

INTERNAL AUDIT (IA) Self Intro

**GUEST LECTURER'S
BIO**

INSTITUTIONAL AFFILIATION

**DELIVERY
DATE**

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Education: University
Experience in micro-finance,
teaching, research, real estate,
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CUC
&
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INTERNAL AUDIT

Basics



INTERNAL AUDIT – A department within an organization responsible for providing unbiased and objective assessments of the organization's process, systems, and procedures.



INTERNAL AUDITING – It is an independent, unbiased assurance and consulting function to help improve and increase the value of an organization's activities.



INTERNAL AUDITS – Reviews performed by Internal Audit



INTERNAL AUDIT STAFF - Auditors

INTERNAL AUDIT Purpose

Provide objective information on risk, control environment, operational effectiveness, and compliance to the Board and Management.



Safeguard the organization against fraud, waste, and ensure strict compliance with laws and regulations, instilling a sense of security and confidence.



Improve the credibility of information prepared by management

INTERNAL AUDIT

Differences

INTERNAL AUDIT

- **1) Auditors work for the organization they review.**
- **2) Audit reports are shared with the Board and Management**
- **3) Internal controls are performed on compliance, managing risks, process, and governance.**
- **4) Assess and improve governance, risk management, and controls.**

EXTERNAL AUDIT

- **1) Auditors are independent and are not employees of the organization they check.**
- **2) Audit reports are shared with people outside the organization.**
- **3) Internal controls are performed on accounting and financial reports and reporting.**
- **4) Auditors check and confirm reports for accuracy.**

INTERNAL AUDIT Types

- **Operational Audits:** Assess organizational resources.
- **Performance Audits:** Evaluate set standards.
- **IT Audits:** Review information systems and infrastructure.
- **Financial Audits:** Recalculate financial reporting and reports.
- **Environmental Audits:** Analyze environmental impact and legal compliance.
- **Compliance Audits:** Check adherence to laws and regulations.



INTERNAL AUDIT Process

- PLANING
- FIELDW-ORK
- REPORTING
- FOLLOW-UP

- **PLANING**

- - Audit requirements
- - Review guidance relevant to audit
- - Review previous Audits
- - Set timeline & budget
- - Create Audit plan and checklist
- - Involve process owners
- - Schedule a meeting

- **REPORTING**

- - Writing the report
- - Draft review with management
- - Final report issuing and distribution

FIELDWORK

- Interview of key personnel
- Review of documents & Artifacts
- Testing the controls
- Record the work performed
- Identify exceptions & suggestion

FOLLOW-UP

- Implementation

INTERNAL AUDIT Frameworks

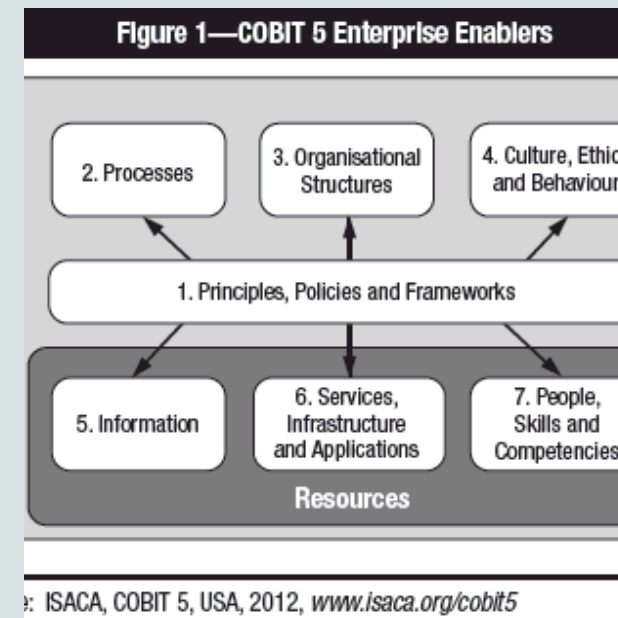


COSO

Has control objective categories (operations, reporting & compliance) which are supported by its five pillars to guide in the implementation of controls to prevent, detect and manage fraud. Also, to establish enterprise risk MGMT

The five pillars are further broken down into 17 principles.

Created by AICPA, IMA, AAA, IIA & FEI in 1992



COBIT

Used for organizations to manage and administer their IT to identify control weaknesses, noncompliance, and threats.

Created by Information system audit and control ASS. in 1996

INTERNAL AUDIT

BASICS

- Internal Audit
- Internal Auditing
- Internal Audits
- Internal Audit Staff

INTERNAL AUDIT

PURPOSE

- Informed decision making
- Increase confidence
- Improve credibility

INTERNAL AUDIT SUMMARY

DIFFERENCES

INTERNAL AUDIT

1. Inside employees
2. Report to Board & Management
3. Internal control is performed on control objectives
4. Auditors assess and improve

EXTERNAL AUDIT

- Outside employees
- Report to shareholders
- Internal control are performed on financial reports
- Auditors check and confirm

INTERNAL AUDIT

TYPES

- Operational - Performance
- IT - Environmental
- Financial - Compliance

INTERNAL AUDIT

PROCESS

- Planning
- Field-Work
- Reporting
- Follow-up

INTERNAL AUDIT FRAME-WORKS

- COSO
- COBIT

INTERNAL AUDIT References

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Thank you



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Supporter

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