2024 INTERNAL AUDIT

WEBCAST SERIES

Course 5

SKILLS DEVELOPMENT

Project Management for Internal Audit

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IBDO

BDO and Our
Internal Audit
Webcast Series

Steven Gin, CISA

PRINCIPAL, RISK ADVISORY SERVICES

Steven Gin is a Principal at BDO where he serves as the Southern California Risk Advisory Services practice leader. Steven has more than 20 years of experience in delivering internal audit, SOX compliance, and risk and controls consulting solutions to Fortune 500, middle-market, and pre- and post-initial public offering (IPO) companies. Steven's experience prior to joining BDO includes progressive roles in national and regional public accounting firms and corporate internal audit for a public filer.

Steven's experience includes SOX implementation and readiness, SOX compliance, IT audit and assessments, segregation of duties assessment and remediation, establishing and supporting co-sourced and outsourced internal audit functions, and enterprise risk management and assessments. He has also previously served his clients by providing financial audit, IT audit, and third-party attestation reporting services.

310-557-8276
sgin@bdo.com

EDUCATION

▶ B.A., Economics
University of California,
Los Angeles

PROFESSIONAL AFFILIATIONS

▶ Certified Information Systems Auditor – CISA

▶ Institute of Internal Auditors

▶ ISACA

Debbie Richards

PRESIDENT, CREATIVE INTERACTIVE IDEAS

Debbie Richards, a seasoned learning architect and self-proclaimed tech enthusiast, is a pioneer in technical writing for learning technologies. With over three decades of experience, she has consistently guided enterprise teams in crafting immersive learning programs that yield tangible results. Her expertise is creating a well-defined vision and roadmap, uniting various tools, platforms, and content into user-friendly, scalable solutions that deliver exceptional user experiences

Her commitment to the field extends beyond her professional role, as she passionately mentors fellow learning professionals and holds a director position at L&D Cares, a nonprofit organization dedicated to providing coaching, mentoring, and resources to talent development professionals, enabling them to excel in their careers.

In addition to her remarkable career achievements, Debbie's contributions to the learning community are evident in her role as the past president of the Association of Talent Development, Houston chapter, and as a former national advisor for ATD chapters. Her dedication to knowledge dissemination is further demonstrated through her authorship of "Seeing the Possibilities With Augmented Reality" and "Preparing Your Organization for New Technologies" publications in ATD's TD at Work series.

Debbie's profound impact on the learning industry is exemplified by her recognition as a "Guild Master" by the Learning Guild in 2022. This prestigious accolade acknowledges her consistent and high-quality contributions to the community, transforming it into a thriving hub for learning and innovation.

713-523-0888
debbie@cre8iveii.com

Learning Objectives

Define key characteristics of high-performing project management teams

Discuss key factors to consider when identifying who should be involved

Describe the importance of well-developed project plans and risk management

Discuss skills, tools, and best practices for ensuring successful project management

Agenda

▶ Introduction

▶ Building a High-Performing Team

▶ Identifying and Engaging Stakeholders

▶ Planning for Success

▶ Navigating Project Risks

▶ Tools and Techniques for Success

▶ Measuring Success and Continuous Improvement

▶ Q&A and Conclusion

The Evolving Role of Internal Audit

Shifting from Compliance to Strategic Role

- ▶ Moving beyond traditional compliance audits
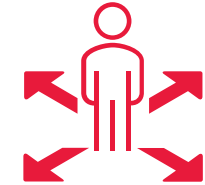- ▶ Taking on a more strategic role within the organization

Increased Focus on Risk Management and Governance

- ▶ Proactive approach to risk management
- ▶ Enhanced governance practices

Growing Demand for Data Analytics and Technology Skills

- ▶ Importance of data analytics in decision-making
- ▶ Need for advanced technology skills

Agility and Adaptability in a Changing Business Environment

- ▶ Proactive and adaptable mindset
- ▶ Skills to navigate a complex business landscape

