



ISSUE 15 - FEBRUARY 2003

INFORMATION FOR INTERNAL AUDITORS ACROSS THE WORLD

This Bulletin aims to provide up-to-date news, information and comment for internal auditors across the world. The success of the Bulletin depends on your contributions. We want to hear your news, views and comment. Andy Wynne - Internal Audit Bulletin editor:
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PUBLICATIONS AND RESOURCES

ACCA is the largest, fastest growing, global professional accountancy body, with over 300,000 members and students in 160 countries. ACCA headquarters is in London and it has 35 staffed offices and 35 active centres around the world. ACCA's mission is to provide quality professional opportunities to people of ability and application, to be a leader in the development of the global accountancy profession, to promote the highest ethical and governance standards and to work in the public interest.
Further information on ACCA is available on ACCA's website , <http://www.accaglobal.com>

NEWS

IIA CONSULTS ON REVISIONS TO THE INTERNAL AUDIT STANDARDS

The Internal Auditing Standards Board of the Institute of Internal Auditors-Inc is seeking comments on its proposed changes to the Standards for the Professional Practice of Internal Auditing. The newly released Exposure Draft contains ten new or replacement Standards and a number of editorial changes to the current Standards. Comments on the Exposure Draft are requested by May 15, 2003.

The Exposure Draft is available from:

http://http://www.theiia.org/iaa/guidance/standards/Exposure_Draft_ED03S1.pdf

We would be interested to receive responses to the proposed changes and any other comments on the IIA Standards for publication in future issues of this Bulletin.

COSO REPORT ON ENTERPRISE RISK MANAGEMENT

The Committee of Sponsoring Organisations of the Treadway Commission (COSO) is to issue an exposure draft on enterprise risk management later this year.

The COSO report on internal control, Internal Control - an Integrated Framework (1992), is the most authoritative exposition of this concept. The proposed exposure draft is a revision of the previous report. It extends the previous five components of internal control to include:

- * environment - risk philosophy and appetite
- * event identification - corporate risk identification, categorisation and risk language
- * risk assessment - by likelihood and impact
- * risk response - avoiding, accepting, reducing and sharing risk
- * control activities - policies and procedures to address risk
- * information and communication - for assessing and responding to risk
- * monitoring - by management and other personnel.

For more details see: http://www.theiia.org/ecm/iia glance.cfm?doc_id=3123

ACCA is seeking to strengthen its Internal Audit Panel. This Panel consists of experienced internal auditors from across the world who assist ACCA staff to develop appropriate responses to consultation documents such as the above two documents. Please send you details to a.wynne@accaglobal.com if you would be willing to join this Panel.

SARBANES OXLEY ACT

The Sarbanes-Oxley Act was passed in the US in July last year. Many of its provisions are now coming into force. This provides a set of regulations for public companies listed in the US.

These include:

- * a new set of auditor independence rules for external auditors
- * a definition of independent directors who should form the audit committee
- * further strengthening the role of the audit committee
- * chief executive officers and chief finance officers have to provide an annual statement on internal control and the financial statements of their companies, there are stiff penalties for false statements
- * non-audit services - nine services, including internal audit, are not allowed to be provided by the external auditor.

The Act also requires the SEC to develop more detailed regulation on most of these areas (see <http://www.sec.gov>).

The detailed listing requirements are available from <http://www.nyse.com> by clicking on "corporate governance"

SEMINAR ON CORPORATE GOVERNANCE IN TANZANIA

Last November, the National Board of Accountants and Auditors hosted a successful international seminar on "Corporate Governance and the Development of Appropriate National Codes" in Dar es Salaam, Tanzania.

The Chair of the seminar was Simon Sayore, Director General of the Tanzanian Audit Corporation. Speakers included:

Karugor Gatamah - CEO of the Centre for Corporate Governance, Kenya

Andy Wynne, Head of Public Sector Technical Issues, ACCA

Dr Sylvia Temu, Head of Accounting, University of Dar es Salaam

Ndung'u Ganthinji - CEO of ECSAFA

LG Fumbuka - Managing Partner CORE Securities

Ibrahim Kaduma - a past government minister, chair of the National Micro-Finance Bank
The conference explored the different international approaches to the development of corporate governance codes and provided the participants with a wealth of ideas on how these will develop in future.

