

# INTERNAL AUDIT DEPARTMENT

WORKSHOP ON SENSITIZATION OF  
ANTI-CORRUPTION STRATEGIES TO UON  
ADMINISTRATORS.

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For - Chief Internal Auditor

# An OVERVIEW of The Internal Audit Function

- There is varied opinion regarding the role an internal auditor plays in an organization – some good some not too good.
- Some group consider the auditor as the “**corporate police**” or “**inspector general**” of senior management. “Life becomes miserable when the internal auditor comes calling” – they will say.

(Past culture; trends : best practice now)

- Other like their guidance and are happy to work with them. These group appreciates the auditors’ role .



# Internal audit – in layman's terms

- Internal Audit makes sure, based on a risk model, that everything is as it is supposed to be. For example:
  - Policies are adhered to
  - Revenue is recognized appropriately
  - Controls are functioning as intended
- Internal Audit is also an internal consulting function
  - Assist in recommending controls for new systems
  - Process Improvements



## What does an Internal Auditor do?

- Provide recommendations for improvement where opportunities or deficiencies are identified.
- Provides assurance to management and the audit committee that internal controls are effective and working as intended.
- The internal audit activity is led by the chief audit executive (CAE). The CAE delineates the scope of activities, authority, and independence for internal auditing in a written charter that is approved by the audit committee.





# INTEGRITY and ethical values

## MISSION

- To provide an objective appraisal of systems; improve the effectiveness of risk management ; and assist management in establishing and maintaining policies and procedures that adequately protect the assets of the university.



# INTEGRITY and Ethical Values

**Note therefore that :**

- Systems and processes are operated through people ,
- and can only be effective in environments where **ethical values are high.**
- – **all those involved have high levels of integrity, the right attitude and commitment to support the UON attaining its objectives.**



# Role Administrators -

- Providing leadership by actively displaying and promoting ethical behaviour in their stations.
- Ensuring the implementation and continued operation of the systems of internal controls
- Assessing/identifying /implementing new controls where systems /structures have changed.
- Ensuring that staff under them received appropriate anti-corruption awareness and understand the code of conduct.
- Provide input/assistance to the identification and minimization of fraud and corruption risk in the UON.





# Internal Controls Environment

- An Important aspect of the responsibility of Mgt(admstr) at all levels is the establishment and maintenance of a sound system of internal control environment.
- This provides for the security and accountability of resources to prevent/reduce the opportunity for fraud and corruption to occur.



# Internal Controls

- Common examples of internal controls include:
  - Segregation of Duties – to promote complimentary checks
  - Identification and declaration of conflict of interest
  - Adherence to and promotion of Policies, Rules and Regulations, etc.
  - Security (physical and information systems )



# Internal Controls contd'

- Supervision – Internal reviews of systems and processes
- Approvals within the lines of delegation authority
- Regular reconciliations
- Regular review of management reports
- Clear reporting lines – to remove conflicts





# Internal Controls/IA Function

- The internal audit function provide the support and assistance to the evaluation and review of controls as required.
- Best practice now require that IA works the people on the ground and who understands/appreciates the internal control environment better.
- It has been recognizes that the solutions to the internal control deficiencies lies with the persons in their respective areas of responsibility.





# **DEPARTMENTS EFFORTS IN CORRUPTION PREVENTION**

- **CORRUPTION PREVENTION PLAN FOR THE  
YEAR JULY 2010 TO JUNE 2011**

# CORRUPTION PREVENTION PLAN

FOR THE YEAR JULY 2010 TO JUNE 2011

| CORRUPTION PRONE AREA                      | CORRUPTION RISK   | CORRUPTION PREVENTION STRATEGY   | ACTIVITY                                      | PERSON RESPONSIBLE   | TIME FRAME   |
|--|---|--|---|--|--------------|
| Auditing of Payments Vouchers and Receipts | - Favourism in Service Delivery.  | - Have an independent person to receive the document.  | - Control document movement.                  | - C.I.A <u>SECRETARIES</u>                                 | - Continuous |
|  | - Submission of False Receipts and other documents when accounting.<br>- Jumping the queue. | - Have a separate person to distribute the document to different Auditors.<br>- Maintain a document movement Register. | - Audit the document without undue influence. | - Receipt of documents.<br>- Maintaining Control Register. | - Continuous |

# CORRUPTION PRONE AREA

## Illustration:

- **Auditing of Payments Vouchers, including for example those to do with:**
  - **Procurement of goods and Services, etc**
  - **Payment of the same.**
- **Receipts of Income**
  - **Accountability**



# CORRUPTION RISK

- **Favourism in Service Delivery**
  - based on eg tribal or other relationships and affiliations, personal monetary rewards, etc – corruption?
- **Submission of False Receipts and other documents when accounting for monies entrusted to individuals.**
- **Jumping the queue.**





# **CORRUPTION PREVENTION STRATEGY**

- **Have an independent person to receive the document.**
- **Have a separate person to distribute the document to different Auditors.**
- **Maintain a document movement Register.**



# ACTIVITIES

- **Control document movement.**
- **Audit the document without undue influence**



# TIME FRAME

- **CIA- Continuous**
- **Auditors - Continuous**
- **Administrators - Continuous**



# PERSONS RESPONSIBLE

## **C.I.A:**

- **give direction and guidance**
- **reviews systems to ensure that they relevant and are working as designed.**

## **ADMINISTRATORS:**

- **Are the custodians of systems and processes**
- **Review the systems and processes to ensure that they remain relevant and are working as designed**
- **Implementation of recommendations of IA following a systems review**
- **Ensuring that the corruption reporting systems are working at all times.**





END

**THANK YOU**