



## The Institute of Internal Auditors, Singapore

The Secretariat  
138 Robinson Road #18-08  
The Corporate Office  
Singapore 068906  
Tel: 6324 9029  
Fax: 6220 5972  
Email: [secretariat@iia.org.sg](mailto:secretariat@iia.org.sg)

11 January 2012

Dear Members

### 1 Day Seminar on

## Statistical Sampling for Tests of Controls/Compliance/Fraud: Computer-hands-on!

27 February 2012 by Ms Amanda Wall

**What you will gain from this Talk: Learn that “Stat Sampling” doesn’t have to be hard to understand! Dr. Dan will make it FUN! You will realize that there are multiple methods of stat sampling and multiple methods of sample selection.**

**YOUR OPPORTUNITY TO... EVOLVE FROM JUDGMENT SAMPLING TO STATISTICAL SAMPLING. IRONICALLY, IN MANY CASES, YOUR SAMPLE SIZE WILL GO DOWN, AND YOUR FINDINGS WILL BE STRONGER! YOU WILL LEARN TO “DRILL DOWN” TO SAMPLE SIZE FOR EACH ASSERTION**

**Description:** Here is a sad, but true, fact regarding audit sampling: in MOST cases, a judgment sample (size) is LARGER than the required stat sample! Thus, by judgment sampling you 1) over audit and 2) cheat yourself of your good work (by not making a statistical conclusion). STOP THAT! In this course we will present four (4) methods of controls sampling and two (2) methods of sample selection. A helpful decision tree will be provided to assist in selection. We’ll use a FREEWARE package developed by a US Audit Agency. Please note that many “purchased” audit packages generate large sample sizes: we’ll examine some more efficient methods! The freeware also provides work-paper documentation and the capability to reconstruct your method for the courtroom. And then your audit report can say” I AM 96% CONFIDENT THAT...!”

### Course Outline and Objectives

Please refer to Annex I for more details.

### About the Speaker

Please refer to CV enclosed.

**Who Should Attend** ALL auditors (operations, process, compliance, fraud/waste/abuse, I.T., SOX, efficiency, statutory, financial, program, performance) ... and Business Unit Managers, Budget Officers and Controllers ...and consultants ... anyone who has to ask the following question:  
**“ARE MY SAMPLE SIZES TOO BIG?”**

**Class Format/ Delivery Method: Note: This is a hands-on-computer course!** If possible, please **BRING YOUR COMPUTER TO CLASS.** We will provide power.) You will be given a fantastic stat sample package (FREEWARE!) If you don’t have a laptop, that’s OK, as we can team you up with someone who does!

**Details of the administrative arrangements are as follows:**

Date : 27 February 2012

Time : 9.00 am – 5.00 pm  
(Lunch and refreshments provided)

Registration : 8.45 am

Venue : **M Hotel**  
**Anson IV, Level 2**  
81 Anson Road  
Singapore 079908

CPE credit : 8 hours

Fee : S\$750 (IIA / ISACA Member)  
S\$975 (Non-member)  
**\* NO GST payable**  
**\*\*NO invoice will be issued**

Please return the reply slip together with your cheque made payable to “**The Institute of Internal Auditors Singapore**”. **No invoice will be issued.**

Yours sincerely  
Lena Kuok  
for Education Committee

# REPLY SLIP

To: The Institute of Internal Auditors, Singapore  
The Secretariat  
138 Robinson Road #18-08  
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Singapore 068906  
Tel: 6324 9029  
Fax: 6220 5972

**1 Day Seminar on**  
**Statistical Sampling for Tests of Controls/Compliance/Fraud: Computer-hands-on!**  
**27 February 2012 by Ms Amanda Wall**

From: Mr/Mrs/Ms/Miss \_\_\_\_\_

Organisation: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Tel: \_\_\_\_\_ Fax: \_\_\_\_\_ Mobile: \_\_\_\_\_ Email: \_\_\_\_\_

Name of Attendee	Designation	IIA / ISACA Membership No. ( where applicable )

**Terms and Conditions:**

1. Notification of withdrawal in writing received **seven working days or more before** the event will be processed for refund after deduction of \$100 processing fee.
2. No refund will be made for shorter notice but you are welcome to send a replacement.
3. Registration is only confirmed when full payment is received. An official receipt will be sent to you.
4. Payment must be received **before** commencement of the event.
5. No invoice will be issued.
6. IIAS reserves the right to cancel, postpone, alter the programme and/or change the speaker due to unforeseen circumstances.
7. Request for special food arrangement must be made at time of registration.

