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

<table>
<thead>
<tr>
<th>CORRUPTION PRONE AREA</th>
<th>CORRUPTION RISK</th>
<th>CORRUPTION PREVENTION STRATEGY</th>
<th>ACTIVITY</th>
<th>PERSON RESPONSIBLE</th>
<th>TIME FRAME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditing of Payments Vouchers and Receipts</td>
<td>- Favourism in Service Delivery.</td>
<td>- Have an independent person to receive the document.</td>
<td>- Control document movement.</td>
<td>C.I.A SECRETARIES</td>
<td>- Continuous</td>
</tr>
<tr>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>
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.

ADMINISTATORS:

- 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