GUIDANCE ON PARTNERSHIP WORKING

Public authorities are increasingly being encouraged to work in partnership with other organisations within the public sector, but also with the private and not-for-profit sectors. A new report from the UK, Developing Productive Partnerships, summarises the key learning points gained by auditors and inspectors through their work with partnership bodies across England.

This report is available from: <http://www.audit-commission.gov.uk/reports>

REPORT ADVISES INTERNAL AUDIT ON HOW TO AVOID COMPANY COLLAPSES

In its report, Ten Imperatives for a Post-Enron World, PriceWaterhouseCoopers identifies the key issues that internal audit should be addressing in the wake of the collapse of Enron, WorldCom etc. These are:

- Sharpen dialogue with top management and directors
- Realign to meet key stakeholder expectations
- Think and act strategically
- Expand audit coverage to include "tone at the top"
- Assess and strengthen expertise for complex business auditing
- Leverage technology in high-risk areas
- Focus on enterprise risk management capabilities
- Make your audit processes dynamic
- Strengthen quality assurance processes
- Measure your enhanced performance.

A full copy of this report is available from: <http://www.pwcglobal.com/internalaudit>

IIA IN UGANDA WELCOMES NEW MEMBERS

On the 13th December 2002, the Institute of Internal Auditors, Uganda Chapter, hosted an Auditors dinner. The Inspector General of Government was the guest of honour. The Inspector General of Government is responsible for the administration of the leadership law in Uganda, which requires all leading politicians, civil servants and military officers to declare their wealth every three years.

Four successful internal auditors were honoured at the dinner for passing their examinations and thus gaining the Certified Internal Auditor (CIA) designation. Certificates were given to the following beneficiaries: Richard Gudozi Gid'Agui, Parity Twinomujuni, Ojala Robert and Margret Kireta Mwanja.

ROLE OF NON-EXECUTIVE DIRECTORS TOPS EU GOVERNANCE LIST

Jaap Winter, chair of the High Level Group of Company Law Experts at the European Commission, presented the Final Report of the Group on a Modern Regulatory Framework for Company Law in Europe late last year. The group recommends that the priorities for the short term should be to improve the EU framework for corporate governance through enhanced disclosure requirements and providing for a strong and effective role for independent non-executive or supervisory directors.

The group also recommends that there should be an appropriate regime for directors' remuneration, requiring disclosure of the company's remuneration policy and individual

directors remuneration, as well as prior shareholder approval of share option schemes in which the directors participate. Winter also argues that the Commission should set up a structure to co-ordinate the corporate governance efforts of member states and officer efficient mechanisms for cross-border restructuring and mobility of companies.

The full report is available from: <http://www.ecgi.org/publications/winter.htm>

UK REPORTS ON NON-EXECUTIVE DIRECTORS, AUDIT COMMITTEES AND AUDITOR INDEPENDENCE

In January, the following three important UK reports were published:

* the Higgs Review of the Role and Effectiveness of Non-executive Directors (issued by the Department of Trade and Industry (<http://www.dti.gov.uk>))

* a report of the Financial Reporting Council by Sir Robert Smith on audit committees (<http://www.frc.org.uk/publications>)

* the final report of the Co-ordinating Group on Audit and Accounting Issues to the Secretary of State for Trade and Industry and the Chancellor of the Exchequer (also on <http://www.dti.gov.uk>).

These reports together represent a comprehensive review of the UK corporate governance regime. Key recommendations include a revised Combined Code on Corporate Governance, clarification on the role of non-executive directors and audit committees and a recommendation that listed company boards should have a majority of independent non-executive directors.

Unlike the US where the Sarbanes-Oxley Act (see above) introduces new laws on corporate governance, no major corporate governance legislation is proposed for the UK.

