

PRACTICAL RISK BASED TOOLS & TECHNIQUES FOR AUDITING OIL PALM OPERATIONS INCLUDING RED FLAGS AND FRAUD DETECTION

OVERVIEW

Surveys and feedback from Internal Auditors in the Plantation sector revealed the need for help to step up confidence and competence in conducting effective internal audit engagements. Common challenges faced by Plantation auditors in their engagements were;

- Weak business process knowledge in the plantation and milling operations
- Unable to challenge line management responses to audit findings. Often accepting the feedback/ responses at face value.
- Not able to probe deeper to establish the truth due to lack of business process knowledge and experience in raising relevant questions.
- Poor/ weak experience in questioning skills.
- Weak scoping and planning activities due to poor data analytics in Plantation operations
- Rushed Fieldwork caused by poor planning and remote Plantation sites.
- Unable to determine correct root causes.
- Audit findings poorly raised and communicated.
- Irrelevant audit recommendations that are often not implemented
- Recurring audit findings causing concern to Senior Management and Audit committee
- Process owners at HQ levels are not involved/ consulted for inputs into findings raised in their subject matter areas.
- Poor knowledge and experience in addressing Red flags in plantation operations.
- Difficult to detect and address fraud in Plantation operations.
- Difficult to address waste/ inefficiencies/ abuses by line management.
- Lack of shared learning within audit teams although there were subject matter experts/ experienced auditors within.
- Weak/absent coaching by audit leaders to develop auditor competence and confidence.

WHAT CAN YOU TAKE AWAY BY PARTICIPATING IN THIS WORKSHOP?

- Shared learning to acquire Plantation business process knowledge and challenges faced in auditing them.
- Implement acquired knowledge and tools (templates) from this highly interactive workshop.
- Improve competence and confidence in conducting plantation audits and detecting fraud where relevant.
- Develop a working group of participating Plantation auditors with Facilitator's ongoing support.
- Address the challenges mentioned above and discover/ implement solutions going forward.

WHO SHOULD PARTICIPATE?

- Plantation auditors irrespective of role and experience who are willing learners.

WHAT WILL YOU BE LEARNING FROM AND WITH EACH OTHER?

- Plantation Operations
- Oil mill Operations
- Identifying controls and Fraud red flags
- Shared audit issues from our work experience
- Shared experiences on what works in our audit assignments
- Benchmarking & best practices for auditing plantation operations

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HOW WILL THIS PROGRAMME BE DELIVERED TO ENSURE LEARNING THAT LASTS AND SIMULTANEOUSLY ACHIEVE AN ROI?

- Practical tools used in class. Please bring your laptops
- Minimal lectures
- Pre Program surveys and inputs (questions)
- High level (90%) of engagement through individual/ group activities
- Debriefs and summaries
- Documented classroom outputs into "As delivered Manual" which will be released 2 weeks after the workshop
- Project work and assignment for individuals/ groups
- Virtual follow through activities 30 & 60 days post workshop

SCOPE OF OPERATIONS COVERED IN THIS WORKSHOP

Estate Operations

1. New Development of Oil Palm Plantation
 - Feasibility studies
 - Land acquisition
 - Land clearing & preparation – terracing etc.
 - Infrastructure – roads/bridges/ramps/housing
2. Replanting
 - Clearing of old plant
3. Nursery
 - R & D for seed sourcing
 - Pre nursery and transplanting to nursery
 - Culling

4. Estate Stores

- Ordering, receiving & issuing to fields
- Inventory controls

5. Planting

- Cover crops
- Fertiliser, fungicides and pesticides controls
- Transplanting to main fields for planting

6. Field Maintenance

- Manuring
- Weeding
- Pest & disease control
- Pruning
- Roads & Bridges

7. Harvesting

- Harvesting cycles & standards
- Field harvesting & collection activities & supervision
- Loose fruit collections
- Transporting to ramps and to own or third party mills

