

Internal Auditor [Simple + Bloring] 5m

↓
Jls ka Audit

Independent assurance on

• effectiveness of Jls. & risk mgt process

• to enhance governance & achieve org. objectives.
[functioning].

Risk: price purchase ↑

Control: quotations

MERR: Governance

Objectives & scope of I.A. [eg]

• Monitoring of JCs: 3 way match — P.O. ^{QTY} before approving vendor payment.
Invoice
G.R.N. (Goods Receipt Note)

• Examine financial & operating info: IA of

[Sales Records (F) + Delivery Records (D) + Sales Commission (F)] to check accuracy of sales.

• Review of operating Acts: Inventory mgt + Handling → to prevent damages.

• Review of compliance with L&As: New Tax Laws.

• Risk mgt: of complex financial instruments eg futures/options

• Governance: Achieving objectives of ethics & values.

2 mins
oo

critical Acts. performed by J.A fⁿ

1. Define plan; **Slope** & methodology on **periodic basis**.
[Only]

A1 A2 A3 A4

2. Monitor **audit assignments** [planning, execution, reporting of findings & closure of observations]
[kann?]

RR RR RR

[Experts]

3. Plan, acquire, engage, review performance, training & development of staff, talent & other resources.

4. Identify, source, engage & manage external experts & technical solutions.
[process automation]

5. Communicate with all key stakeholders about progress & achievement of objectives.
[smgt | BOB]

Main Responsibilities of J.A. fⁿ w.r.t. Accounting fⁿ & financial records.

1. Maintain J.C. system by examining **Atc procedures**, **Receipts & disbursements**. [+1-]
Safeguards for assets.
↓
Sardhan!

2. Operate **Independently** of Atc staff.

3. **Not involve** himself in **executive fⁿ** to maintain objectivity.

Kya karen?

[Door]

[Pees]

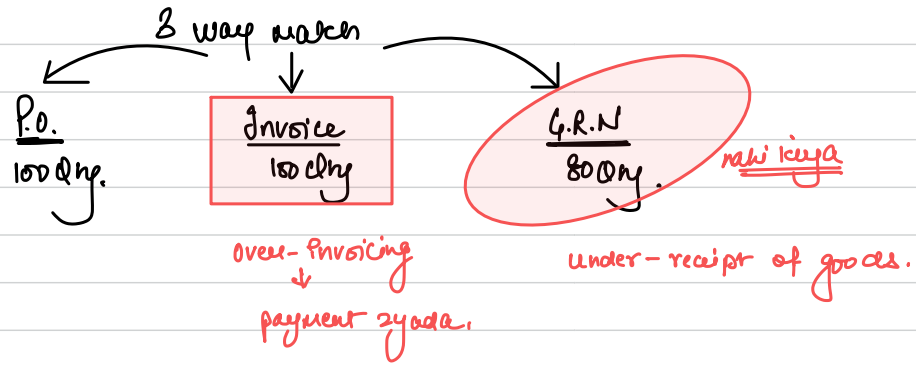
4. **Observe facts & situations** & bring them to notice of authorities.

5. Associate closely with mgt & keep knowledge upto date.

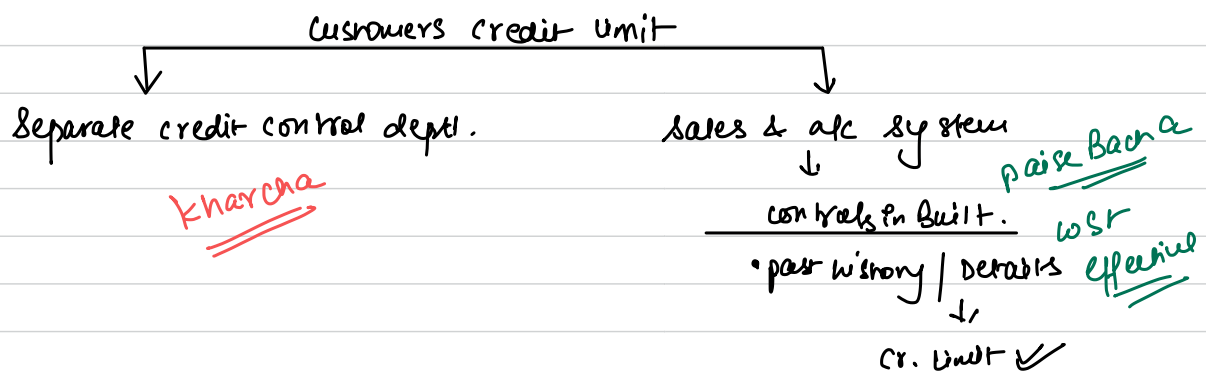
Conclusion: At all times, must be Independent.