CONFERENCE BOARD

The Conference Board, founded in 1916, is a prestigious business membership organisation, with more than 3,000 Associates worldwide. A key part of the Board's programme is its Councils: 102 different groups of 25 to 50 senior executives aligned to functional area who meet three times a year to exchange best practices, ideas and experiences in a completely confidential setting. Many Council members find Council participation to be their single most valuable - and enjoyable - professional activity. The Conference Board Commission on Public Trust and Private Enterprise in January issued a report which included findings and recommendations on Corporate Governance, Audit and Accounting. It includes important contributions on the role of ethics in business and the need for audit firms to concentrate on audit rather than consulting services.

The report can be accessed at <http://www.conference-board.org>

OECD GUIDELINES FOR RESPONSIBLE BUSINESS

The OECD has issued recently its Guidelines for Multinational Enterprises. These are aimed at helping businesses, labour unions and Non-Governmental Organisation's meet the challenge of providing a global framework for responsible business conduct. Although observance of the Guidelines is voluntary for businesses, adhering governments are committed to promoting them and making them influential among companies operating in or from their territories.

The full guidelines are available from: <http://www.oecd.org> and entering the section labelled "corporate governance".

YOUR IDEAS

If you want us to cover any aspect of internal audit then let us know. If you have a favourite tip please send it to us. If you have any comments or questions about the contents of the Bulletin send them to us at: info@accaglobal.com

We can't guarantee to solve your problems or to pass on your tips, but we will try our best. We also welcome non-commercial announcements for inclusion in the Bulletin.

In this issue of the Bulletin we include an International Questionnaire on Whistleblowing and articles on the Objectives and Role of Internal Audit, the Different Roles of External Audit Inspection and Regulation, and details of the Top Ten Email Frauds

UNICORN QUESTIONNAIRE ON WHISTLEBLOWING PROGRAMMES

We have been asked by UNICORN to publicise the following questionnaire developed as part of its research programme into the effectiveness of whistleblowing programmes internationally. We would be pleased if the readers of this Bulletin could complete and return the questionnaire to UNICORN at corruption@psiru.org. If you cannot answer all the questions, please provide what information you can.

UNICORN is the trade union anti-corruption network. It is undertaking policy and empirical research on a range of issues aimed at detecting and deterring international bribery. UNICORN is supported by the TUAC (Trade Union Advisory Committee to the OECD), PSI (Public Services International) and the ICFTU (International Confederation of Free Trade Unions). As part of its research, UNICORN has undertaken a comparative review of whistleblowing legislation and is engaged in the on-going collection of information on whistleblower protection initiatives, as well as whistleblower cases.

If you have any information on national or international whistleblower protection legislation, or are involved in campaigning for, or implementing, whistleblower protection initiatives, then UNICORN would like to hear from you.

The questions below provide a guide to the type of information UNICORN would like to receive.

Please either complete the relevant sections below, or simply send UNICORN an email telling them what you are doing, attaching any relevant documentation (in English, if possible).

NATIONAL WHISTLEBLOWING LEGISLATION

BACKGROUND

1. Country:
2. Title of legislation:
3. Date of legislation:
4. Date of any amendments to legislation:
5. What was the motivation for the legislation?
6. What was the model, if any, for the legislation?
7. What is the legal basis of the legislation?
8. Are there any plans or campaigns to amend the legislation?
9. Please provide background information that you think may be relevant:

COVERAGE OF LEGISLATION

10. Who is covered by the legislation?

- * Public sector employees
- * Citizens
- * Public and private sector employees
- * Other

Please add any notes of explanation:

11. Are there any exceptions to this sectoral coverage: e.g. in the USA FBI agents are not covered by the Whistleblowers Act?

* YES * NO

Please specify:

12. What information disclosures are protected?

13. Are the disclosure routes prescribed?

* YES * NO

If YES, please specify below and add any notes of explanation

* Internal

* the Media

* Other

* Prescribed external routes

* MPs

* The police

* Trade Unions

14. What grounds of disclosure are protected by the legislation?

* Good faith * Reasonable belief * Other

MONITORING

15. What provisions have been made for monitoring cases brought under the legislation?

16. Is any organisation responsible for compiling cases brought under the whistleblower protection legislation?

If YES, please specify

KEY STRENGTHS AND WEAKNESSES

17. What do you consider to be the key strengths of the legislation?

18. What do you consider to be the key weaknesses of the legislation?

19. In your view what improvements could be made?

20. On the basis of your experience what are the key lessons that should be learnt?

INTERNATIONAL LEGISLATION

21. Have you knowledge or experience of campaigning for, designing or implementing whistle blowing provisions in any of the following international Conventions?

* OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions(accountancy provisions)

* Council of Europe's Criminal Law on Corruption

* Inter-American Convention Against Corruption

* Other, please specify

Please share your experiences/views:

NATIONAL/INTERNATIONAL CODES OF CONDUCT

22. Have you knowledge or experience of designing or implementing whistle blowing provisions in the context of private sector codes of conduct? Please share your experiences/views:

TRADE UNION INITIATIVES

23. If your trade union has been involved in any activities relating to whistleblower protection then please provide details:

* campaigning for legislation

* the Media

* Other

* consultee on draft legislation

* MPs

* negotiating collective agreements with employers that include whistleblower protection

* Trade Unions

Please provide details.

OTHER WHISTLE BLOWER PROTECTION INITIATIVES

24. If you are a civil society organisation or public sector organisation working in the area of whistleblower protection then please provide details:

WHISTLEBLOWING CASES

25. Please provide details of any whistle blowing cases. These may illustrate any of a number of points; the need for whistleblower protection; the strengths or weaknesses of particular legislation; the effectiveness, or lack of effectiveness of private sector codes of practice; the role of trade unions or civil society; the dilemmas and challenges facing the accountancy professions; or something we haven't thought of! Report the cases however you like, but it would be helpful if you could include the following:

25.1. Name and position of the whistle blower

25.2. Name and location of organisation

25.3. Type of organisation (public/private)

25.4. The nature of the disclosure

25.5. The route of disclosure (to internal management, parent company, external regulator, the police, the media)

25.6. A description of how the public interest was served

25.7. The consequences for the whistleblower

25.8. The role of any whistle blower protection/agreements

25.9. The role of the accountancy profession if any

25.10. The role of trade unions or other support organisations

25.11. Your assessment of the points illustrated/lessons to be learnt by the case

25.12. Source of further references

WITNESS PROTECTION PROGRAMMES

26. Please provide details of legislation providing for witness protection.

AND FINALLY ... WHO ARE YOU?

Name:

Organisation name:

Organisation type:

* trade unions

* public sector

* other

* civil society

* private sector

Please provide any additional information on your organisation:

Tel:

Email:

Many thanks indeed! We look forward to hearing from you: corruption@psiru.org - and don't forget to send in any supporting information.

UNICORN: TRADE UNION ANTI-CORRUPTION NETWORK <http://www.psir.org/corruption>

OBJECTIVES AND ROLE OF INTERNAL AUDIT - Helen England.

Helen is a senior manager with AHL Ltd, a provider of internal audit and risk management services to the UK public sector. She is also a member of ACCA's Internal Audit Sub-Committee. She can be contacted at HelenEngland@aol.com

A DEFINITION

The Institute of Internal Auditors defines internal auditing as:

"...an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes".

The recently published UK Government Internal Audit Standards goes further and provides us with the following definition:

"Internal audit is an independent and objective appraisal service within an organisation: Internal audit primarily provides an independent and objective opinion to the Accounting Officer on risk management, control and governance, by measuring and evaluation their effectiveness in achieving the organisation's agreed objectives. In addition, internal audit's findings and recommendations are beneficial to line management in the audited areas. Risk management, control and governance comprise the policies, procedures and operations established to ensure the achievement of objectives, the appropriate assessment of risk, the reliability of internal and external reporting and accountability processes, compliance with applicable laws and regulations, and compliance with the behavioural and ethical standards set for the organisation.

Internal audit also provides an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance. The service applies the professional skills of internal audit through a systematic and disciplined evaluation of the policies, procedures and operations that management put in place to ensure the achievement of the organisation's objectives, and through recommendations for improvement. Such consultancy work contributes to the opinion which internal audit provides on risk management, control and governance."