8. Check roll & Payday operations

- Daily check roll & punch card operations
- Wages calculations and payments to manpower contractors
- Payroll operations

9. Accounts payables

- Supplier payments processed at estate
- Charging of costs to fields

Oil Mill Operations

CAPEX: Construction of new mills

- Feasibility studies/ licences/ compliance (EIA)
- Tender & Awards
- Preconstruction
- Construction and commissioning of Mills
- Contract administration and Variance orders
- Handover

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Milling Operations

1. **Weighbridge & FFB Ramp**
 - Weigh bridge operations
 - Receiving FFB and grading at ramps
 - Award of OER/KER to third party vendors and own FFB
2. **Engineering Stores**
 - Suppliers & procurement
 - Receiving and issuance to Mill
 - Stock controls
 - Non stock purchase and direct charge to operations
 - Returns & Credit notes controls
3. **Plant & Equipment Maintenance**
 - Plant & Equipment history card controls
 - Major and minor repairs
 - Third party repairs
4. **Processing FFB for CPO**
 - Sterilisation -Threshing -Digestion -Pressing
 - Oil clarification & drying
 - Quality control -FFA
 - Transfer to Storage tanks by quality grades
 - Sludge oil operations -Sludge ponds operations (sales)
5. **Processing FFB for KER**
 - Nut recovery -drying & cracking
 - Kernel separation
 - Kernel storage in silos
6. **Stock controls**
 - CPO quantity measures in storage tanks and lab controls
 - KER quantity measures in silos and lab controls

7. **Sales & Despatch of CPO and KER**
 - Sales contracts by HQ
 - Despatch of CPO and KER -controls
 - Tankers controls -incoming & outgoing
 - Oil losses in transit
 - Bulking operations.
8. **Check roll operations**
 - Daily check roll & punch card operations
 - Wages calculations and payments to manpower contractors
 - Payroll operations
9. **Accounts payables**
 - Supplier payments processed at mill/estate
 - Charging of costs to cost centres

OUTLINE

DAY 1

Estate Operations – BPA # 1

Introducing BPA / FRA

- New development
- Replanting
- R & D
- Nursery

Estate Operations – BPA # 2

- Estate stores
- Planting
- Field Maintenance

Estate Operations – BPA # 3

- Harvesting & Transport
- Check roll & Payday operations
- Accounts payables & Accounts

Oil Mill Operations – BPA # 4

- CAPEX: construction of new mills

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DAY 2

Oil Mill Operations – BPA # 5

Milling Operations

- Weighbridge & FFB Ramp
- Engineering Stores
- Plant & Equipment Maintenance
- Lab analysis

Oil Mill Operations – BPA # 6

Milling Operations

- Processing FFB for CPO
- Processing FFB for KER
- CPO/ KER Stock controls
- Sales & Despatch of CPO and KER
- Check roll operations
- Accounts payables

Change Maps and next action steps

- Change map for estate audits
- Change map for Oil Mill audits
- Help I need
- Offers & Requests from your peers / HOD

Real Life study: selected audit findings

- Complete the interim Audit Issue & Recommendations template
- Evidence & supporting info

Closing

- Summary and Next Action Steps
- Review of ARL principles, concepts and tools that we applied
- Workshop Feedback / Plus / deltas

ADMINISTRATIVE DETAILS

| | |
|-------------------------|---|
| TARGET AUDIENCE | LEVEL I-II |
| MEMBER'S FEE | RM1,900.00 |
| NON-MEMBER'S FEE | RM2,400.00 |
| | <i>All Fees will be subject to 6% SST</i> |
| EARLY BIRD FEE | 10% discount for registration received one (1) month prior to respective workshop dates |
| DATE | 16 & 17 November 2021 |
| TIME | 9:00 am – 5:00 pm (Registration on Day 1 at 8:30am) |
| LOCATION | Kuala Lumpur |
| DELIVERY MODE | Physical Class |
| PROGRAMME CODE | KL32 |
| TRAINER | Gurbakhish Singh ARL@ COACH, FCMA, CIA |
| CPD POINTS | 16 |

