

Internal audit

The role of internal audit is to determine whether an organisation's risk management, governance and internal control process are operating effectively.

Internal auditor is an employee of a company charged with providing independent and objective evaluations of the company's financial and operational business activities and with reporting to the highest levels of management on how to improve the overall structure and practices of the company.

In order to find out what activities an internal auditor performs, complete the following phrases with the verbs given below. In some sentences you can use more than one verb.

evaluate ♦ provide ♦ report to ♦ perform ♦ assist ♦ are involved in
confirm ♦ conduct ♦ maintain ♦ ensure

Internal auditors...

1. _____ an audit in accordance with generally accepted auditing standards.
2. _____ an unbiased and objective view.
3. _____ risk management and control processes.
4. _____ business groups in the development of risk mitigation strategies.
5. _____ the soundness, effectiveness and efficiency of management.
6. _____ the Board and senior management.
7. _____ objectivity with respect to the activity being audited.
8. _____ compliance with internal policies and procedures, and with rules and regulations of the Government.
9. _____ consulting and advisory services related to governance, risk management and control.
10. _____ special projects and investigations as mandated by the Audit Committee.

Key: 1 perform, conduct, 2 provide, 3 evaluate, 4 assist, 5 evaluate, confirm, 6 report to, 7 maintain, 8 evaluate, ensure, 9 provide, perform, 10 are involved in

When talking about the work of internal auditors, we sometimes use adjectives and adverbs to describe in more detail the activities that are part of their everyday work.

Underline the word – adjective/adverb – which best completes each sentence.

1. Internal auditors evaluate whether the five components of management control are present and operating *effective/effectively*.
2. Internal auditors play an *important/importantly* role in helping companies execute a top-down risk assessment.
3. Employees value internal auditors because they provide an *objective/objectively* and *constructive/constructively* view.
4. Internal auditors talk to executives about *strategic/strategically* important issues.
5. Internal auditors draft reports in accordance with Internal Audit standards to *clear/clearly* communicate risks and core audit issues.
6. An internal auditor needs to demonstrate behaviour that is consistent with the highest of *ethical/ethically* standards and professionalism.

7. In order to be an auditor you need to have the ability to *proactive/proactively* take responsibility for planning and completing department projects.
8. One of the tasks of internal auditors is to find creative solutions for *complex/complexly* problems.
9. Sometimes internal auditors need to manage and multi-task *critical/critically* projects.
10. Auditors work *independent/independently* and produce creative and practical solutions.

Key: 1. effectively, 2. important, 3. objective, constructive, 4. strategically, 5. clearly, 6. ethical, 7. proactively, 8. complex, 9. critical, 10. independently