Cases:

1.

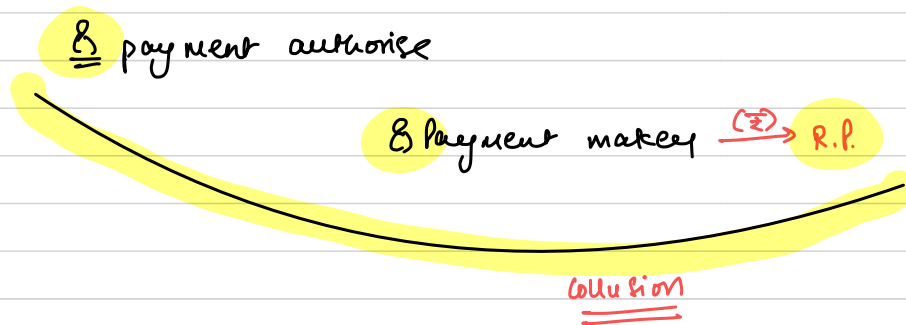


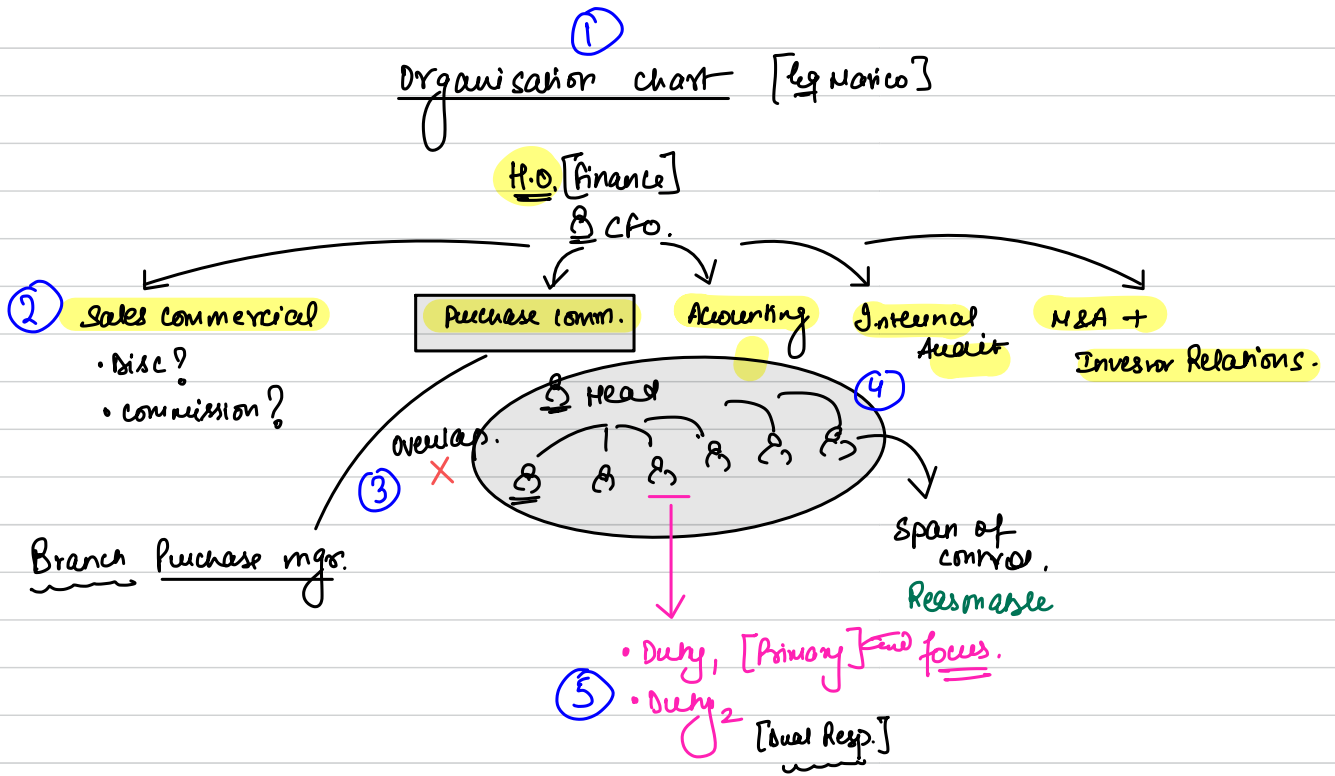
2. controls → in built in functions → cost effective



