Audit Evidence and Professional Judgment: How to Effectively Use Critical Thinking

One of the most difficult skills associated with auditing is determining the propriety of audit evidence. Does it support the audit objective? Is it enough? Is it too much and inefficient? How does professional judgment affect the quality and quantity of audit procedures?

This course will provide internal audit staff and management with at least 2 years' experience with skills and techniques necessary to identify the appropriate evidence to support the audit conclusion. The tools and techniques shared will also provide you with approaches to guide your use of critical thinking skills to facilitate the gathering of audit evidence. Real-life examples of strong and weak evidence will be provided to further the learning process.

Finally, the course will be interactive and provide opportunities for you to practice what you learn.

In this course, we will discuss:

- The importance of appropriate, sufficient, and persuasive audit evidence.
- The meaning and application of professional judgment.
- The types of evidence and methods, techniques, and tools to gather information to support audit objectives/results.
- Examples of the link between methodologies and evidence gathered to support audit results.
- Types of decisions faced by auditors and important differences in the approach.
- A sample of the critical thinking process.
- How critical thinking helps improve audit evidence.
- Ways to develop critical thinking to enhance the audit process.
- Examples of how root cause analysis can be used in the audit process.
- The similarities and differences between auditor judgment and critical thinking skills.
- How mind mapping can be used to improve the audit process.
- How to determine that the evidence gathered is appropriate, sufficient, and persuasive to support audit conclusions.
Course Duration:

2 Days

CPE Hours Available:

16

Knowledge Level:

Intermediate

Field of Study:

Auditing

Prerequisites:

Auditors with at least 2 years’ experience in order to draw upon their professional audit experience.

Advance Preparation:

None

Delivery Format:

On-site
Audit Evidence

- Why evidence is important
- Different types of evidence
- Methods to gather evidence
- Best types of evidence
- Determine and review audit evidence that is appropriate, sufficient, and persuasive to support audit conclusions — examples provided

Professional Standards

- Applicable standards related to evidence
- The Institute of Internal Auditors’ International Standards for the Professional Practices of Internal Auditing
- General Accounting Office’s Government Audit Standards
- The Information Systems Audit and Control Association’s IT Standards, Guidelines, and Tools and Techniques for Audit and Assurance and Control Professionals

Professional Judgment

- Defining professional judgment
- How to use it
- Developing/strengthening professional judgment
- Examples to reinforce use

Linking Methodologies and Evidence Gathered

- Traditional evidence and evidence gathered
- Identifying the best and most efficient way to gather needed evidence
- Developing a testing plan/approach
- Sharing methods and identifying practices/examples to gather appropriate, sufficient, and persuasive evidence
- Linking the audit objective and the evidence gathered

Critical Thinking

- What it is
- Key terms/definitions
- How critical thinking strengthens the evidence-gathering process
- Using root cause analysis in the audit process
• Similarities and differences between auditor professional judgment and critical thinking skills
• Using mind mapping in the internal audit process
• How to use critical thinking to enhance the audit process
• Critical thinking process example