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CLASSROOM
(in Virtual
Format)

ABOUT THE TRAINER

GURBAKHISH SINGH
ARL® COACH, FCMA, CIA

Gurbakhish is distinguished by his passion for Internal Auditing and Action Reflection Learning. A Management Accountant and Certified Internal auditor with background in multiple industries, company sizes and subject matter. He has proven track record of success with both large and small Internal Audit teams focused on driving innovation, transforming operations, improving customer experience and return on investment. Proven ability to build and lead teams during periods of change and drive organizational efficiencies through unique action reflection learning (ARL®) and Quality Education System (QES) methodologies.

He has over 47 years of value adding experience across a broad range of industries. Served 29 years in internal audit, 6 years in Finance & Admin and 12 years in Operations. Plus, leading IIA Inc's QAR and SAIV projects for several clients.

He served in various leadership roles in the areas of Business Risk Management, Corporate Governance, Fraud mitigation, Internal Audit, Finance & Accounting, Administration, Sales Operations, Learning & Development, Total Quality Management. In most appointments, besides his professional responsibilities, he contributed by developing and conducting several in house subject matter-based training programs at the request of his employers.

He worked with local companies (Perwira Habib Bank and Island & Peninsular Group) multinationals (Dunlop Estates Group and Inchcape Group) and IT global giant Hewlett Packard Australia.

Firm believer that the best way to build a strong Internal Audit function is to build the Auditors and Audit deliverables simultaneously in order to value add and improve businesses they work for.

ENQUIRY & REGISTRATION

1-17-07, Menara Bangkok Bank, Berjaya Central Park, 105 Jalan Ampang, 50450, Kuala Lumpur, Malaysia
Tel: +603 2181 8008 ext 210/213/212 Fax: +603 2181 1717 Email: training@iiam.com.my Website: www.iiam.com.my

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COURSE DETAIL

Course Title

Course Code

Course Date(s)

DELEGATE 1

*Full Name (as per IC)

*Designation

*Mobile No.

*Email Address

☐ Member ☐ Non-Member "Membership No. (only applicable for members)"

Dietary Preferences ☐ Vegetarian ☐ Non-Vegetarian

DELEGATE 2

*Full Name (as per IC)

*Designation

*Mobile No.

*Email Address

☐ Member ☐ Non-Member "Membership No. (only applicable for members)"

Dietary Preferences ☐ Vegetarian ☐ Non-Vegetarian

DELEGATE 3

*Full Name (as per IC)

*Designation

*Mobile No.

*Email Address

☐ Member ☐ Non-Member "Membership No. (only applicable for members)"

Dietary Preferences ☐ Vegetarian ☐ Non-Vegetarian

CORPORATE DETAILS (only applicable for corporations)

☐ Corporate Member Corporate Membership No: _____

☐ Corporate Non-Member

CONTACT DETAILS

Organisation Name

Mailing Address

Contact Person

Designation

Telephone

Fax

Email Address

BILLING DETAILS

☐ please tick if billing details are the same as contact details.

Contact Person

Designation

Billing Address

Telephone

Fax

Email Address

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PAYMENT DETAILS

| Payment Details | Member Rate (per person) for KL-code related courses | Non-Member (per person) | 6% SST | Total with SST |
|------------------|--|-------------------------|--------|----------------|
| Fee (per pax) RM | | | | |
| No. of pax | | | | |
| Subtotal | | | | |

All registrations **MUST** be accompanied with full payment. Upon receipt of your registration, you are deemed to have read and understood the registration procedures and accepted the terms and conditions contained therein. (Please tick (✓) the chosen method)

☐ Enclosed is a cheque/bank draft no. _____ for the sum of RM _____ payable to **THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA**

☐ LOCAL PAYMENTS BY CHEQUE / INTERBANK GIRO

All payments should be crossed and made payable to **THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA**

