

# Individual Assessment Center Activity for Internal Audit Manager

## Instructions for using this template during Assessment Center

The purpose of this template is to provide a guide for using this Individual Exercise during an Assessment Center for hiring new candidates.

It provides a structured approach to evaluating candidates based on their technical and behavioral competencies required for the role.

Please follow the instructions below to ensure a fair and consistent evaluation of each candidate.

- 1. Review the Technical and Behavioral Competency Requirements for the Role:** Please refer to Section 1 to review the technical and behavioral competency requirements for the role. This will help you understand the key skills, knowledge, and behaviors that are essential for the candidate to possess to be successful in the role.
- 2. Use the Individual Exercise as Assessment Center Activity:** Please refer to Section 2 of this template to understand the individual exercise that you can use to assess the candidates. A case study has been used as an assessment tool for assessing an individual's competencies. The case study has been designed to assess specific competencies required for the role.
- 3. Complete the Assessor Evaluation Form:** Please use the Assessor Evaluation Form provided towards the end of Section 2 to record your ratings and observations about the candidate during the specific assessment center activity. This form will help you capture your feedback on the candidate's performance during the exercises and their overall fit for the role. The answer key to the questions are provided in **Section 3**. The assessor can refer to these solution/ answers to the questions while evaluating the candidate



4. **Maintain Objectivity and Fairness:** Please ensure that you remain objective and fair throughout the assessment process. Avoid making assumptions or drawing conclusions based on factors that are not related to the candidate's performance. Also, ensure that you provide feedback based on the candidate's demonstrated behaviors and their ability to meet the defined competencies, rather than their personality or personal characteristics.

Remember, the purpose of the individual assessment activities is to evaluate each candidate's performance independently, allowing for a comprehensive understanding of their capabilities and suitability for the role.

## Section 1: Competencies Required For Technical Recruiter

### ***Technical Competency Requirements:***

- Demonstrates solid understanding of internal audit principles through accurate application.
- Utilizes proficient knowledge of financial accounting to ensure accurate reporting.
- Applies familiarity with relevant laws and regulations to ensure compliance.
- Conducts thorough financial, operational, and compliance audits with precision.
- Analyzes complex data effectively to identify trends and draw meaningful conclusions.
- Utilizes audit software and data analytics tools proficiently for efficient auditing.
- Presents findings and recommendations clearly and effectively in written and verbal communication.
- Manages projects efficiently, prioritizing tasks, allocating resources, and meeting deadlines.

### ***Behavioral Competency Requirements:***

- Leads and motivates teams to achieve high performance and development.
- Demonstrates an analytical mindset with attention to detail and proactive problem-solving.
- Builds effective relationships and collaborates with stakeholders at all levels successfully.
- Maintains integrity and ethical conduct, ensuring confidentiality and objectivity.
- Communicates complex concepts clearly and concisely, influencing others effectively.
- Adapts and thrives in a fast-paced and changing environment with resilience.
- Exhibits strong organizational skills, managing multiple priorities and meeting deadlines.

## Section 2: Case Study

**Name of the Exercise:** "Internal Audit Simulation"

**Objective:** To assess participants' competency in conducting a financial audit and demonstrating the required technical and behavioral competencies.

**Competencies that will be assessed:**

Technical Competencies:

- Solid understanding of internal audit principles
- Proficient knowledge of financial accounting
- Familiarity with relevant laws and regulations
- Thoroughness in conducting financial, operational, and compliance audits
- Effective analysis of complex data
- Proficient use of audit software and data analytics tools
- Clear and effective presentation of findings and recommendations
- Efficient project management and meeting deadlines

Behavioral Competencies:

- Leadership and team motivation
- Analytical mindset and proactive problem-solving
- Relationship building and collaboration
- Integrity, confidentiality, and objectivity
- Clear and concise communication
- Adaptability and resilience
- Strong organizational skills and time management

**Instructions for the assessor:**

- Familiarize yourself with the financial audit process, including internal audit principles, financial accounting standards, relevant laws and regulations, and commonly used audit software and data analytics tools.
- Prepare evaluation criteria and weightage based on the questions and answers provided.

- Observe participants' performance in each competency area and rate their proficiency accordingly.
- Take note of participants' leadership, analytical thinking, communication skills, adaptability, and organizational abilities.
- Provide constructive feedback to participants based on their performance.