A review of internal audit manuals and text books provides definitions based around the same central themes. These are:

- * Independence
- * Objectivity
- * Evaluation
- * Consultancy
- * Risk Management
- * Control
- * Governance

The Oxford Dictionary offers the following definitions of these key themes:

- * Independence - not depending on the authority or control of; self-governing
- * Objectivity - dealing with outward things, exhibiting facts uncoloured by feelings or opinions
- * Evaluation - to appraise, assess
- * Consultancy - qualified to give expert, professional advice
- * Risk Management - minimising the possibility of meeting danger or suffering harm or loss
- * Control - the power of directing or restraining
- * Governance - the act, manner or function of governing

OBJECTIVE OF INTERNAL AUDIT

Given the above definitions an appropriate objective for an internal audit function could be: An internal audit function provides an independent, objective evaluation and consultancy service which promotes effective control, risk management and governance within an organisation. This function contributes towards the achievement of an organisation's business objectives.

THE ROLE OF INTERNAL AUDIT

In order to achieve the above objective, the role of the internal audit function should be to determine whether an organisation's whole system of internal control encompassing its risk management and governance processes is adequate and operates effectively and reliably in practice.

The internal audit function should provide assurance that:

- * an organisation's risks are appropriately identified and managed;
- * suitable governance arrangements are in place and operating effectively;
- * management information, covering the whole range of activity (not purely financial), is accurate, reliable and timely;
- * policies, procedures, laws and regulations are complied with;
- * resources are acquired and used economically, effectively and efficiently.

During the course of its work as professional experts, the internal audit function should also provide advice on opportunities for improving management control, profitability and the organisation's image.

The internal audit function can and should make a significant contribution towards the achievement of an organisation's business objectives.

THE DIFFERENT ROLES OF EXTERNAL AUDIT, INSPECTION AND REGULATION

Audit, inspection and regulation have increasingly important roles to play in the management of public services in many countries. For example, in the UK, "national standards and targets agreed, independently monitored and reported for all public services" is one of four principles which underpin the government's overall long-term strategy for public services. A recent publication, *The Different Roles of External Audit, Inspection and Regulation: A Guide for Public Service Managers*, provides an introduction to this topic and explains the different approaches and methodologies of what some people have termed 'the audit society'.

The publication defines these different roles as follows: * **FINANCIAL AUDIT**, which covers the financial element of auditors' work: the audit of the accounts and the underlying financial systems and processes (including, in specific parts of the public sector, whether public money was spent for the purposes for which it was intended) and the financial aspects of corporate governance, such as internal control and risk management, and probity and propriety

* **PERFORMANCE AUDIT**, which is concerned with the performance element of auditors' work: the value for money of services, functions, programmes or specific projects, and the systems and processes put in place by the body to manage its activity and use of resources and to prepare and publish performance information

* **INSPECTION**, which is the process of periodic, targeted scrutiny to provide an independent check, and to report, on whether services are meeting national and local performance standards, legislative and professional requirements, and the needs of service users and

* **REGULATION**, which is the process by which public sector activity and market forces are directed for the public good. It includes the 'authorisation' or 'registration' of bodies to undertake regulated activities and monitoring of their compliance with statutory requirements

and professional standards. It may also include the prescription of compulsory activities and price controls.

The publication acknowledges the criticisms that have been raised about the costs of such functions being an unnecessary burden on public services and states that auditors, inspectors and regulators are taking joint steps to address these concerns. This is a UK focused publication, but it will provide a useful introduction to the topic and outlines how recent reforms have been implemented in practice.

The publication is available (along with a number of other publications on public audit) from the Public Audit Forum website: <http://www.public-audit-forum.gov.uk>

TOP TEN EMAIL FRAUDS

1. Online Auctions - items that were misrepresented or never received after being sold to the highest bidder in a virtual auction
2. General Merchandise - anything sold on a website that was misrepresented or never received
3. Nigerian Money Offers - 'aid' requests from someone claiming to need help to transfer a fortune from Africa
4. Computer Equipment/Software - IT equipment that was either never received or misrepresented
5. Internet Access Services - charges from Internet Service Providers (ISPs) that were never ordered and/or received
6. Information/Adult Services - charges to credit cards or phone bills for services never provided or misrepresented as free
7. Work at Home Schemes - kits sold with false promises of profits
8. Advance Fee Loans - empty promises of loans requiring payment of application and other fees in advance
9. Credit Card Offers - phony promises of credit cards requiring upfront payment of application and other fees
10. Business Opportunities/Franchises - exaggerated claims of potential profits through investments in prepackaged businesses or franchises