Why Project Management Matters in Internal Audit

▶ Increased efficiency and effectiveness of audits
  - Streamlined audit processes
  - Consistent high-quality work

▶ Improved stakeholder satisfaction
  - Better communication with stakeholders
  - More valuable assurance to the organization

▶ Reduced risk of project failure
  - Application of project management principles

▶ Enhanced communication and collaboration

▶ Better resource allocation and utilization

▶ Alignment with professional standards (e.g., IIA Standards)

▶ Enhanced reputation of the internal audit function

Knowledge Check#1

How familiar are you with project management principles?

A   Very familiar

B   Somewhat familiar

C   Not very familiar

D   Not at all familiar

What is Project Management?

▶ **Structured Approach to Project Management**

- Planning, executing, monitoring, controlling, and closing projects

- Coordination of Key Elements

▶ **People, resources, and processes**

- Achieving specific goals and objectives

▶ **Applicability**

- Wide range of projects, from simple to complex

Key Characteristics of High-Performing Project Teams

▶ **Clear roles and responsibilities**
- Utilize RACI matrix

▶ **Strong communication and collaboration skills**
- Active listening
- Feedback

▶ **Shared commitment to project goals**
- Shared vision
- Team charter

▶ **Diverse perspectives and expertise**

▶ **Proactive problem-solving approach**

▶ **Trust and mutual respect**

▶ **Effective leadership and decision-making**
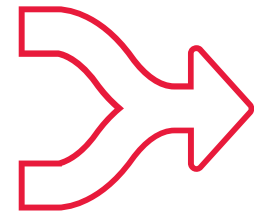
Defining Roles and Responsibilities

Using a RACI matrix to clearly define roles and responsibilities

▶ Responsible, Accountable, Consulted, Informed

Ensuring that each team member understands their role and contribution

▶ Clear communication of roles

Avoiding duplication of effort and confusion

▶ Streamlined workflow

RACI

R, A, C, I stands for:

▶ Responsible
▶ Accountable
▶ Consulted
▶ Informed

RACI CHART EXAMPLE

Project tasks	Senior Analyst	Project Manager	Head of Design	SVP Finance	SEO Lead	Sales Director	Senior Management
Phase 1: Research							
Econometric model	R	I	I	A	C	I	I
Strategic framework	A	I	I	R	I	I	C
Risk factors	R	I	I	A	R	I	I
Phase 2: Structure							
Product specs	I	A	R	I	C	C	C
Design wireframe	I	C	R	I	C	I	C
User journey	I	C	R	I	C	C	C
User experience testing	I	C	R	I	C	C	C
Evaluation framework	I	R	C	I	C	I	C
Development backlog	I	R	C	I	C	I	C
Delivery roadmap	C	R	A	C	C	C	I

Forbes ADVISOR

Source: www.forbes.com/advisor/business/raci-chart/

Effective Communication and Collaboration

Establishing clear communication channels
- Regular meetings
- Project management software
- Email updates

Promoting active listening and open dialogue
- Encouraging feedback
- Constructive criticism

Utilizing collaboration tools
- Shared documents
- Online workspaces

Building a Shared Commitment

Developing a shared vision for the project

▶ Ensures everyone is aligned with the project's direction

Creating a team charter to outline project goals, values, and expectations

▶ Provides clear guidelines and objectives

Fostering a sense of ownership and accountability among team members

▶ Encourages personal responsibility and commitment

Celebrating milestones and recognizing achievements

▶ Maintains momentum and builds team spirit

Knowledge Check#2

What is the biggest challenge you face in building effective project teams?

A   Lack of clear roles and responsibilities

B   Poor communication

C   Lack of commitment to project goals

D   Lack of diverse perspectives

E   Other

Identifying Project Stakeholders

Defining 'stakeholder'

▶ Anyone with an interest in or impacted by the project

Identifying key stakeholders for internal audit projects

▶ Audit clients
▶ Process owners
▶ Management
▶ Board
▶ Audit committee
▶ External auditors

Understanding stakeholder needs and expectations

Engaging Subject Matter Experts

▶ **Determining the need for subject matter experts (SMEs)**
- Includes IT, legal, finance, operations, etc.

