

## Root Cause Analysis (8 CPE)

*Date: 8-9 October 2020 (2 days)*

*Time: 13:00 – 17:00 on the 8<sup>th</sup> and 9:00 – 13:00 on the 9<sup>th</sup>*

*Virtual Training – Zoom Webinar*

*Language: English*

*Instructor – James Paterson*

### Introduction

When they find a problem, internal auditors (or any risk professional for that matter) don't put a bandage on it. They look deeper to identify what is causing the problem, and then indicate what is needed to address the underlying processes so to prevent it from occurring again. Such deeper look is supported by techniques and methodologies and Root Cause Analysis is one of the most known and extensively applied across various organizations and industries.

The Root Cause Analysis (RCA) is a method of problem solving vastly used in science and engineering. Whilst most audit teams believe this is an important area, many teams do not have a structured, systematic approach to root cause analysis, often because of misunderstandings that i) they are already doing it well or ii) that to do it properly will take too much time and effort.

Take this course and learn about key RCA techniques going beyond the useful (but limited) 5 Why-s technique. Use more powerful techniques to understand the difference between immediate, contributing and root causes to get to real issues, and add insight during internal audits. Understand why "there is never just one root cause" and how effective RCA can actually speed up audit assignment delivery, and the quality of reporting and trend analysis, looking at not just what issues are repeating but why they are repeating. Cases studies, practical approaches on the application of RCA will be the focus of the course, as well as interactive engagement of the course participants.

## **Who should attend?**

Experienced auditors, audit managers and heads of internal audit.

## **Learning Objectives:**

Upon completion you will be able to:

- Understand key IIA requirements, key Root Cause Analysis techniques beyond the Five Why-s approach and why these are a crucial tool for delivering insight and foresight;
- Gain a clearer sense of how an audit methodology can be improved in order to deliver more robust and consistent root cause analysis – recognizing there are always at least two root causes for any issue;
- See how effective Root Cause Analysis should not normally slow down an audit assignment but rather help it to be better focused in the first place;
- Understand good practice RCA categories (not culture, tone at the top, or failings by individual employees) and how these can be linked to assessments of organizational culture.

## **Root Cause Analysis Agenda**

### **DAY ONE - 8 OCTOBER 2020**

#### **SESSION 1: 13:00 – 14:45**

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- Background / overview of RCA;
- Types of Root Cause Analysis (RCA);
- IIA Guidance on RCA ;
- Two key types of RCA: 5 Whys / 2 Legs and the Issue tree ;
- The importance of the Pareto Principle in RCA;
- Design – Part 1;
- Human error and Just Culture – When can you blame the people?

**BREAK: 14:45 – 15:15**

**SESSION 2: 15:15 – 17:00**

- GRC – Lessons to remember that impact root causes;
- Risk Identification;
- Communication - Incidents and issues;
- Risk Appetite;
- Roles, Accountabilities and Authorities;
- Build, maintain and change processes, policies and systems;
- Design – Policies and processes/controls – What does Good look like?
- Projects – Priorities / dilemmas between time, cost, budget and benefits.

**DAY TWO – 9 OCTOBER 2020**

**SESSION 3: 9:00 – 10:45**

- Other RCA Techniques: Modified fishbone and Causal loop diagrams
- Systems thinking and the reasons for issues
- Where do culture and tone at the top fit in to root causes
- Application / Discussion
- Assignment planning and work programmes that consider RCA
- IA implications – reporting – the importance of “so what”/impact?

**BREAK: 10:45– 11:15**

**SESSION 4: 11:15 – 13:00**

- Working hypothesis to use RCA to speed up assignment delivery;
- Thematic reporting for Senior Managers and Audit Committees;
- IA practices – Ratings / Knowing when to stop / Action planning / Follow-up;
- Recap and other techniques;
- The benefits of RCA and working with other functions on RCA;
- Concluding remarks.

### Instructor Bio:



**Mr. James Paterson** has developed a reputation for delivering outstanding workshops. He is the founder of Risk & Assurance Insights, a company which provides training, consulting and coaching for Heads of Audit and Audit Committees. His consulting clients include ACCA, Amgen, Bank of America Merrill Lynch, British Airways PLC, BAE Systems PLC, Biogen Idec, Cargotec, Carnival Cruises PLC, Dixons PLC; European Union, Friends Life PLC, Ericsson, Experian PLC, ITG PLC, Kelda PLC, MoPAC (Metropolitan Police), Newcastle Building Society, North West Electricity, Novartis, Qatar National Bank, Thames Water PLC, UNIAC.

For a long time, James has been providing trainings on Assurance Mapping, Lean auditing, Auditing Culture, Root cause analysis, Political Savvy, Audit best practices, Induction for new Heads of Audit for IIA UK, Belgium, Bulgaria, Finland, France, Norway, Spain, Sweden, Switzerland etc. As an experienced lecturer, Mr. Paterson is always invited as a keynote speaker in IIA Global conferences, European Union Auditors forum, NHS conferences, CIPFA IA conferences, ACCA IA conferences, IIA UK, Scotland and other regions numerous conferences.

To top his achievements, on 2015, Mr. Paterson published his book “Lean auditing”. His other publications include: ACCA IA up-dates – on Audit Committee effectiveness & Assurance and Reasonable assurance, CIPFA - Assurance frameworks, IIA US – Lean auditing, IIA Denmark – IA Key Performance Indicators, IIA Middle East – Root Cause Analysis, IIA Belgium - Auditing Corporate Culture.

## IMPORTANT FINANCIAL DATA

Cost per participant:     **AIIA Members 170 € (VAT included)**  
                                  **Non-members 190 € (VAT included)**

Price includes course attendance, educational material, lunch and coffee breaks.

Payment\* can be made by bank transfer or direct deposit by using the following account info:

Account Holder: **Albanian Institute of Internal Auditors**

Account No: **0010039700**

Swift: **SGSBALTX**

IBAN: **AL43 2021 1123 0000 0000 1003 9700**

**Raiffeisen Bank Albania**

Contact details: [info@aiia.al](mailto:info@aiia.al)

*\* **Important:** The transferred amount **must include** the entire amount as stated above. No shortfalls due to exchange fee/or other administration charges may arise. Albanian Institute of Internal Auditors has to receive the amount that is stated in your invoice.*

REGISTRATION FORM

for

# Root Cause Analysis

8 – 9 October 2020

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|--------------|--|--------|--|
| Full name    |  |        |  |
| Position     |  |        |  |
| Company name |  | VAT nr |  |
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| Address      |  |        |  |

**Cancellation Policy:**

Places on AIIA Training courses are limited so we therefore operate a cancellation policy regarding refund.

1. *In case of cancellation of a training event by AIIA or related partner, we will endeavour to inform all participants 10 days before the course is due to take place, although please be aware that this is not always possible. All course fees paid will be reimbursed in full, but we are unable to reimburse any other costs that may have been incurred, including flights, accommodation etc.*
2. *No refund will be made for*
  - a. *Bookings cancelled less than two weeks before the event, except in exceptional circumstances and then only at the discretion of Albanian Institute of Internal Auditors.*
  - b. *Non-attendance on the course.*
3. *For bookings cancelled two or more weeks before a course is due to start, 100% per cent of course fees paid will be refunded to the applicant.*

- I confirm all the data I provided is true and accurate.
- I confirm that I read the training program and I agree to have such content delivered during the course.

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Name Surname Signature

Date, location