



Quinn Internal Audit
& Business Support Services

**I n t e r n a l A u d i t
G u i d a n c e**

Developed by Caron Quinn

- Chartered Internal Auditor**
- Chair - Melville HA**
- Chair - West Lothian CAB**

- **Regulatory Standards of Governance & Financial Management - 4.3:**

“The governing body identifies risks that might prevent it from achieving the RSL’s purpose and has effective strategies and systems for risk management and mitigation, internal control and audit.”

SHR – ‘Self Assessing Against Regulatory Standard: A Thematic Inquiry’ August 2017

“RSLs that meet Regulatory Standards are well-governed and well-managed...”

“... When we intervene in an RSL because it is not meeting Regulatory Standards - we almost always find that it is poorly governed”

Where does Internal Audit fit into risk management & good governance?

Lines of Defence

1st – Line Management:

***Self Assessment, Performance
Monitoring, Business
Improvement Plans***

2nd –Management Review:

***Planning and Reporting
frameworks;***

***Risk management
framework;***

Quality assurance

3rd –Internal Audit:

***Independent assurance –
compliance, improvements,
advisory***

4th– External Review:

External Auditors

Regulator

Ombudsman

Internal Audit Guidance

Development:

1. Survey

2. Follow up

3. Working Group

Intention:

**A guide for the
'non-internal auditor'**

How to use the guidance

What is Internal Audit?

- Global Institute
- Global IA Standards
- Code of Conduct...

- Internal Audit focusses on how an organisation *manages* & *improves* its control environment and *manages* risk...

- Beyond *financial risks*:
reputation, growth, value for
money, and the way it treats its
customers and employees

- **Internal Auditors deal with issues that are important to the *survival* and *prosperity* of any organisation**

Also..

- **Preventing Corrupt Practices**
- **‘Internal Auditor’ versus ‘Consultant’.**

Relationship between IA and EA

- Differences
- Links
- Lines of Defence.

Getting the most out of IA

- Options – In-House v External
- Approach in the Sector
- Who can undertake IA...

- **Procuring IA**
- **Number of IA days**
- **Rotation of IA**
- **Alternative to IA.**

The Internal Audit Process

- Needs Assessment
- Identifying Audit Topics
- Annual IA Plan...

- **Scope of audit**
- **Audit Fieldwork**
- **Sampling**
- **Close-Out Meeting**

- **IA Report**
- **Recommendation, Priority Ratings**
- **Overall Assurance**
- **Follow Up.**

Roles & Responsibilities, within the IA process

- **Role of Governing Body**
- **Role of Internal Auditor**

- **Role of Senior Management**
- **Role of Staff**
- **Role of Audit Committee.**

Appendices

- **IA Checklist**
- **Questions to ask IA**
- **Sample IA Tender Brief**

- **Sample Audit Committee Remit**
- **Glossary of IA Terms**

Questions?