▶ **Identifying and selecting appropriate SMEs**
- Ensuring the right expertise is chosen

▶ **Clearly defining the role and responsibilities of SMEs**
- Setting clear expectations and duties

▶ **Ensuring effective communication and collaboration with SMEs**
- Facilitating smooth interaction and teamwork

Establishing Communication Channels

▶ **Clear Communication Channels**

- Meetings, reports, dashboards, email updates

▶ **Tailored Communication**

- Specific needs of each stakeholder group

▶ **Regular and Timely Updates**

- Project progress updates

▶ **Diverse Communication Methods**

- Written reports, presentations, online platforms

Managing Stakeholder Expectations

▶ **Clearly communicating project objectives, scope, and timelines**
- Ensuring all stakeholders understand the project goals
- Defining the project boundaries and deadlines

▶ **Managing stakeholder expectations through proactive communication and transparency**
- Regularly updating stakeholders on project status
- Being open and honest about project challenges

▶ **Addressing concerns and resolving conflicts in a timely manner**
- Listening to stakeholder feedback
- Implementing solutions to mitigate issues

▶ **Building strong relationships with stakeholders based on trust and mutual respect**
- Engaging stakeholders in decision-making processes
- Fostering a collaborative environment

Collaboration and Feedback

▶ **Encouraging stakeholder participation**
- Involving stakeholders throughout the project lifecycle

▶ **Providing opportunities for input**
- Allowing stakeholders to contribute to decision-making

▶ **Using feedback mechanisms**
- Gathering insights to improve project outcomes

▶ **Recognizing stakeholder contributions**
- Valuing and acknowledging their input

The Importance of Well-Developed Project Plans

▶ **A well-developed project plan is the roadmap to success**
- Provides clarity, direction, and a framework for monitoring progress

▶ **Ensures projects are completed on time**
- Within budget
- To the required standards

Defining Project Scope

Clearly defining the boundaries of the project

▶ What is included

▶ What is not included

Developing a detailed scope statement

▶ Outlines project objectives

▶ Lists deliverables

▶ Specifies key activities

Using visual aids to illustrate project scope

▶ Mind maps

▶ Flowcharts

Developing a Project Timeline

▶ **Creating a detailed project timeline**

- Outlines key milestones and deadlines

▶ **Utilizing project management tools**

- Gantt charts
- Critical path analysis

▶ **Breaking down large tasks**

- Smaller, manageable sub-tasks

▶ **Considering task dependencies**

Allocating Resources Effectively

▶ **Identifying and allocating necessary resources**
- Includes people, budget, equipment, technology

▶ **Developing a resource allocation plan**
- Outlines responsibilities and timelines

▶ **Monitoring resource utilization**
- Throughout the project lifecycle

▶ **Adjusting the resource allocation plan**
- To address changes in project scope or timeline

Utilizing Project Management Tools

▶ **Exploring Various Project Management Tools**

- Examples: Microsoft Project, Trello, Asana, Jira, Smartsheet

▶ **Benefits of Using Project Management Software**

- Improved communication
- Enhanced collaboration
- Better progress tracking

▶ **Tips for Selecting the Right Tool**

- Assessing your specific needs
- Comparing features and usability

Knowledge Check#3

Which project management tools do you currently use?