See also IIA guidance: "Email Abuse and Internal Auditing" - Professional Issues Bulletin http://www.iaa.org.uk/knowledgecentre/professionalguidance/iiaa_guidance.cfm

COMMENT ON THE PRACTICE OF PRE-AUDIT IN THE EUROPEAN COMMISSION

(ACCA Bulletin 14) from Richard James

I couldn't really understand why so much space was devoted to describing the state of affairs that used to exist in the Commission, but no longer. This practice (of combining the ex ante authorisation of expenditure with the responsibility for independent appraisal of the internal control system) was one of the first to go into the grinder in the Commission's Reform package, (which began in earnest - under the direct responsibility of Commissioner Kinnock - following publication of the report of the Committee of Independent Experts, which you quote). It had received massive exposure and (frankly) massively unfavourable comment both in the CIE report and in many other documents/publications/fora, notably in the European Parliament (EP), and in the reports submitted to the EP by former Commission auditor Paul van Buitenen, which led directly to the demise of the previous Commission.

Paul van Buitenen's excellent book on the subject *Blowing the Whistle*

(<http://www.amazon.com/exec/obidos/ASIN/1902301463>) describes well both how the system used to operate, and highlights some of its weaknesses. The final nail was driven into the coffin of the old control structure at the end of 2002, when the Commission's new

Financial Regulation entered into force, and when the DG that had been responsible under the previous Commission for these two separate control functions effectively ceased to exist. A surprising number of features in the trade magazine published by the IIA-UK over the last 18 months or so have described aspects of the reform process underway at the Commission, particularly, of course, the ones that relate to internal audit. Otherwise, the following document describes the basic roadmap of the reform process (Chapter V deals particularly with both Financial Management and Audit)

http://europa.eu.int/comm/off/white/reform/part2_en.pdf. (Note the publication date). Some of the links from the website of the Commission's Internal Audit Service provide still further information: http://europa.eu.int/comm/dgs/internal_audit/geninfo_en.htm

None of this is meant to imply that there are no longer any problems or areas of concern in the Commission's audit services, or that everything is now running like a well oiled machine. (In any case, similar situations to the one you describe may still exist in other organisations, especially in the public sector.) But judging by what appeared in the newsletter, you seemed to have latched on to yesterday's difficulties, rather than confronting the challenges of today and tomorrow.

COMMENTS ON PERFORMANCE MEASURES FOR INTERNAL AUDIT

(ACCA Bulletin 13) From Grant Gooding

NUMBER OF MEASURES

The number of measures may be useful for a Chief Internal Auditor to pick and choose. No department should contemplate using a similar number of measures because of the time to compile and no one would read such a list of statistics.

BUDGET RELATED MEASURES / PLANS

Measures based on budgeted time are flawed because it is relatively easy to complete 100% of the audit plan either by not being ambitious in the plan or reducing the work within the audit. The effect of being ambitious or reducing the workload is not picked up elsewhere (e.g. management would not generally express dissatisfaction if the audit was lighter than it would otherwise had been.)

Priorities and the commercial environment change. Just sticking doggedly to a plan regardless of the economical realities is a recipe for disaster. The plan needs to be flexed to reflect business objectives rather than last year's plan.

DATE RELATED TARGETS

Timeliness of audits is useful and there is a temptation to let things drift. Equally the timely implementation of recommendations is important.

SATISFACTION

Good measure although a good audit report could be highly critical of management, which in turn could mean getting low satisfaction rating from them.

RISK AND VALUE

Very important that the audit plan, audit work and reporting is risk and value driven. I see only little in the measures related to value and nothing related to risk. The real tangible and intangible output from the department is what should be measured, i.e. not number of recommendations but the quality and value of those recommendations.

STAFFING AND TRAINING

Training targets are important and should be more specific and related the individuals in the department. The measure on staff retention is wrong. 15% should be the approximate target (not a maximum) otherwise the department could end up with "has-beens" rather than dynamic individuals. (For obvious reasons the Chief Internal Auditor might not want to advertise this!)

