

INCLUDES **TOP EXCEL TOOLS** USED BY INTERNAL AUDITORS

INTERNAL AUDITOR'S DESKTOP REFERENCE



**A GUIDE FOR
SUCCESSFULLY CONDUCTING AN
INTERNAL AUDIT**



Internal Audit Pros

Professional Training and Development for
Internal Auditors

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1. Introduction

1.1. Introduction to the Internal Auditor's Desktop Reference

The purpose of this guide is to provide a written summary and desktop reference of the audit processes employed by the Internal Auditors. The document provides guidance for the planning, execution, reporting and follow-up procedures for Internal Auditors.

1.2. Careers in Internal Auditing

Internal auditing is a function that continues to evolve with the swift pace of global regulatory changes and compliance challenges. Internal auditors gain an in-depth, up-close understanding of the processes, policies and procedures of an organization and provide valuable feedback to the higher management/board of directors. High Demand of this profession and Career Growth opportunities makes it a very promising career option.

1.3. Introduction to Internal Audit

"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined' approach to evaluate and improve the effectiveness of risk management, control and governance processes."

IIA Glossary

1.4. Internal auditor's roles and responsibilities

Roles and responsibilities	Description
Monitoring of internal control.	Carrying out audit into the adequacy of internal financial, operational and IT controls
Examination of financial and operating information	As covered in the scope of external auditor
Review of the economy, efficiency and effectiveness of operations	Also termed as value for money (VFM) audits
Review of compliance	E.g. Carrying out checks into compliance with key aspects of legal or regulatory requirements

Special investigations	Such as investigations into suspected cases of fraud within the entity.
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1.5. Benefits of internal audit

- Improvements in entity's financial and operational controls.
- Better compliance with laws and regulations -> low risk of legal action.
- Improvements in the economy, efficiency or effectiveness of operations
- External auditors may decide to rely on the work of internal auditor
- Enhance the reputation of the entity for sound corporate governance.

1.6. Comparison of external and internal audit

	External audit	Internal audit
Role and work	Express an opinion on the truth and fairness of the annual financial statements.	Refer above
Qualification	Set out by statute	No statutory requirements- Management's discretion
Appointed by	Shareholders	Management
Duties set out by	Statute	Management
Report to	Shareholders	Management
Fraud	Responsibility: No material undetected fraud or error during the period.	Specific responsibility for investigating suspected fraud or error by management. (much lower materiality)

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