

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
○○○

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]
[karn?]

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]

dwain
oo

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.

kyakarein?

[Door]

[Pass]

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

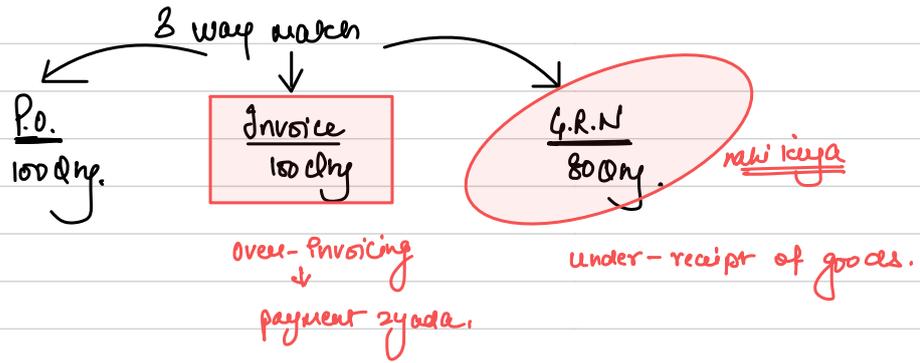
5. Associate closely with mgt & keep knowledge upto date.

Conclusion: At all times, must be Independent.

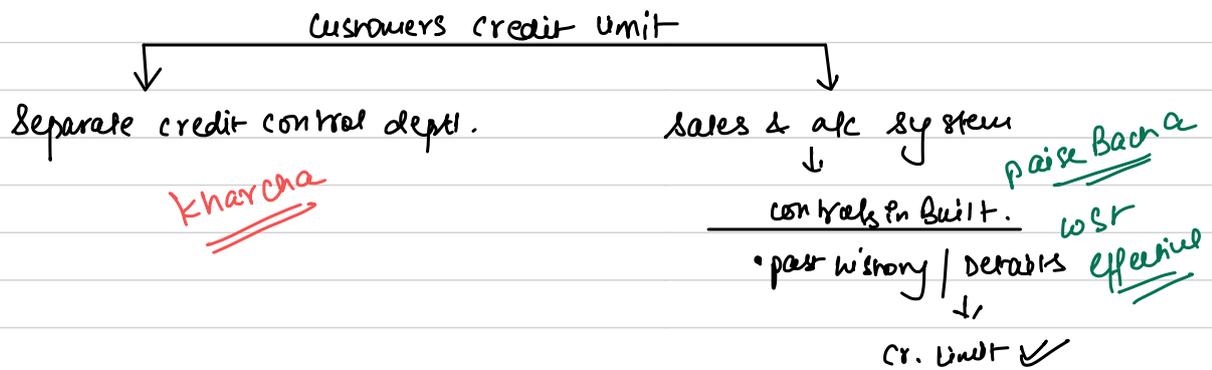
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Cases:

1.