A   Microsoft Project

B   Trello

C   Asana

D   Smartsheet

E   Other

F   I don't currently use any project management tools

Risk Management in Internal Audit Projects

▶ **Inherent Risks in Every Project**

- All projects come with their own set of risks

▶ **Proactive Risk Management**

- Essential for minimizing disruptions
- Keeps projects on track

▶ **Identifying Potential Risks**

- Assessing risks throughout the project lifecycle
- Managing risks effectively

Identifying Potential Risks

▶ **Brainstorming potential risks**

- Scope creep
- Resource constraints
- Timeline delays
- Data limitations
- Access issues
- Stakeholder conflicts
- Technology failures
- Changes in regulations

▶ **Categorizing risks**

- Internal/external

▶ **Using risk assessment tools**

Developing Risk Mitigation Strategies

Developing specific strategies to mitigate identified risks

▶ Contingency plans

▶ Proactive communication

▶ Resource allocation adjustments

▶ Stakeholder engagement

Prioritizing risk mitigation efforts

▶ Based on likelihood of each risk

▶ Based on potential impact of each risk

Documenting risk mitigation plans

▶ Assigning responsibilities

Monitoring and Managing Risks

▶ **Continuously monitoring risks**

- Throughout the project lifecycle

▶ **Regularly reviewing and updating the risk register**

- Ensures current risk status

▶ **Communicating risk status to stakeholders**

- Maintains transparency
- Allows for timely intervention

▶ **Adapting mitigation strategies**

- As new risks emerge
- When existing risks change

▶ **Escalating risks to management**

- When necessary

Utilizing Project Management Software
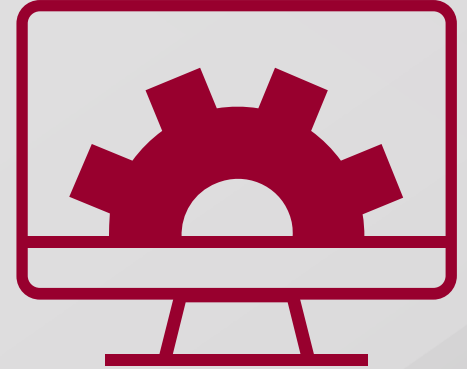
▶ **Key Features of Project Management Software**

- Task management

- Scheduling

- Collaboration

- Reporting

▶ **Benefits of Using Project Management Software**

- Improved communication

- Enhanced collaboration

- Better progress tracking

▶ **Tips for Selecting and Implementing Software**

Implementing Effective Communication Strategies

▶ **Establishing a communication plan**

- Outlines communication channels
- Specifies frequency and target audience

▶ **Using clear and concise language**

- Ensures all project communications are understandable

▶ **Providing regular status updates**

- Keeps stakeholders informed

▶ **Encouraging open communication and feedback**

- Promotes engagement and improvement

▶ **Utilizing various communication methods**

- Includes written reports, presentations, and online platforms

Employing Agile Project Management Methodologies

▶ **Introducing Agile project management methodologies**

- Examples include Scrum and Kanban

▶ **Discussing the benefits of Agile approaches**

- Flexibility and adaptability
- Iterative development

▶ **Providing examples of Agile in internal audit projects**

Conducting Project Status Meetings and Reviews

▶ **Regular Project Status Meetings**
- Review progress
- Identify issues
- Track risks

▶ **Using Project Dashboards and Reports**
- Visualize project status

▶ **Encouraging Open Discussion**
- Facilitate problem-solving

▶ **Documenting Meeting Minutes**
- Record action items

Common Risks

▶ **Scope Creep**

- Expanding project scope beyond initial plans

▶ **Resource Constraints**

- Insufficient resources to complete tasks

▶ **Timeline Delays**

- Projects not meeting deadlines

▶ **Lack of Access to Information**

- Difficulty in obtaining necessary data

▶ **Other**

- Participants to specify additional risks

Criteria for Project Completion

▶ **Establishing clear criteria for project completion**
- Defined deliverables
- Acceptance criteria

▶ **Ensuring that all project objectives have been met**
- Meeting intended goals

▶ **Obtaining stakeholder approval of deliverables**
- Stakeholder satisfaction

▶ **Documenting project completion and archiving project artifacts**
- Proper documentation
- Archiving artifacts

