

Internal Audit for Community Banks

compliance
Internal Audit
risk
independent
add value
effective
improve
efficient
assurance
objective

Spring Session

May 6 & 7, 2021



*Offered as a virtual VACB/
CBWV presentation!*



*Both days will be presented
on the Zoom platform*

Internal Audit Program Details

Program Agenda for BOTH Days

Thursday & Friday

9:15 a.m. – 9:30 a.m.	Log Into Zoom Registration
9:30 a.m. – 12:00 noon	Program
12:00 pm – 1:00 p.m.	Lunch Break
1:00 p.m. – 3:00 p.m.	Program

About the Zoom Platform

Upon registration, attendees will complete their registration via a Zoom link that will be included in the registration confirmation. As the program dates approach, CBWV will forward a link to download the materials for the entire sessions. These are to be used in conjunction with our speaker's outline. If you have any questions about the Zoom format or the materials, please contact CBWV at 304.254.9822 or email Courtney Campbell at courtney33@wvacb.com

Program Fees

CBWV Member	\$495
CBWV Non*Member	\$990

**Eligible NonMember banks may apply their registration fees toward their membership dues.*

CBWV Cancellation Policy

Written or faxed program cancellations received seven (7) days prior to the program will receive a full refund. Cancellations received six (6) days or less prior to the program are subject to a \$75 cancellation fee. Cancellations received the day of a program will forfeit registration fees entirely. Substitutions are welcomed and encouraged up to and including the day of the program. If you have questions about your registration, please contact Courtney Campbell at courtney33@wvacb.com.

Seminar Dates

May 6 & 7

Cancellation By

April 30

About our Presenter

Paul Sanchez, Professional Service Associates

Paul J. Sanchez, CPA, CBA, CFSA conducts a CPA practice in Port Washington, New York. He is also the owner of Professional Service Associates (PSA), a consulting and professional training and development business servicing corporate clients (auditors, controllers, etc.), CPA firms, professional associations and others. He is a frequent lecturer and seminar leader for accounting, auditing, banking, risk assessment and other professional presentations and is the author of the textbook, "Accounting Basics for Community Financial Institutions" (Financial Managers Society, 2nd edition, Chicago, 2009) and the monthly "Ideas an Analysis Letter: The Sanchez Take" (see www.sanchez-psa.com). As a contributing author, his chapter on 'An Auditor's Approach to Risk-Based Auditing: What to Audit and When,' is included in the textbook, "Effective Auditing for Corporates: Key Developments in Practice and Procedures," (Bloomsbury Information, Ltd, London, 2012).

This Program Qualifies for 10.5 Hours of CPE Credits

Program Topics – May 6 & 7, 2021

A Current View of the Internal Auditing Profession: Where Do We Go From Here?

Presented by:

Paul Sanchez, Professional Service Associates

Like most other aspects of the business world, the internal auditing profession is changing with the times. It continues its evolution from simple counters of assets (cash, securities, etc.) and verifiers of account transactions to analyzers of internal financial accounting controls to trusted consultants to banking business risk assessors to business confidants. The current focus is on the trusted consultant part of the evolution.

Strangely, the auditor has drifted away from basic bookkeeping tasks over the years. However, because of the complexity of GAAP Accounting, the internal auditor is back in the accounting business but at a much higher level than prior years. Now, the internal auditor is expected to be familiar with complicated unique accounting matters dealing with loan accounting, including loan originating costs and fees; accounting for HTM and AFS marketable securities; accounting for loans that become Real Estate on the bank's books (OREO), accounting for allowances for losses under the new Current Expected Credit Loss Approach (CECL) etc.

In addition, the internal auditor is now expected to be cognizant of fast changing activities concerning derivatives, including interest rate swaps, and the ever changing and soon to be finalized Libor Story. All of the new expectations of internal auditors, of course, are expected to be done with less resources. The "produce more with less" motto is definitely the case when viewing the current trend in internal auditing.

The ever expanding expectations of internal auditors will require working more efficiently which requires a revisiting of audit efficiency issues and how they must continue to be a primary focus of the auditor, especially in a business environment increasingly dominated by artificial intelligence, machine learning, robots and other machines that must be used and controlled to satisfy what is expected of the current internal auditor.

Our time together will be an exciting view of what is happening in today's internal auditing profession that keeps evolving and continues to make its presence valuable for the organization as a whole.

The A Current View of the Internal Auditing Profession: Where Do We Go From Here? Program Outline

A concise overview about what is happening to the bank internal audit profession today.

Evolution of the Profession to Date

- ◆ Where we started
- ◆ Where we are today
- ◆ Current types of audit coverage
- ◆ Internal control still the focus

Where Do We Go From Here

- ◆ Do more with less
- ◆ End of downsizing
- ◆ Fewer full-time employees performing audit work
- ◆ Outsources will perform rudimentary assignments (confirmation, reconciliation, vouching, etc.)
- ◆ More reliance on sampling and analytical procedures

More Reliance on Sampling

- ◆ Valid sampling to make strong statements about internal controls
- ◆ Probabilities
- ◆ Attributes sampling for tests of controls
- ◆ Non-statistical sampling

Accounting Concerns Will Be Part of Responsibilities

- ◆ Many unique bank accounting issues
- ◆ OREO issues; putting OREO on the books; removing OREO from the books
- ◆ CECL issues
- ◆ Accounting for marketable securities
- ◆ Accounting for non-refundable direct origination costs and fees

New Non-Accounting Concerns

- ◆ The LIBOR story
- ◆ The Interest Rate Swap Story
- ◆ More involvement with derivatives

Rethinking Audit Efficiencies

Internal Audit
Seminar
for
Community
Banks

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Spring Internal Audit Seminar

May 6 & 7, 2021

Offered Live & Virtual via the Zoom Platform

REGISTRATION INFORMATION

**Please fill out separate form for each attendee*

Bank Name _____

Address _____

City/State/ZIP _____

Phone _____ Fax _____

Registrant Name _____

Registrant Email for materials _____

PAYMENT INFORMATION

Member (\$495 Per Attendee) Non-Member (\$990 Per Attendee)

\$_____ Amount Enclosed

We Accept Visa, MasterCard & Amex

Check Credit Card Invoice

Name as appears on card _____

Card Number _____

Expiration Date _____ Phone Number _____

Address _____

City, State, Zip _____

Email Address _____

Return to CBWV by May 3, 2021

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Questions: Call/email Courtney Campbell 304.254.9822

OR courtney33@wvacb.com