2. controls → in built in functions → cost effective

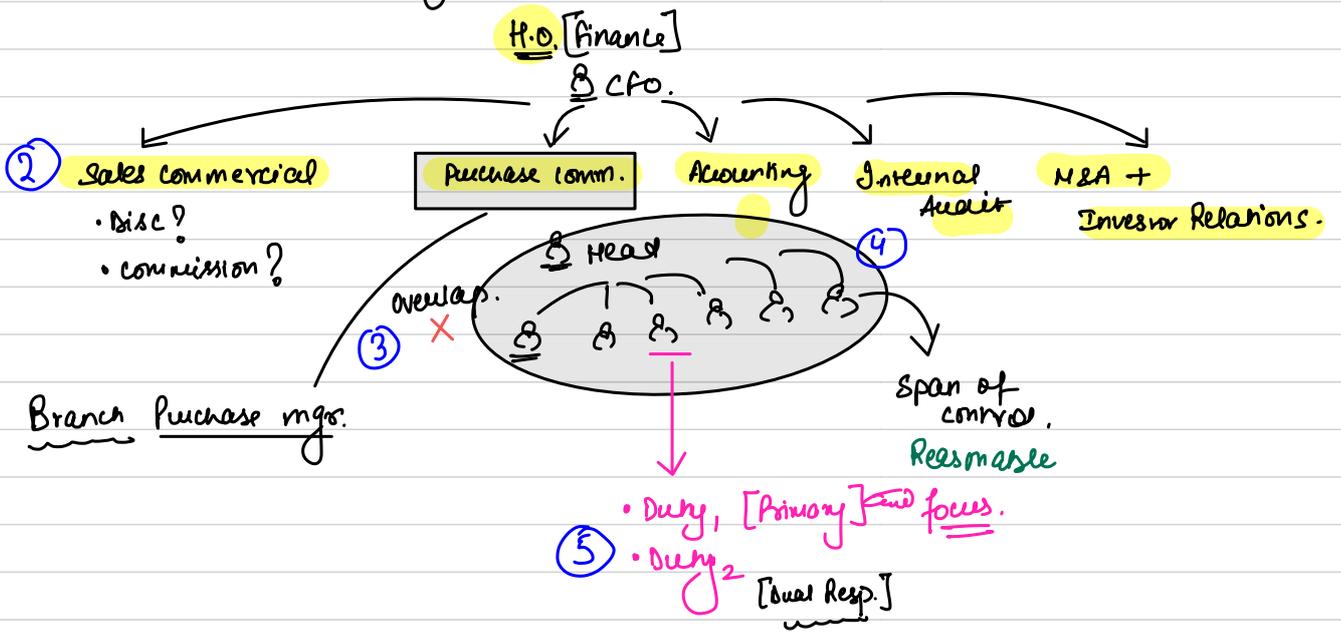


Inherent

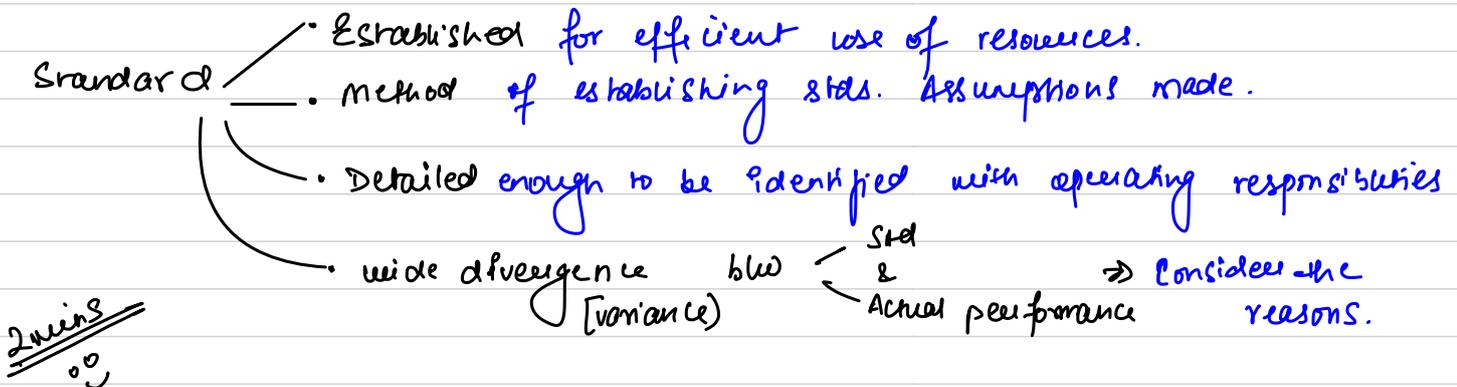
3. Limitations of J.C. [maker checker]



① Organisation chart [Economic]

