



Marrakech – Morocco

“Internal Audit and Control in the Public Sector”

Seminar

3rd Workshop – Role of internal audit in assessing internal control

An Overview:

Internal control is a set of measures validated by top management and implemented by all personnel in order to manage risks and give reasonable assurance with respect to the achievement of the following three objectives:

Conformity;

Effectiveness;

Reliability of financial and accounting data.

Internal audit is an independent and objective activity which provides assurance for the organization with respect to its operations and consultancy in order for the organization to improve and add value to its operations.

The two definitions show both the purposes and the links existing between the two concepts: internal control is used in order to overcome the obstacles in meeting the organization’s

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14.00 – 17.00

objectives, whereas internal audit determines how relevant internal control is.

This being said, from a practical perspective, internal audit resorts to a number of tools in order to assess, among others, internal control. They are mainly as follows:

Reference documents (organization charts, job descriptions, action plans, legislation and regulations, etc.);

Internal Audit Charter and Internal Control Charter;

Procedure Guidebook and IS Users' Textbook;

(Audit or Inspection) Code of Ethics;

Audit Guidebooks;

HR management policies (tailored recruitment and training plans);

Differences can be noticed among AIST member countries in terms of internal control and audit implementation degree.

We found that in many institutions control activities are predominantly carried out by inspection bodies. There is however some progress towards setting up the necessary internal control system enabling supervision of activities.

- A trial approach at “TG Abidjan nord” for the implementation of internal accounting control

- An internal control system for the activities of the General Treasury of the Kingdom of Morocco was designed and implemented at the level of operational units;
- Implementation of a service in charge with accounting quality in Gabon and Senegal.

Codes of ethics for control bodies have been adopted or are about to be drafted within the majority of above mentioned countries.

There is also a tendency for setting up specific internal audit entities or for introducing audit units within existing control bodies:

- Audit tasks were assigned to employees from inspection units in some countries such as Congo or Gabon;
- In other countries, such as Morocco, Mauritania, and the Comoros, internal audit entities were set up;

When it comes to the information flow (cf. COSO), accounting reports provide the accounting information on the basis of which the decision whether to start an audit or control mission or not is taken.

As for the certification of accounts – where there is such a process – it relies on internal audit entities, which at their turn, rely on data provided by the internal control.