



**JARAMOGI OGINGA ODINGA UNIVERSITY  
OF SCIENCE AND TECHNOLOGY**

**DOCUMENT: PROCEDURE FOR INTERNAL AUDIT**

**DOCUMENT NO: JOOUST/VC/IA/OP 08**

**AUTHORIZED BY: VICE-CHANCELLOR SIGNATURE:**

**ISSUED BY: INTERNAL AUDITOR SIGNATURE:**

**0.1 DOCUMENT DISTRIBUTION**

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**0.2 DOCUMENT CHANGES**

<b>DATE</b>	<b>CHANGES</b>	<b>AUTHORIZED BY</b>
27/04/2012	Deleted appendices & edited references	
29/4/2013	Procedure reviewed to reflect change of  status from BUC to JOOUST	
30/4/2015	Procedure reviewed for adequacy	

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*JOOUST Procedure for Internal Audit*

**1.0 Purpose:** To ensure efficient and effective internal auditing and reporting in JOOUST.

**2.0 Scope:** This procedure covers internal audit activities within JOOUST.

**3.0 References:**

- 3.1 ISO 9001: 2008 Standard
- 3.2 JOOUST Quality Manual
- 3.3 JOOUST Six Compulsory Procedures
- 3.4 International Auditing Standards
- 3.5 Internal Financial Reporting Standards
- 3.6 International Professional Practice Framework
- 3.7 Public Procurement & Disposal Act 2005
- 3.8 Internal Audit/Audit Committee Charter
- 3.9 Internal Audit Manual
- 3.10 JOOUST Strategic Plan 2011
- 3.11 JOOUST Internal Audit Work Plan
- 3.12 International Accounting Standards

**4.0 Terms and Definitions**

**4.1 HoD:** Head of Department

**4.2 VC** Vice-Chancellor

**4.2 BUC:** Bondo University College

**4.3 JOOUST** Jaramogi Oginga Odinga University of Science and Technology

**4.4 Risk Based Audit**

**Approach (RBAA):** A methodology that focuses on areas where Internal Audit services/resources will be beneficial to the University.

**4.5 Audit Procedure:** The sequential steps in implementing the methods

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involved in an audit assignment.

**4.6 Annual Work Plan:** A yearly planning process based on prioritized audit areas in the University viz a viz the audit man days available.

**4.7 Internal Audit Manual**

**(I.A.M.):** This is a standard document prepared by the Head, Internal Audit to guide the Internal Audit staff in the accomplishment of their audit assignments.

**4.7 Internal Auditing:** An independent, objective assurance and consulting activity designed to add value and improve on an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

**4.8 QMR** Quality Management Representative

**5.0 Responsibility:** The Head, Internal Audit shall be responsible for the implementation of this procedure.

**6.0 Method:**

**6.1 Planning**

6.1.1 The Internal Auditor shall within the last month of any financial year ensure identification of risk areas within the University.

6.1.2 The Internal Auditor shall coordinate the audit staff in interacting with various departmental/section heads in identifying the risk areas.

6.1.3 The Internal Auditor shall categorize the risks into high risks, medium risks and low risks.

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- 6.1.4 The Internal Auditor and her/his staff shall prepare an annual audit plan and forward it to the VC.
- 6.1.5 The Internal Auditor shall incorporate any inputs from the VC and forward the plan to University Council Audit Committee for approval.
- 6.1.6 The Internal Auditor shall incorporate any recommendation from the Audit Committee and ensure implementation of audit plan.

**6.2 Audit Plan Implementation**

- 6.2.1 The Internal Auditor shall notify the auditee within one week before the audit using the standard audit notification form based on the audit plan, unless on surprise audit. (**Appendix 7.1**)
- 6.2.2 The internal audit team shall prepare audit working papers.
- 6.2.3 The internal audit team shall hold an internal meeting with the auditee to agree on the date, purpose and scope of the audit.
- 6.2.4 The internal audit team shall execute the audit in accordance with the laid down procedures/instructions which are contained in the Internal Audit Manual – Chapter 6, and record the evidence in the working papers.

**6.3 Reporting of the Audit**

- 6.3.1 The internal audit team shall hold an exit meeting with the auditee and present summary of their findings after the audit.
- 6.3.2 The internal audit team shall ensure auditors prepare a draft report within a week of audit date and discuss it with the auditee.
- 6.3.3 The auditee shall have three days to react to the draft report.
- 6.3.4 The internal audit team shall produce a final report incorporating the auditee reactions if any.

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- 6.3.5 The Internal Auditor shall sign all the final audit reports and forward the same to the VC for consideration and further action.
- 6.3.6 The Internal Auditor shall present summaries of the final reports to the Council Audit Committee on quarterly basis for deliberation.
- 6.3.7 The Internal Auditor shall liaise with the Council Audit Committee regarding any audit issues as raised in the audit report.

**6.4 Follow up**

- 6.4.1 The Internal Auditor shall ensure implementation, verification and completion of the agreed recommendations in the audit report.
- 6.4.2 The Internal Auditor shall submit a status report on the follow up to the Council Audit Committee.

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