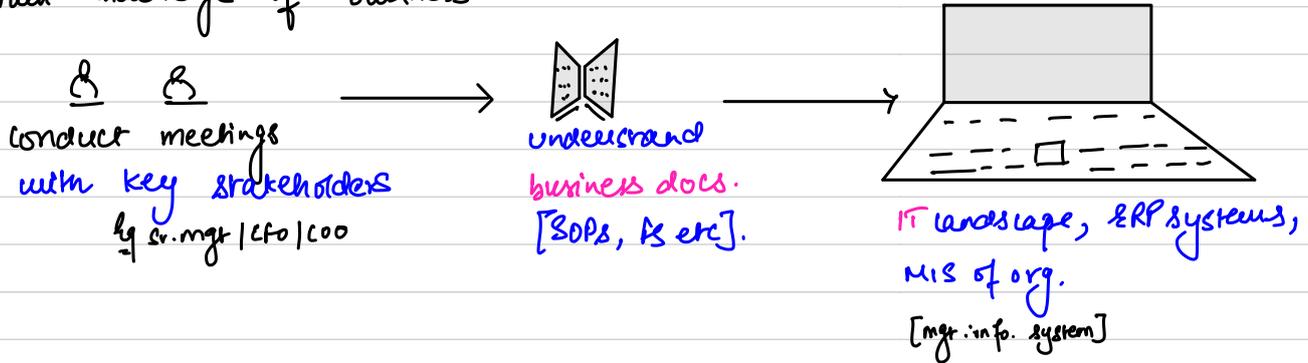


Review of utilisation of resources. $\left\{ \begin{array}{l} \text{Std} \\ \text{vs.} \\ \text{Actual.} \end{array} \right.$



Performing I.A Engg

1. Obtain knowledge of business



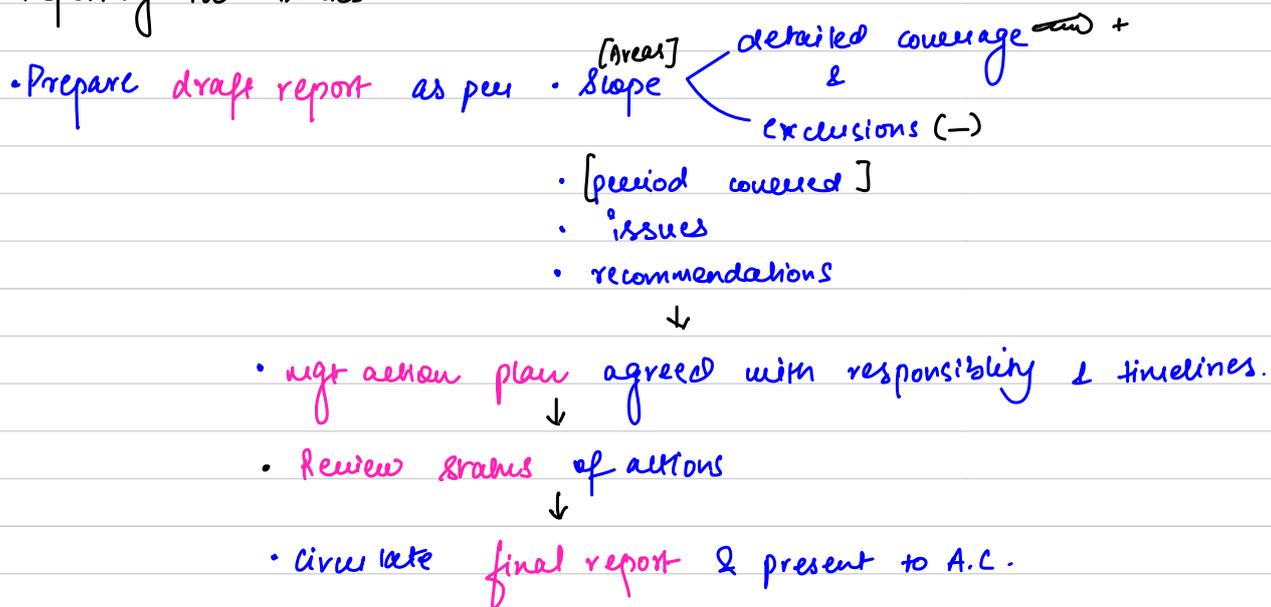
2. Planning



- ## 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



2 Stages of Reporting

End of Assignment

On Periodic Basis

Covering

Entry

&

plan period

[Apr - June '25]

• Prepared by CIA or E.P.

• Submitted to A.C.

• Done on Qtrly basis.

Covering specific Area / function,
highlighting key observations

• manner of conducting assignment

• key findings

issued to Auditee with
copy to local mgt.

⇒ 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.

• CIA is responsible to monitor closure of PAI (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 B.B. P.O. Approve

11:10 Ak. Invoice Entry

11:20 S.V. Payment.