



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

DOCUMENT: PROCEDURE FOR INTERNAL AUDIT

DOCUMENT NO: JOOUST/VC/IA/OP 27

AUTHORIZED BY: VICE-CHANCELLOR

SIGNATURE:

ISSUED BY: INTERNAL AUDITOR

SIGNATURE:

0.1 DOCUMENT DISTRIBUTION

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0.2 DOCUMENT CHANGES

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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:

- i. ISO 9001: 2015 Standard
- ii. JOOUST Quality Manual
- iii. JOOUST Six Compulsory Procedures
- iv. International Auditing Standards
- v. Internal Financial Reporting Standards
- vi. International Professional Practice Framework
- vii. Public Procurement & Disposal Act 2015
- viii. Internal Audit/Audit Committee Charter
- ix. Internal Audit Manual
- x. JOOUST Strategic Plan 2016/17-2020/21
- xi. JOOUST Internal Audit Work Plan
- xii. International Accounting Standards

4.0 Abbreviations, Acronyms and Definitions

- i. **Annual Work Plan:** A yearly planning process based on prioritized audit areas in the University.
- ii. **Audit Procedure:** The sequential steps in implementing the methods involved in an audit assignment.
- iii. **HoD:** Head of Department
- iv. **Internal Audit Manual (I.A.M.):** This is a standard document prepared by the Head, Internal Audit to guide the Internal

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Audit staff in the accomplishment of their audit assignments.

- v. **Internal Auditing:** An independent, objective assurance and consulting activity designed to add value and improve an organization’s operations.
- vi. **JOOUST** Jaramogi Oginga Odinga University of Science and Technology
- vii. **QMR** Quality Management Representative of this procedure.
- viii. **Risk Based Audit Approach (RBAA):** A methodology that focuses on inherent risks involved in the activities or system and provide assurance that risks are being managed within the defined risk appetite level.
- ix. **VC** Vice-Chancellor

5.0 Responsibility:

The Head, Internal Audit shall be responsible for the implementation

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, medium and low risks and propose mitigation measures
- 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.

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6.1.7 The Internal Auditor shall give quarterly reports to Council Audit Committee to ensure monitoring of the audit plan

6.2 Audit Plan Implementation

6.2.1 The Internal Auditor shall notify the auditee within one week before an audit is carried out according to the audit plan, unless on surprise audit.

6.2.2 The internal audit team shall prepare audit working papers.

6.2.3 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 prepare a draft report within a week of audit date and discuss it with the auditee.

6.3.3 The auditee shall respond to the draft report within a week.

6.3.4 The internal audit team shall produce a final report incorporating the auditee response if any.

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.

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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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