PUBLICATIONS AND RESOURCES

AUDITNET - <http://www.auditnet.org>

AuditNet was developed by Jim Kaplan. The original concept was for a central electronic resource for the audit community that would provide a link for auditors world-wide. This has evolved into a network of resources available for auditors. A listing of those electronic resources is updated and distributed monthly via the Internet. AuditNet includes Jobs for Auditors and an inventory of Audit Work Programs.

The Auditors Sharing Audit Workpapers Project provides you with the opportunity to share your best practice standard forms with other auditors. To access the documents go to <http://www.auditnet.org> and click on Audit Programs or Audit Workpapers from the Virtual Library.

AuditNet added a section for new (and seasoned) auditors detailing the audit process using a step-by-step approach. The section will include templates, sample documents, flowcharts and links to other resources. The success of these pages will rely on the philosophy of Auditors Sharing Knowledge (ASK) for Progress and grow as more seasoned auditors contribute and find value in educating others in their own best and continuing practices!

RESEARCH OPPORTUNITIES IN INTERNAL AUDITING

To understand the ramifications of, and the opportunities from, the new corporate governance environment, 10 well-known and respected academics have written on the past, present and future of internal auditing. These academics also outlined key questions that collectively present an ambitious research agenda.

Their full report is available from: http://www.theiia.org/ecm/iiarf.cfm?doc_id=4057

NEW GUIDANCE ON INTERNAL AUDIT INDEPENDENCE

Recent corporate failures have clearly demonstrated the importance of internal audit in the practice of good corporate governance. A new publication aims to provide guidance to organisations as they grapple with the issue of how best to obtain independent assurance on risk management and internal control. This is "Independence and Objectivity - the new challenges for internal auditors?" This professional issues bulletin is available from the guidance section in the Knowledge Centre at:

<http://www.iiia.org.uk/knowledgecentre/professionalguidance/iiaguidance.cfm>

COMPUTER AUDIT GUIDELINES - Fully Revised Sixth Edition

CIPFA, 2002, ISBN 0 85299 955 0 £97.50 - also available as a CD-ROM for £165 (+VAT)
These Guidelines offer a broad and detailed set of principles for the auditor to draw upon when framing an individual approach that meets the particular IT audit needs of the organisation. The new Guidelines provide:

- * audit management with an oversight of the key IT audit activities together with detailed audit programmes

* the auditor who lacks practical experience in IT audit with detailed background information on [the main] IT audit activities and an audit programme to begin an effective programme of work

* assurance to the experienced auditor on IT audit activities

* IT security specialists with a wider perspective of control and security issues

* user management with an understanding of the audit and security perspective.

If you are a novice computer auditor starting out on your career or an experienced ICT auditor who needs to keep their knowledge up to date this book is essential reading.

A review of the previous edition of this book was included in our Bulletin 8. It was highly recommended. To purchase a copy visit: <http://www.cipfa.org.uk/shop>

THE COBIT OPEN STANDARDS FOR IT SECURITY

are available for free download from: http://www.isaca.org/ct_dwnld.htm

They include:

* Management Guidelines

* Executive Summary

* Framework

* Control Objectives

* Implementation Tool Set

CORPORATE GOVERNANCE LINKS

A range of international corporate governance codes are available from:

<http://www.ecgi.de/codes> A list of links to other international corporate governance sites can be found at: <http://www.icaew.co.uk/menus/links/corpgov.htm>

Resources from World Bank on Governance and Corruption

TRAINING MODULES ON IT AUDIT

The INTOSAI Standing Committee on IT Audit has developed a range of training modules for IT audit. These have been specifically designed for external audit in the public sector, but will be of interest to internal auditors. The modules are available from:

<http://www.nao.gov.uk/intosai/edp/trainingindex.html>

PLEASE LET US KNOW IF YOU HAVE FOUND ANY WEBSITES THAT YOU THINK OTHER INTERNAL AUDITORS WOULD FIND USEFUL

PASS ON DETAILS OF THIS BULLETIN TO OTHERS

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THE END
