Operational Auditing: Influencing Positive Change

Now in recovery after a major global economic crisis, companies are reshaping their strategies to achieve sustainable business growth in new ways, and continuing to seek value creation through improved operational performance – including dimensions of quality, speed, agility, efficiency, environment, customer value, and cost.

Management is therefore focusing on initiatives and issues that impact upon the operating models of business activities and processes, such as environmental stewardship, operational excellence, supply chain optimization, offshoring, talent mobility, innovation, and cloud computing to name a few. Given these dynamics, internal audit is in a unique position to influence value enhancement efforts. This is achievable through Operational Auditing.

The era of Sarbanes-Oxley seriously diminished the activity of Operational Auditing in many audit shops, whereby today its concept is somewhat misunderstood, the diversity of its scope curtailed, and a new generation of internal auditors are unsure of its application. The IIA’s response to address this dilemma is a training program that aims to invigorate and revitalize Operational Auditing to its rightful place in the internal auditing toolkit.

Participants will get to explore current and emerging business trends and issues across industry sectors. They will also discover that operational auditing plays an important role in today’s business environment well beyond the realm of money, compliance, and traditional internal controls, and into the realm of a trusted business partner influencing management’s pursuit of operational excellence.

They will also learn how to employ various methods, tools, and skills to collect and analyze operational information and data, identify causes of operational issues and risk exposures, and develop solutions to enhance the operational performance of business activities, processes, and / or resources deployed across the organization.

This highly interactive and dynamic program engages participants through group sharing, focused activities, and case study based simulations.
This course is most appropriate for:

- Chief audit executives, audit directors, audit managers, audit team leads, with 2+ year’s practical auditing experience, and who are looking to integrate operational auditing into their service offering or enhance the value of operational auditing services provided to the organization.
- Business managers responsible for ensuring effective use and management of corporate resources, who want to evaluate and improve the operational performance of business activities, processes, and / or resources deployed.
Course Duration:
2 Days

CPE Hours Available:
16

Knowledge Level:
Intermediate

Field of Study:
Auditing

Prerequisites:
None

Advance Preparation:
None

Delivery Format:
Seminar, eLearning, On-site
Course Outline

Dynamics of Operational Auditing

- Determine the factors that influenced past trends in operational auditing.
- Examine operational auditing today in terms of its changing nature, and the application of alternative methods and tools vs. traditional audit steps.
- Identify operational audit opportunities across the entire organization.
- Construct a value proposition to communicate how internal audit can be a high-impact partner in creating business value.

Value Centric Skill Sets and Knowledge

- Determine how to drive a positive change in management’s mindset about the internal auditor and internal audit activity.
- Assess your current level of technical and business knowledge.
- Assess your current level in value centric skill sets.

Planning for Success

- Recognize the key aspects of, and differences in, planning for operational audit engagements.
- Employ different sources of information to build business and technical knowledge during project planning.
- Prepare effectively for discussions with client management to achieve the meeting objectives.
- Create objectives that identify what the operational audit is intended to accomplish.
- Examine the relationship between, and need to align, the objectives, scope and approach to performing the operational audit engagement.
The Risk-Based Operational Audit

- Identify the assumptions associated with a risk-based approach to operational auditing.
- Discuss risk-based terminology to ensure a common understanding.
- Appraise alignment of operations objectives with the organization’s mission and strategic objectives.
- Evaluate performance measurement criteria for operations objectives.
- Determine which operations drive value creation.
- Predict potential risk events in relation to operations objectives and goals.
- Develop risk statements.
- Develop measures to assess the impact and likelihood of potential risk events.
- Discover operations focused controls and methods to manage risk and realize opportunities.
- Decide the appropriate tools and techniques to document operating information.
- Assess the design of operations focused control and methods.
- Evaluate the operational performance of risk management strategies.
- Develop alternative solutions to address operating issues.
- Convince client management about the value of proposed solutions.

The Process Oriented Operational Audit

- Describe the application of business process improvement concepts to an operational audit.
- Outline the components of business processes.
- Assemble baseline data and information.
- Utilize process models and analysis tools to discover issues and improvement opportunities.
- Apply process improvement techniques.
- Illustrate proposed changes.
- Outline the benefits and improvements.
- Describe the importance of testing and measuring process changes.
The Performance Driven Operational Audit

- Explain the application of benchmarking concepts to an operational audit.
- Determine the operations to benchmark.
- Define relevant and appropriate benchmarking measurement criteria and indicators.
- Perform comparative analysis to identify performance gaps and opportunities.
- Summarize benchmarking results.
- Evaluate potential performance improvement opportunities.
- Discuss benchmarking results with client management.

Creating a Positive Impact

- Assess the impact of various reporting approaches, and structure.
- Examine stylistic factors and persuasive strategies to attain buy-in to the results.