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# Investment Audit Training Course: Custody, Valuation and Performance Reviews for Auditors

15 – 19 November 2026  
Manama





## Investment Audit Training Course: Custody, Valuation and Performance Reviews for Auditors

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### Programme Summary

Investment audit is the subject of this one-week training course for internal auditors, audit managers and finance controllers, ending in an investment audit file for one portfolio. Portfolios of securities, funds and unquoted holdings are tested late, using sampling habits taken from other balances, so existence, valuation and performance claims are not always supported. The programme moves from mandate and risk to custody, valuation, income and reporting, applied to a case and then to a portfolio the participant selects. Mars Training Centre UK delivers this programme on investment audit to mixed-organisation cohorts.

### The Business Case

Investment balances are large, fast-moving and often valued by models rather than prices. When audit work treats them like ordinary receivables, errors in holdings, fair value and income stay hidden until a loss is reported. A defined audit method gives committees assurance on what is held, who holds it, what it is worth and how its return is reported.

- Valuation Errors: Fall as fair value inputs are traced to evidence.
- Custody Exceptions: Fall as holdings are reconciled to third-party records.
- Reporting Challenges: Fall as performance figures are rebuilt from source data.

### Principles and Evidence Base

- IFRS 9 Financial Instruments: Frames the classification, measurement and impairment tests applied in Sessions 2 and 3.
- IFRS 13 Fair Value Measurement: Supplies the fair value hierarchy used to grade valuation evidence in Session 3.
- ISA 500, ISA 505 and ISA 540: Guide the evidence, external confirmations and estimate testing designed in Sessions 2 and 3.
- IIA Global Internal Audit Standards: Shape the engagement planning and reporting in Sessions 1 and 5.

### Intended Participants

- Internal auditors who plan and perform reviews of investment activity.
- Audit managers who supervise portfolio engagements and approve findings.
- Finance controllers who record holdings, income and valuations.
- Investment operations leads who reconcile positions with custodians.

Typical functions include banks, insurers, pension and endowment funds and corporate treasuries.



## Learning Outcomes

1. Participants will be able to construct an investment audit scope from the mandate and risk profile.
2. Participants will be able to design custody and existence tests using third-party records.
3. Participants will be able to evaluate fair value evidence by hierarchy level.
4. Participants will be able to diagnose income, classification and impairment errors.
5. Participants will be able to justify findings on performance and benchmark reporting.
6. Participants will be able to prepare an investment audit file ready for review.

## Programme Structure

### Day 1: Investment Audit Scope, Mandate and Risk

What does the portfolio hold, under what mandate, and where is the risk?

- Investment Mandate Review
- Portfolio Risk Profile Matrix
- Holdings Population Schedule
- Investment Audit Scoping Memo
- Conflict of Interest Check

### Day 2: Custody, Existence and Ownership

Are the holdings real, held by the right party and owned by the entity?

- ISA 505 Custodian Confirmation Plan
- Holdings Reconciliation Worksheet
- Title and Ownership Evidence File
- Unmatched Position Log
- Safe Custody Control Walkthrough

### Day 3: Fair Value and Measurement

Is each holding measured on the right basis, and is its value supported?

- IFRS 9 Classification Test
- IFRS 13 Fair Value Hierarchy Grid
- ISA 540 Estimate Testing Plan
- Unquoted Holding Valuation Review
- Impairment Assessment Sheet

### Day 4: Income, Performance and Disclosure

Is income recorded properly, and is performance reported fairly?



- Income Recognition Recalculation
- Benchmark Comparison Table
- Performance Attribution Rebuild
- IFRS 7 Disclosure Check
- Reporting Exception Register

## Day 5: Investment Audit File for One Portfolio

Do scope, existence, value and performance findings support one conclusion?

- Applying the Day 1 Scoping Memo
- Testing the Day 2 Reconciliation Worksheet
- Reviewing the Day 3 Fair Value Hierarchy Grid
- Challenging the Day 4 Reporting Exception Register
- Completing the Investment Audit File

## Methodology

The programme uses a structured exercise method built on a shared case of a mixed portfolio of listed securities, fund units and an unquoted holding. Participants build each artefact on the case, then on a portfolio from their own organisation.

- Suggested activity: Reconciling a holdings schedule to a custodian statement and clearing differences.
- Suggested activity: Grading valuation evidence by hierarchy level in pairs.
- Suggested activity: Presenting a draft finding to a mock audit committee.

## Capstone Output

Each participant completes an investment audit file for one portfolio. It holds a scoping memo, a custody reconciliation, a fair value grid, an income recalculation, a findings log and a draft report. The file is used at work to brief the audit committee, agree actions with investment teams and plan the next review cycle.

## Frequently Asked Questions

### Is investment audit suitable for auditors with no earlier portfolio experience?

Yes. Investment audit is taught through a case and templates, assuming audit or finance experience but no earlier work on securities, funds or unquoted holdings.

### Which standards does investment audit rest on?

Investment audit rests on IFRS 9 and IFRS 13 for measurement, ISA 500, ISA 505 and ISA 540 for evidence, and the IIA Global Internal Audit Standards for planning and reporting.



## How is the file from investment audit used at work?

You use the investment audit file to brief the audit committee, agree actions with investment teams and plan the next portfolio review cycle.

## How does investment audit differ from general internal audit training?

Investment audit centres on custody, fair value and performance reporting for portfolios, while general internal audit training covers method across all processes without portfolio-specific tests.