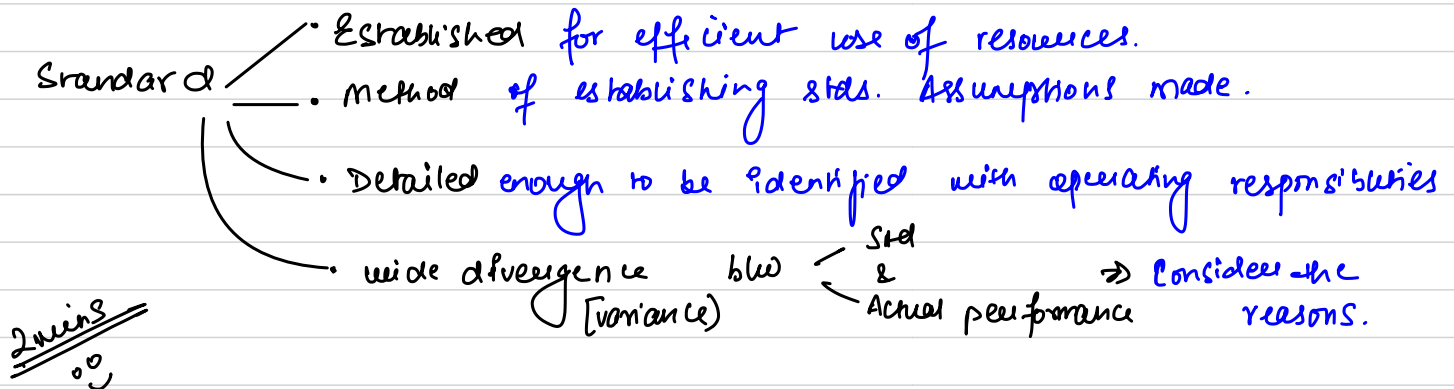
Inherent

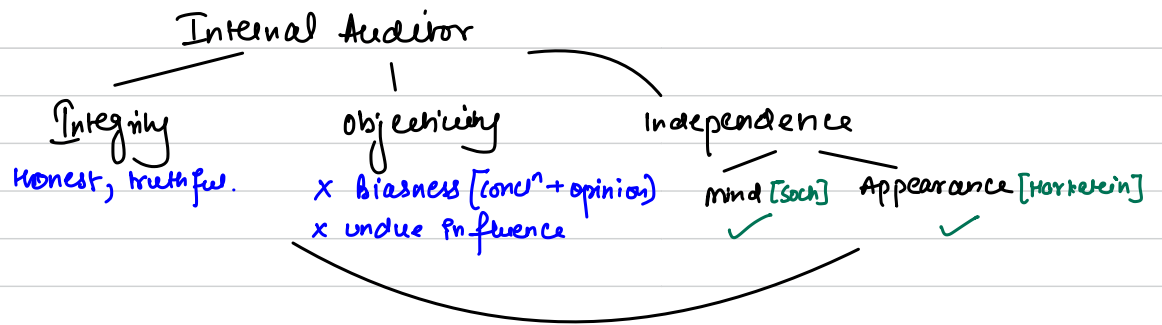
3. Limitations of I.C. [maker checker]





Review of utilisation of Resources. < Std vs. Actual.