### **Instructions for the participants:**

- Read the case study carefully and understand the problem statement and objectives.
- Analyze the given facts and figures to identify areas of concern and potential audit risks.
- Apply your knowledge of internal audit principles, financial accounting, laws and regulations, and data analysis techniques to conduct a comprehensive financial audit.
- Prepare a written report summarizing your findings, including recommendations for improvement.
- Be prepared to present your findings and recommendations to the assessors.
- Manage your time effectively to meet the given deadlines.
- Demonstrate your leadership, problem-solving, communication, and organizational skills throughout the simulation.

### **List of Job Aids that will be required to perform the activity:**

- Access to financial statements, records, and relevant documentation of ABC Company
- Audit software and data analytics tools (simulation or real software)
- Presentation materials (slide deck, whiteboard, markers, etc.)

### **Elaborated problem statement:**

ABC Company is a medium-sized manufacturing company that specializes in producing consumer goods. As an internal auditor, your task is to conduct a financial audit of ABC Company for the fiscal year ending December 31, 2022. The audit should ensure accurate reporting, compliance with laws and regulations, and identify any financial, operational, or compliance issues that require attention.

## Complete Facts and Figures:

- ABC Company's financial statements for the fiscal year ending December 31, 2022, including the balance sheet, income statement, and cash flow statement.
- Detailed records of ABC Company's transactions, including sales, purchases, expenses, and investments.
- ABC Company's internal policies and procedures related to financial accounting, internal controls, and compliance.
- Relevant laws and regulations applicable to ABC Company's industry and operations.
- Audit software and data analytics tools for analyzing financial data and identifying trends.

## Questions from the case study to assess the candidates:

### Technical Competencies:

- 1. Demonstrates solid understanding of internal audit principles through accurate application.**

Explain the key principles of internal audit and how they apply to the financial audit of ABC Company.

- 2. Utilizes proficient knowledge of financial accounting to ensure accurate reporting.**

Identify and explain any potential issues or discrepancies in ABC Company's financial statements for the fiscal year ending December 31, 2022.

- 3. Applies familiarity with relevant laws and regulations to ensure compliance.**

Describe the laws and regulations that ABC Company should comply with and assess its compliance based on the provided information.

**4. Conducts thorough financial, operational, and compliance audits with precision.**

Outline the steps and procedures you would follow to conduct a comprehensive financial, operational, and compliance audit of ABC Company.

**5. Analyzes complex data effectively to identify trends and draw meaningful conclusions.**

Analyze the financial data of ABC Company and identify any trends or patterns that require further investigation or attention.

**6. Utilizes audit software and data analytics tools proficiently for efficient auditing.**

Demonstrate your proficiency in using audit software and data analytics tools by applying them to analyze ABC Company's financial data and identify potential risks or anomalies.

**7. Presents findings and recommendations clearly and effectively in written and verbal communication.**

Prepare a written report summarizing the findings of your financial audit of ABC Company and develop a concise and compelling presentation to deliver the key findings and recommendations to the assessors.

**8. Manages projects efficiently, prioritizing tasks, allocating resources, and meeting deadlines.**

Develop a project plan for conducting the financial audit of ABC Company, including a timeline, task allocation, and resource management strategy.

**Behavioral Competencies:**

**1. Leads and motivates teams to achieve high performance and development.**

Assume the role of an audit team leader and describe how you would motivate and manage your team to achieve high performance during the financial audit of ABC Company.

**2. Demonstrates an analytical mindset with attention to detail and proactive problem-solving.**

Provide an example of a complex financial issue you encountered during the audit and explain how you approached the problem, including the analytical techniques used and the solution you proposed.

**3. Builds effective relationships and collaborates with stakeholders at all levels successfully.**

Describe how you would establish and maintain effective relationships with key stakeholders, such as management, department heads, and employees, during the financial audit of ABC Company.

**4. Maintains integrity and ethical conduct, ensuring confidentiality and objectivity.**

Explain the ethical considerations and professional standards that internal auditors should adhere to during the financial audit of ABC Company. How would you ensure confidentiality and objectivity?

**5. Communicates complex concepts clearly and concisely, influencing others effectively.**

Describe a situation where you had to communicate a complex financial concept or finding to a non-financial stakeholder. How did you ensure that the information was understood and influenced the stakeholder effectively?