Conducting Project Reviews and Evaluations

▶ **Conducting post-project debriefings**
- Gather feedback
- Identify lessons learned

▶ **Evaluating project performance**
- Compare against planned objectives
- Assess time, budget, and quality

▶ **Documenting lessons learned**
- Share with team
- Inform stakeholders

▶ **Using lessons learned**
- Improve future projects

Capturing Lessons Learned

▶ **Developing a system for capturing lessons learned**
- Implementing a lessons learned database
- Conducting project retrospectives

▶ **Encouraging team members to share their experiences and insights**
- Fostering an open communication environment
- Recognizing valuable contributions

▶ **Analyzing lessons learned to identify trends and areas for improvement**
- Reviewing past projects
- Highlighting recurring issues

▶ **Integrating lessons learned into future project plans**
- Updating project management guidelines
- Incorporating feedback into planning stages

Celebrating Successes and Recognizing Contributions

Celebrating project successes

▶ Recognizing team contributions
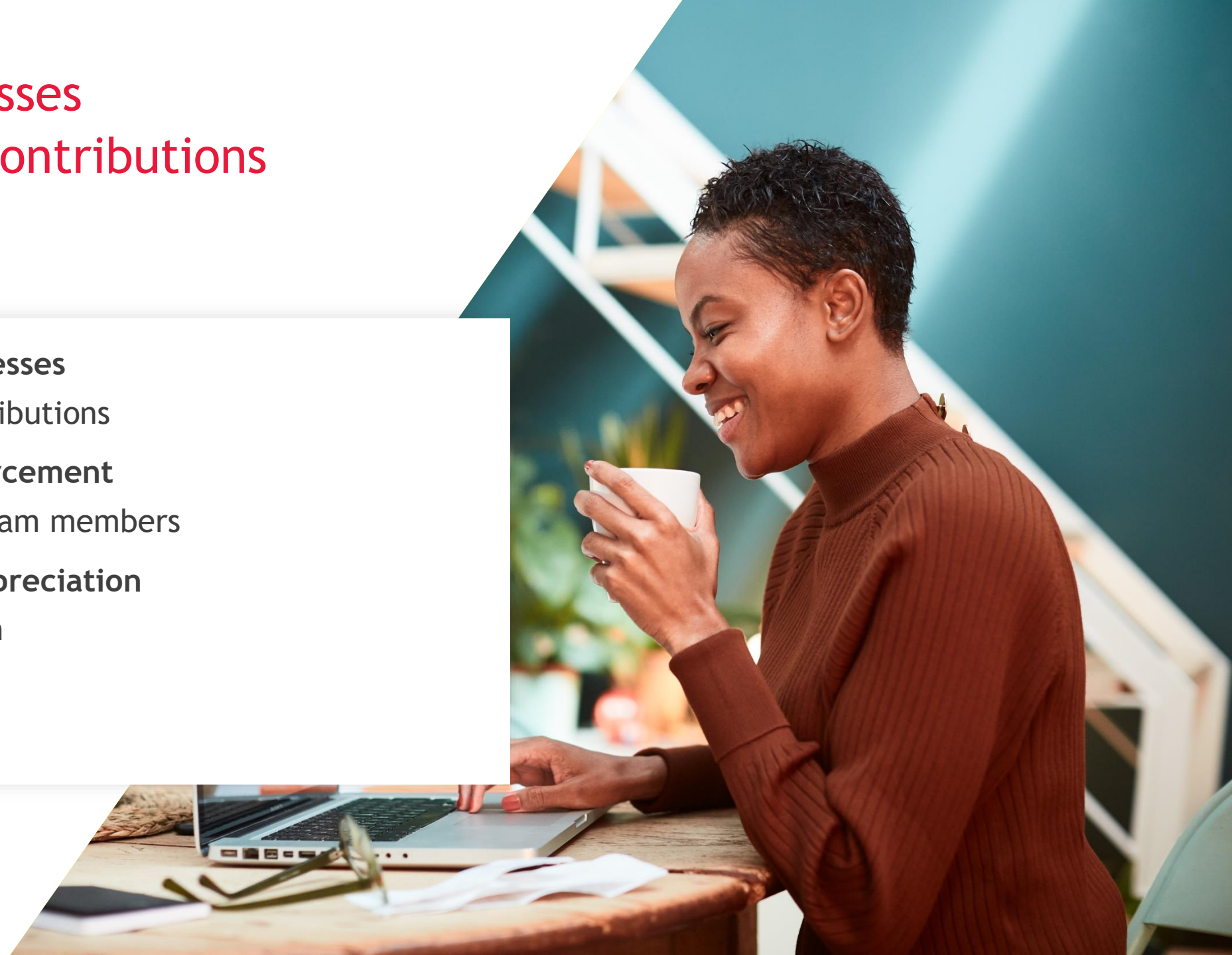
Providing positive reinforcement