Enclosed is cheque number \_\_\_\_\_ for S\$ \_\_\_\_\_ being payment for \_\_\_\_\_  
IIA / ISACA member(s) @ S\$750 and \_\_\_\_\_ non-member(s) @ S\$975.

**Participants will be awarded 8 CPE hours upon completion of the course.**

[ Cheque should be crossed and made payable to "The Institute of Internal Auditors Singapore" ]

**>>>> Complete and Fax to : (65) 6220 5972 for Reservation <<<<**

### Detailed Course Outline

1. Risk Analysis: The Engine that Drives an Audit
  - a. Risk Assessment (the “dog”) and Sample Size (the “tail”)
    - i. AICPA/IIA/ISA Standards and the Ultimate Risk Model
2. **Statistics ... A Primer**
  - a. Sampling is Really Easy
  - b. Judgment vs. Statistical Sampling
    - i. Arguments For Judgment Sampling in Certain Situations
3. **Basics of Sampling**
  - a. Estimate of  $\mu$  (“MU”) ... the Mean is a Dangerous Number
  - b. Estimate of Dispersion and of Sampling Risk
  - c. “Representativeness”
  - d. Distributions: Normal, Binomial, Hypergeometric, Poisson
  - e. Alpha & Beta Risk
  - f. The Sampling Unit or “Frame” ... How to Know you Data
  - g. The 11 Steps in Sampling
  - h. Methods of Selection: Random, Skip, Haphazard, and Block
4. **Compliance Sampling (Attribute Sampling)**
  - a. A Decision Tree to Select the Most Efficient Sampling Technique
  - b. Fixed-Sample Approach
  - c. Stop-And-Go Approach
  - d. Discovery Approach
  - e. Attribute Estimation Approach
  - f. Research/Guidance on the Quantification of Alpha & Beta Risk
  - g. Scientific Sample Projection to Population
  - h. Life After Sampling
5. **Dr. Dan’s Most Commonly Asked Questions Regarding Sampling**
  - a. What if a Sample Selection is Missing?
  - b. May I Test Multiple Attributes on One Document?
  - c. Is There an Acceptable Minimum Statistical Sample Size?
  - d. Must All Controls Be Tested at Same Risk Level?
  - e. What Can Go Wrong in Sampling?
  - f. Don’t Use PPS to Select Compliance Items ... “Coverage!”
6. **How to Get a Buy-in From the Auditee**
  - a. Pre-Audit Meeting and Parameter Discussion
7. **Work-papers**
8. **Going Forward with an Implementation Plan**
  - a. Your Policies
  - b. Your Audit Manuals

### Course Objectives

Upon completion of this course participants will be able to:

- Distinguish among multiple sampling methodologies.
- Tie risk to sample size, at the individual assertion level.
- Reexamine the Standards.
- Refresh concepts of sample risk and “representativeness.”
- Use a decision tree match the method to your audit requirements.
- Review several research studies addressing the values for the parameters of attribute sampling.
- Discover statistical sample sizes SMALLER than judgment sample sizes.
- Examine the new kid ... Stop & Go sampling.
- Recognize the three key conditions which encourage judgment sampling.
- Perform sensitivity analysis to see the impact of parameters on sample size.
- Better explain to the auditee what you are/are not saying in your results.
- Perform scientific projection of errors to the population.
- Satisfy of the COSO requirement for monitoring via Stop & Go sampling.
- Improve report adjudication (obtain a better management “buy-off”).

### Course Materials/Takeaways

Each participant will receive the following:

- Workbook with complete with screen captures and (numbered) step-by-step instructions.
- CD with computerized cases so they may practice and replicate the classroom experience (that is, APPLY this knowledge on the job).

