

Internal control and deontology

Chapter 4: Internal audit en auditcommittee

1. Role of the internal audit department

- Discontinued control monitoring: controlling the internal control system
- Independent appraisal of the structure and the activities of the organisation - evaluating its effectiveness and efficiency

2. Types of internal audits

2.1. Operational audit

- Assessing the effectiveness and efficiency of business processes
- Examples

2.2. Compliance audit

- Is the organisation compliant with internal and external rules?
- Examples

3. Legal framework

3.1. IIA

- Looking after the interests of internal auditors and the audit profession

3.2. Ethical code

4 principles:

- Integrity
- Objectiveness
- Confidentiality
- professionalism

3.3. Auditstandaarden

4. Audit charter and audit plan

Audit charter: document from which the internal audit gets its legitimacy

Audit plan: based on risk-analysis

5. Conditions

- Independence and objectivity
- Getting access to all information
- Receiving sufficient support for having the recommendations implemented

6. Position in the company

- ☐ staff to board of directors

7. Auditcommittee

- In between IA en BoD
- Tasks:
 - Doing the follow-up of internal and external audits
 - Provide information regarding executed audits
 - Monitoring the financial reporting
 - Monitoring the risk-management
 - Assessing the independence of the external auditor
- Composition
 - Non-operational members of the BoD
 - Sufficient expertise