▶ Offering feedback to team members

Fostering a culture of appreciation

▶ Encouraging recognition

Promoting team morale

▶ Boosting motivation

Knowledge Check#4

Do you regularly conduct post-project reviews to capture lessons learned?

A   Yes, always

B   Sometimes

C   Rarely

D   Never

Resources

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Resources for Further Learning

▶ **Links to relevant articles, books, websites, and online courses**
- Expand your knowledge through curated content
- Access a variety of learning formats

▶ **Information about professional certifications in project management**
- Certifications like PMP and PRINCE2
- Enhance your professional credentials

▶ **Recommendations for internal resources and training opportunities**
- Utilize company-provided learning tools
- Engage in internal training programs

Capturing Lessons Learned

▶ **Project Management Institute (PMI):** Offers a learning library with articles on project management, Agile, and business analysis.

- **PMI Learning Library Resources**

▶ **ProjectManagement.com:** A comprehensive website with articles, templates, and a community forum for project managers.
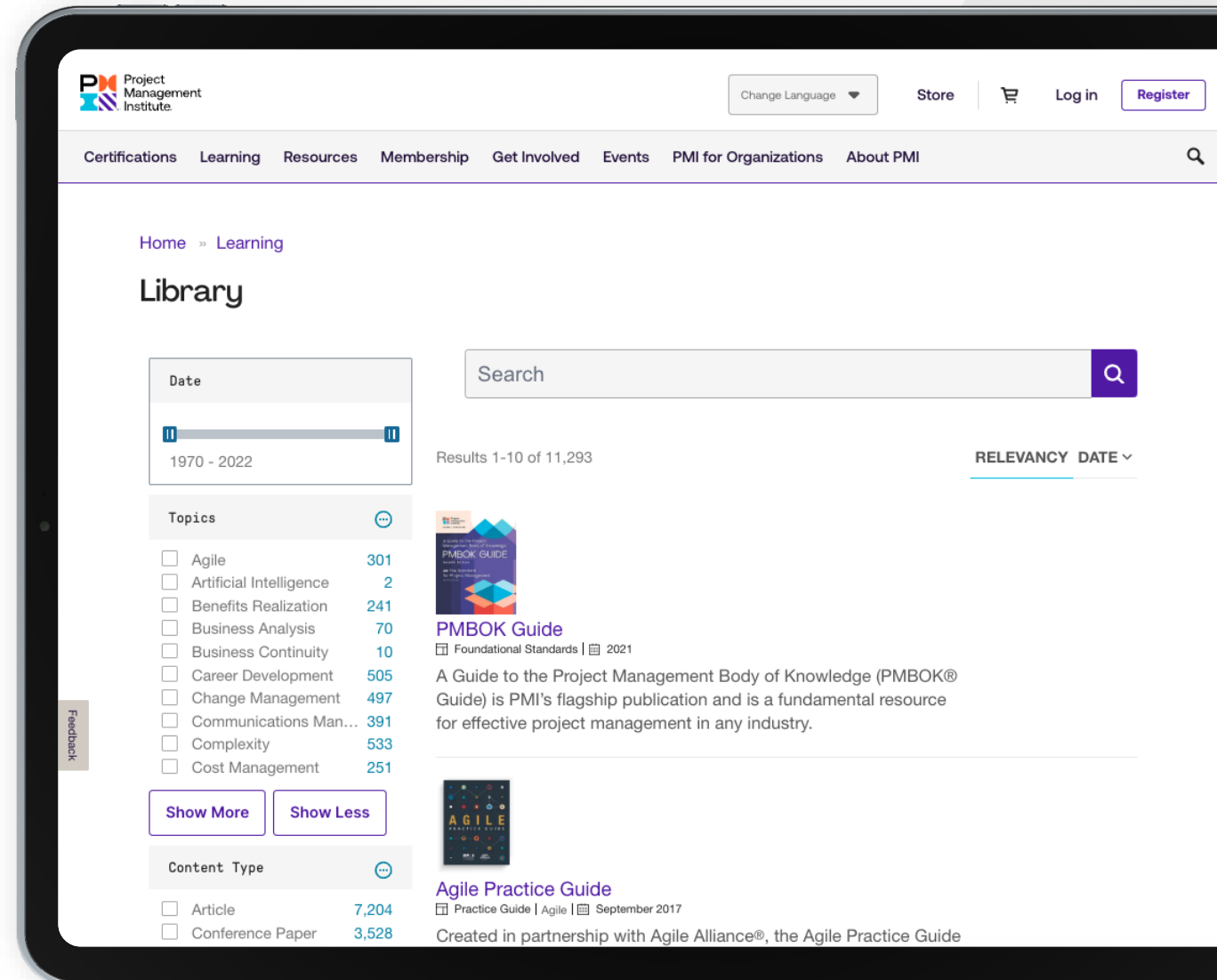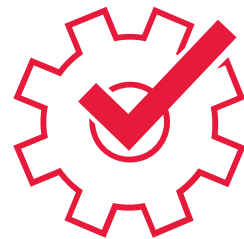
Final Thoughts and Takeaways

Takeaway 1

▶ Failing to plan, is planning to fail

Takeaway 2

▶ Make sure you have the right people engaged

Takeaway 3

▶ Staying on track to mitigate risk

Questions?

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Thank You

STEVEN GIN
Risk Advisory Services
Principal

sgin@bdo.com

DEBBIE RICHARDS
President
