvement
mentoring, 177	Program (QAIP), 41–43
small audit shop, 311	external quality assessment, 42–43
team development, 174–177	61–71
technical skills, 178–179	framework, 42
Professional membership, 180	internal assessments, 41–42, 47–60
Professional networking, small audit	reporting on quality, 43
shop, 311	small audit shop, 306–307

3GBINDEX 08/14/2014 15:53:26 Page ccclxxv

Quality assessor, 64	targeted, 240
Questionnaires, 241–242	Sarbanes-Oxley Act (2002), 6, 79
	Sarens, G. L., 102
Ratio analysis, 243	Sarros, J. C., 177
Ratliff, R. L., 130	Sawyer, L. B., 253
Reasonable person test, 250	Schleifer, L. F., 278
Recommendations. See Engagement	Schwartz, B. M., 85, 279
report, recommendations	Secondment, 154
Reding, K. F., 114	Seipp, E., 254
Reeb, W., 300	Self-assessment with independent
Report. See Engagement report	validation, 67–68
Resource allocation, 244–245	Quality Assurance Validation Group
Resource planning, 87–89	(Singapore), 69
Retna, K. S., 297	small audit shops, 68, 314
Rezaee, Z., 77, 267, 128	Service delivery models, 155–163
Rickard, P., 298, 299	Shimizu, Takeshi, 77
Ridley, J., 306	Six Sigma, 17–18
Risk:	5 Whys, 256–257
activity, 206	DMAIC process, 17
annual planning, 205–211	Motorola, 17
assessment, 86–87	Small audi shop, 305–315
consequence, 209	delivering value, 304–307
engagement, 87	nature of engagements,
environment, 207	Smith, G., 271
external, 205	Sobel, P. J., 114
fraud, 115	Sørlie, Trygve, 75–76, 127, 204
internal audit, 86–87	Sourcing model, 88–89, 155–163
likelihood, 208	advantages and disadvantages of,
internal audit, 86–87 likelihood, 208 materiality, 210 organizational, 206–207	157, 161
organizational, 206–207	co-sourcing, 156
people, 207	insourced, 156
ratings, 208–209	outsourced, 156
Risk management, responsibility for,	quality of providers, 161
113, 130	procuring service providers,
Rolling audit plan, 220	156–161
Roosevelt, Theodore, 141	types, 158 <i>f</i>
Root cause analysis, 255, 284	SOX. See Sarbanes-Oxley Act (2002)
Rosenfeld, M., 26	Spencer Pickett, K. H., 216, 280, 301
	Stace, R., 17
Sadri, G., 275	Staffing, 28, 141–168
Salierno, D., 312	elements, 142f
Sampling, 239–242	flexible work practices, 149–150
confidence interval, 240	guest auditor, 155
confidence level, 241	inputs to, 28–29
nonstatistical, 241	personal qualities, 147–148
random, 240	small audit shop, 309–311
sample size, 240	turnover, 154
statistical 239–241	Staff meetings, small audit shop, 315

3GBINDEX 08/14/2014 15:53:29

376 Index

Page ccclxxvi

Stakeholder: Total quality management (TQM), expectations, 75-76, 123 16 - 17Trend analysis, 242 external, 270 internal, 268–270 Trump, Donald, 203 internal audit, 77 Tuckman, B., 174 mapping, 268f Turner, Bruce, 81–83 needs, 267-270 UK Corporate Code (2012), 110 understanding of internal audit, 77 understanding of value, 26 Strategic human resources (HR) Value, 14 planning. See HR planning determining, 78-80 Strategy: See also Internal audit strategy delivering, 26 context, strategic, 124 guiding, 83-85 maximizing, 144 conversations, strategic, 75–76 Stewart, Tom, 295 proposition, 78-85 Stokka, Teis, 272 planning to deliver, 85-86 Style Manual: For Authors, Editors and service level agreement, 85 Printers, 283 small audit shop, in a, 305–309 Succession planning, 154 statement, 84–85 Supervision, 52–53 Value for money audit, 99-101 small audit shop, 313 Van Buren, Martin, 249 Surveys, 241-242 Venkatraman, G., 19 Vision, internal audit, 78 Systems under development, 105 Website, internal audit, 299–300 Tan Peck Leng, 144, 285 Tarling, Phil, 123, 270-271 Weissman, J., 287 Tay, Eileen, 176 Wueste, B., 263 Team meetings, 177 Workforce planning, 143-144 small audit shop, 315 Working papers, 262–264 Teamwork, 174 automated, Thomas, Archie R., 79, 104 ownership of, 160 Three lines of defense 116 small audit shop, 314 Time recording, 36 Tolley, Matt, 210 Yamoah, E. E., 174

MtD. Indiana. Spookshop. Com

MtD. Indiana. Spookshop. Com

http://www.bbookshop.com

Http://www.bbookshop.com