**6. Adapts and thrives in a fast-paced and changing environment with resilience.**

Describe a situation in which you encountered unexpected changes or challenges during an audit and explain how you adapted to the situation while maintaining resilience and achieving the audit objectives.

## 7. Exhibits strong organizational skills, managing multiple priorities and meeting deadlines.

Explain how you would manage multiple priorities, tasks, and deadlines during the financial audit of ABC Company, ensuring that all essential activities are completed within the given timeframe.

### ***Assessment Center Activity Assessor Evaluation Form***

Participant Name:	
Assessor Name:	
Date:	

**Instructions:** Please provide ratings and observations based on the participant's performance during the assessment center activity. Use the rating scale below and provide specific examples to support your ratings.

#### **Rating Scale:**

- 1 = Below Expectations
- 2 = Meets Expectations
- 3 = Exceeds Expectations

<i>Evaluation Criteria</i>	<i>Weight age</i>	<i>Rating</i>	<i>Observations</i>
Solid understanding of internal audit principles	10%		
Familiarity with relevant laws and regulations	10%		
Thoroughness in conducting financial, operational, and compliance audits	10%		

Effective analysis of complex data	15%		
Proficient use of audit software and data analytics tools	15%		
Proficient knowledge of financial accounting	10%		
Clear and effective presentation of findings and recommendations	15%		
Efficient project management and meeting deadlines	15%		
Leadership and team motivation	10%		
Analytical mindset and proactive problem-solving	10%		
Relationship building and collaboration	10%		
Integrity, confidentiality, and objectivity	10%		
Clear and concise communication	10%		
Adaptability and resilience	10%		
Strong organizational skills and time management	10%		

## Overall Assessment:

Based on the above criteria, please provide an overall assessment of the participant's performance during the assessment center activity.

Rating	
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## Observations:

Please provide any additional comments or feedback about the participant's performance during the assessment center activity.

## Additional Comments:

<b>Signature</b>	
<b>Assessor</b>	
<b>Date</b>	

## Section 3: Case Study Solution/ Answer Key

### Solutions for the questions:

#### Technical Competencies:

1. The key principles of internal audit include independence, objectivity, integrity, confidentiality, and competency. In the financial audit of ABC Company, these principles should guide the auditor's approach to ensure unbiased and accurate assessments.
2. Participants should review the financial statements and identify any inconsistencies, errors, or omissions. They should explain the impact of these issues on the accuracy of financial reporting and propose corrective measures.
3. Participants should identify the applicable laws and regulations and assess ABC Company's compliance. They should highlight any non-compliance issues and suggest corrective actions.
4. Participants should provide a detailed plan for conducting the audit, including risk assessment, sampling methods, testing procedures, and documentation requirements.
5. Participants should use data analytics tools to analyze the financial data and identify significant trends, outliers, or unusual patterns. They should explain the implications of these findings and recommend appropriate actions.
6. Participants should demonstrate their ability to effectively use audit software and data analytics tools to analyze financial data, identify risks, and detect anomalies or irregularities.
7. Participants should prepare a comprehensive written report that includes an executive summary, detailed findings, and actionable recommendations. They should also deliver a clear and engaging presentation to communicate the key findings effectively.
8. Participants should create a project plan that outlines the key activities, milestones, and deadlines for the financial audit. They should also demonstrate their ability to manage resources effectively and ensure timely completion of the audit.

## Behavioral Competencies:

9. Participants should outline their leadership approach, including team motivation strategies, effective communication, delegation, and conflict resolution techniques.
10. Participants should share a real or hypothetical example of a complex financial issue and demonstrate their analytical thinking skills, attention to detail, and proactive problem-solving approach.
11. Participants should outline their strategies for building relationships, fostering open communication, and collaborating with stakeholders to obtain relevant information and ensure cooperation throughout the audit process.
12. Participants should discuss the ethical principles and standards, such as confidentiality, objectivity, and independence, that should guide their conduct during the audit. They should also propose measures to maintain confidentiality and objectivity in their interactions and reporting.
13. Participants should share an example of communicating complex financial information to a non-financial stakeholder and explain their approach to ensure clarity, understanding, and effective influence.
14. Participants should share a real or hypothetical example of a situation involving unexpected changes or challenges during an audit and demonstrate their ability to adapt, remain resilient, and successfully navigate the situation.
15. Participants should outline their organizational strategies, time management techniques, and prioritization methods to effectively manage multiple tasks and meet deadlines during the audit.