Creative Interactive Ideas

debbie@cre8iveii.com

Appendix

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Summary of Standards

Attribute Standards - address the characteristics of organizations and parties performing internal audit activities.

▶ 1000 – Purpose, Authority, and Responsibility:

- Defines internal audit activity's purpose, authority, and responsibility.
- Aligns with the Mission of Internal Audit and IPPF elements.
- Reviewed by CAE and approved by the board.
- Establishes internal audit's organizational position.
- Describes CAE's reporting relationship to the board.
- Authorizes access to records and properties.
- Defines scope of audit activities and services.

▶ 1100 – Independence and Objectivity:

- Ensures internal audit activity is unbiased.
- CAE has direct access to management and board.
- Manages threats to independence and objectivity.

▶ 1200 – Proficiency and Due Professional Care:

- Engagements performed with proficiency and care.
- Auditors possess necessary knowledge and skills.

▶ 1300 – Quality Assurance and Improvement Program (QAIP):

- CAE maintains QAIP covering all audit aspects.
- Evaluates conformance with Standards and Code of Ethics.
- Assesses audit efficiency and effectiveness.

Performance Standards - describe the nature of internal audit activities and provide criteria against which the performance of these services can be evaluated.

▶ 2000 – Managing the Internal Audit Activity:

- Effective management demonstrated by achieving charter purpose.
- Conforms with Standards and considers trends.
- Adds value by enhancing governance and risk management.