Bank Details: United Overseas Bank (M) Bhd. USJ Taipan Branch, No.7, Jalan USJ 10-1, USJ Taipan Triangle, 47620 UEP Subang Jaya, Selangor

Account No.: 165-301-514-9 Bank Swift Code: UOVBMYKL

☐ OVERSEAS PAYMENTS BY WIRE TRANSFER (USD only)

Beneficiary: **THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA**

Address: 1-17-07, Menara Bangkok Bank, Berjaya Central Park, 105 Jalan Ampang, 50450 Kuala Lumpur, Malaysia

Beneficiary's Bank: STANDARD CHARTERED BANK MALAYSIA BERHAD

Beneficiary's Bank Address: Level 18, Menara Standard Chartered, No.30 Jalan Sultan Ismail, 50250 Kuala Lumpur

Account No.: 312-170-024-235 Bank Swift Code: SCBLM-YK-XXXX

All wire transfer payments should include USD\$30.00 (overseas) and RM25.00 (local) for wire transfer processing fee. For GIRO, please include RM1.00 as bank charges. (Please fax the bank-in slip to +603 2181 1717 or email to training@iiam.com.my)

☐ CREDIT CARD

I hereby authorise **THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA** to charge to my credit card. to the value of

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Expiry Date: _____ Cardholder's Name _____

I understand that any amount drawn from my credit card will first be cleared with the credit card authorisation facility.

Signature (As per credit card) _____ Date _____

TERMS & CONDITIONS

FEE

- Fee is payable to "THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA". Please state your name, payment advice number, phone number and Workshop Code number at the back of the cheque/bank-in slip. Admittance will only be permitted upon receipt of full payment
- The fee covers the hard copy course material, lunches, refreshment and Certificate of Attendance.
- Full payment is to be made before the date of the course. Fee is subject to 6% SST.
- Walk-in delegates will only be allowed if full payment is made, subject to the availability of the seat.

CANCELLATION

- Upon registering, participant(s) are considered successfully enrolled in the course. Should participant(s) decide to cancel/transfer their registration, a cancellation/transfer policy shall be applied as follows.
 - a) Written cancellations should be received by 14 working days before the workshop date to get the refund.
 - b) Written cancellations should be received by 7 working days before the workshop date to get a partial refund after deduction of 50% administrative charge. Unpaid registrations will also be liable for 50% administrative charge.
 - c) Written cancellations/no-show on the day of the workshop.
 - No refund will be entertained.
 - Unpaid registrations will also be liable to full payment of the registrations fee.
 - Partial cancellation is not allowed.
 - d) You can substitute an alternate delegate(s) if you wish to avoid cancellation charges. Any differences in fees will be charged accordingly.

RESERVATION

- The Institute reserves the right to make changes to the venue, date, topic, speaker including cancellation if warranted by circumstances beyond its control.
- The Institute is not responsible for the action, advise or representations of the trainer / speaker.
- Registration will be on first-come, first-serve basis.
- Upon signing this form, you have deemed to have read and understand the registration term and condition and therefore have accepted the terms contained herein.
- Certificates of Attendance will be issued an "E-certificate" via email. For this purpose, it is COMPULSORY to fill in the email address clearly. Certificate will only be given to participant who attended the session in full.

DATA PROTECTION

Personal Data is gathered in accordance with the Personal Data Protection Act 2010 (Act 709). The Institute of Internal Auditors Malaysia (IIA Malaysia) hereby inform you that your personal data will be processed, retained and used by IIA Malaysia in relation to this Workshop. Your personal data may also be retained and used by IIA Malaysia to market and promote other training programmes conducted by IIA Malaysia.

DISCLAIMER

The Institute of Internal Auditors Malaysia (IIA Malaysia) reserves the right to change the speaker(s), date(s) or to cancel the Workshop should circumstances beyond its control arise. IIA Malaysia also reserves the right to make alternative arrangements without prior notice should it be necessary to do so. Upon signing the registration form, you are deemed to have read and accepted the terms and conditions.