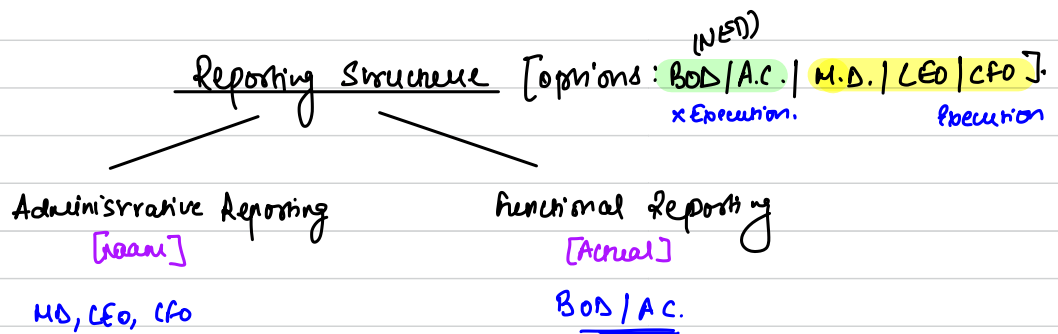




⇒ org. structure

key personnel
[CEO, CFO, COO etc.]

Chief Internal Auditor
[Position / Responsibility].



Performing I.A Engg

1. Obtain knowledge of business

conduct meetings
with key stakeholders
by sr. mgr / cfo / coo

understand
business docs.
[SOPs, IS etc].

IT landscape, ERP systems,
MIS of org.
[mgr. info. system]

2. Planning

• Audit Scope [Approved by AC & BOB] → Evaluate Risk Controls → Plan → Share with KMP → Intro. meeting for system access.
• Prepared by mgr.
• Approved by CnTIA

3. Gather info. • Plan & estimate in advance for info. needed.
• obtain info. directly from source.

4. Audit checks [An. pro, sampling, evidence, documentation, reporting]

5. Reporting the issues

• Prepare draft report as per [Area] Scope { detailed coverage + & exclusions (-)
• [period covered]
• issues
• recommendations
↓
• mgr action plan agreed with responsibility & timelines.
↓
• Review status of actions
↓
• Circulate final report & present to A.C.

2 Stages of Reporting

End of Assignment

covering specific Area / function,
highlighting key observations

- manner of conducting assignment
- key findings

issued to Auditee with
copy to local mgt.

On Periodic Basis

covering

Entry

&

plan period

[Apr - June '25]

- Prepared by CHA or E.P.

- Submitted to A.C.

- Done on Qtrly basis.

⇒ J.A. Report includes:

- Scope + Period

Executive Summary

Summary of

critical findings

[Business Impact + Root cause]

Detailed audit findings

Rating [High / Medium / Low]

Timeline for Action.

Response [Action Plan]

Recommendation

Follow up.

- Mgt is responsible to implement action plans.
- CHA is responsible to monitor closure of PA (Prior Audit Issues)

Review follow up action of mgt

X Action

Draw mgt attention &

Ascertain reasons.

Accepted Recommendations

+

Initiated actions.

↓

Review manner & extent of implementation &

report recommendations not implemented.

Action Taken Report

Reference to previous audit report containing issues

- Implementation action agreed by mgt.
 - ↓
- Status of mgt's action [Implemented / not Implemented]
 - ↓
- Status of residual risk / rating for unimplementation ⊕
- Findings not implemented for long time.

Audit trail

11:00 SK P.O. Initiate

11:05 BB. P.O. Approve

11:10 AK. Invoice Entry

11:20 S.V. Payment.