▶ 2100 – Nature of Work:

- Evaluates and improves governance, risk management, and control processes.
- Proactive evaluations offer insights and future impact.

▶ 2200 – Engagement Planning:

- Develops and documents plans for each engagement.
- Considers strategies, objectives, and risks.

▶ 2300 – Performing the Engagement:

- Identifies, analyzes, evaluates, and documents information to achieve objectives.

▶ 2400 – Communicating Results:

- Communicates engagement results, including objectives, scope, and conclusions.

▶ 2500 – Monitoring Progress:

- Monitors disposition of results communicated to management.
- Establishes follow-up process for management actions.

▶ 2600 – Communicating the Acceptance of Risks:

- CAE discusses unacceptable risk levels with management and board if unresolved.

▶ Code of Ethics:

- Internal audit staff conform to Code of Ethics.
- Uphold principles of integrity, objectivity, confidentiality, and competency.

Summary of Standards

ATTRIBUTES

Attribute Standards - address the characteristics of organizations and parties performing internal audit activities.

▶ 1000 – Purpose, Authority, and Responsibility
- 1010 – Recognizing Mandatory Guidance in the Internal Audit Charter

▶ 1100 – Independence and Objectivity
- 1110 – Organizational Independence
- 1111 – Direct Interaction with the Board
- 1112 – Chief Audit Executive Roles Beyond Internal Auditing
- 1120 – Individual Objectivity
- 1130 – Impairment to Independence or Objectivity

▶ 1200 – Proficiency and Due Professional Care
- 1210 – Proficiency
- 1220 – Due Professional Care
- 1230 – Continuing Professional

Development
▶ 1300 – Quality Assurance and Improvement Program
- 1310 – Requirements of the Quality Assurance and Improvement Program
- 1311 – Internal Assessments
- 1312 – External Assessments
- 1320 – Reporting on the Quality Assurance and Improvement Program
- 1321 – Use of "Conforms with the International Standards for the Professional Practice of Internal Auditing"
- 1322 – Disclosure of Nonconformance

Performance Standards - describe the nature of internal audit activities and provide criteria against which the performance of these services can be evaluated.

▶ 2000 – Managing the Internal Audit Activity
- 2010 – Planning
- 2020 – Communication and Approval
- 2030 – Resource Management
- 2040 – Policies and Procedures
- 2050 – Coordination and Reliance
- 2060 – Reporting to Senior Management and the Board
- 2070 – External Service Provider and Organizational Responsibility for Internal Auditing

▶ 2100 – Nature of Work
- 2110 – Governance
- 2120 – Risk Management
- 2130 – Control

▶ 2200 – Engagement Planning
- 2201 – Planning Considerations
- 2210 – Engagement Objectives
- 2220 – Engagement Scope
- 2230 – Engagement Resource Allocation
- 2240 – Engagement Work Program

▶ 2300 – Performing the Engagement
- 2310 – Identifying Information
- 2320 – Analysis and Evaluation
- 2330 – Documenting Information
- 2340 – Engagement Supervision

▶ 2400 – Communicating Results
- 2410 – Criteria for Communicating
- 2420 – Quality of Communications
- 2421 – Errors and Omissions
- 2430 – Use of "Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing"
- 2431 – Engagement Disclosure of Nonconformance
- 2440 – Disseminating Results

▶ 2500 – Monitoring Progress
- 2500.A1 – Follow-up Process
- 2500.C1 – Monitoring Disposition of Consulting Engagements

▶ 2600 – Communicating the Acceptance of Risks

CONTACT US ▶

About BDO USA

At BDO, our purpose is helping people thrive, every day. Together, we are focused on delivering exceptional and sustainable outcomes — for our people, our clients and our communities. Across the U.S., and in over 160 countries through our global organization, BDO professionals provide assurance, tax and advisory services for a diverse range of clients.

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