### Course Length

- 1 day

# Speaker's Profile

## **Amanda Wall** B. Business, CPA, MIIA (Aust)

19 Patonga Street  
ASHMORE QLD 4214

[amandawall@optusnet.com.au](mailto:amandawall@optusnet.com.au)

Home ph. +61 7 5597 0602  
Mobile ph. +61 414 407 448

## Education & Professional Memberships

### **Member of Institute of Internal Auditors Australia**

Approved as a member 19 February 2009

*Brisbane, Australia*

*Feb 2009 - Present*

### **CPA Australia Program and Member of CPA Australia**

Advanced to status of Certified Practising Accountant 11 August 2003

*Brisbane, Australia*

*2001 – 2003*

#### *Achievements*

- Certificate of Merit for High Distinction – Reporting and Professional Practice
- Certificate of Merit for High Distinction – Financial Accounting
- Certificate of Merit for High Distinction – Assurance Services and Auditing

### **Griffith University**

Graduated with Bachelor of Business

Completed degree with double major in Accounting; Public Sector Financial Management

*Gold Coast, Australia*

*1997 – 1999*

#### *Achievements*

- Grade Point Average of 5.9
- Invited member of Golden Key National Honour Society

## Professional Experience

### **Manager Financial and Compliance Auditing**

**Queensland Health, Brisbane**

Responsibilities include supporting the Senior Director Assurance and Risk Advisory Services (Bob McDonald OAM) to audit Queensland Health's finances worth \$10.5 Billion, leading and managing the Financial and Compliance Audit stream of the Audit and Operational Review Unit, implementing Dr Dan Kneer's advanced analytical techniques and continuous auditing techniques, contributing to the development of the unit's formal audit methodology and competency framework, performing quality assurance reviews over team performance, developing and managing completion of the unit's annual audit plan.

*Oct 2009 – Present*

### **Director Internal Audit**

**Environmental Protection Agency/Dept of Environment and Resource Management, Brisbane**

Responsibilities included providing strategic leadership to the internal audit function, reporting to the Director-General and liaising with senior management, promoting awareness and understanding of significant business risks, reporting to the Audit and Risk Management Committee, developing and delivering the annual audit plan.

*Jan 2009 – Sept 2009*

**Audit Principal and Team Leader *Apr 2006 – Dec 2008***

**Queensland Audit Office, Brisbane**

Responsibilities included managing the external audit teams for the State of Queensland's Environmental Protection Agency and the amalgamated Townsville City Council. Duties involved strategic audit planning, preparation and monitoring of the audit program and providing leadership and direction to the audit team. Also responsible for representing the Audit Office publicly by speaking at regional Local Government forums.

**Graduate Trainer & Coordinator *Oct 2004 – Mar 2006***

**Queensland Audit Office, Brisbane**

Responsibilities included training and mentoring graduates through the Audit Office's 9 month Graduate Development Program, preparing and delivering training content as well as developing and implementing contemporary recruiting and selection process for appointments of graduate auditors.

**Progressed from Graduate Auditor to Audit Senior *Feb 2000 – Sep 2004***

**Queensland Audit Office, Brisbane**

Responsibilities included assisting on large financial statement audits such as Department of Housing, Department of Local Government and Planning, plus leading teams of small-medium sized audits such as the Local Government Association of Queensland and various Local Government Councils throughout Queensland.

## **Highlights & Additional Achievements**

- June 2008 - Present:** Appointed as member of the Queensland Public Sector Committee for CPA Australia.
- March 2010, March 2011:** Panel member judge for Queensland Public Sector Annual Report Awards
- Oct 2006 – Dec 2008:** Appointed as a committee member of the Women's Leadership Group, Queensland Audit Office.
- June 2004:** Awarded the annual Auditor-General's award for Performance, Queensland Audit Office.
- November 1996:** Awarded Highest Academic Achievement Year 12, Dux of the School

## **Referees**

Mr Bob McDonald  
Senior Director Audit and Risk Advisory Services  
Queensland Health  
Ph. +61 7 3235 9082  
Email: [Bob\\_McDonald@health.qld.gov.au](mailto:Bob_McDonald@health.qld.gov.au)

Mrs Liezel Samuel  
Director Audit and Operational Review Unit  
Queensland Health  
Ph. +61 7 3234 0293  
Email: [liezel\\_samuel@health.qld.gov.au](mailto:liezel_samuel@health.qld.gov.au)