

THE ROLE OF INTERNAL AUDITING IN A BUSINESS



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PURPOSE OF A BUSINESS

- Each business has objectives that are to be met. There are objectives that are at a higher level – strategic objectives and then those that are at a lower level – primary objectives.

Internal auditing should add value to the business, assisting the management to achieve its strategic objectives.

Internal auditors should make a meaningful contribution to governance, risk management and controls processes and operations.



SCOPE OF THE INTERNAL AUDITING

In order to provide reasonable assurance:

- ❑ Ensure that governance processes are adequate and effective, by establishing and preserving values, setting goals, monitoring activities and performance and explaining how measures are going to be accountable.
- ❑ Ensure that risk management processes are adequate and effective;
- ❑ Control processes are adequate and effective.

ASSURANCE SERVICES

- Assurance services are the examination of evidence by the internal auditor to provide an independent and objective opinion on:
 - ❑ Whether management's policies and procedures are adhered to;
 - ❑ Whether processes are mitigating the risks threatening the management's objectives;
 - ❑ Whether the organization is adhering to/complying with relevant laws and regulations.

CONSULTING SERVICES

- Consulting services include activities such as:
 - ❑ Conducting staff training;
 - ❑ Providing advice to management on controls, risks issues and governance;
 - ❑ Assisting in developing and drafting policies and
 - ❑ Participating in quality teams.