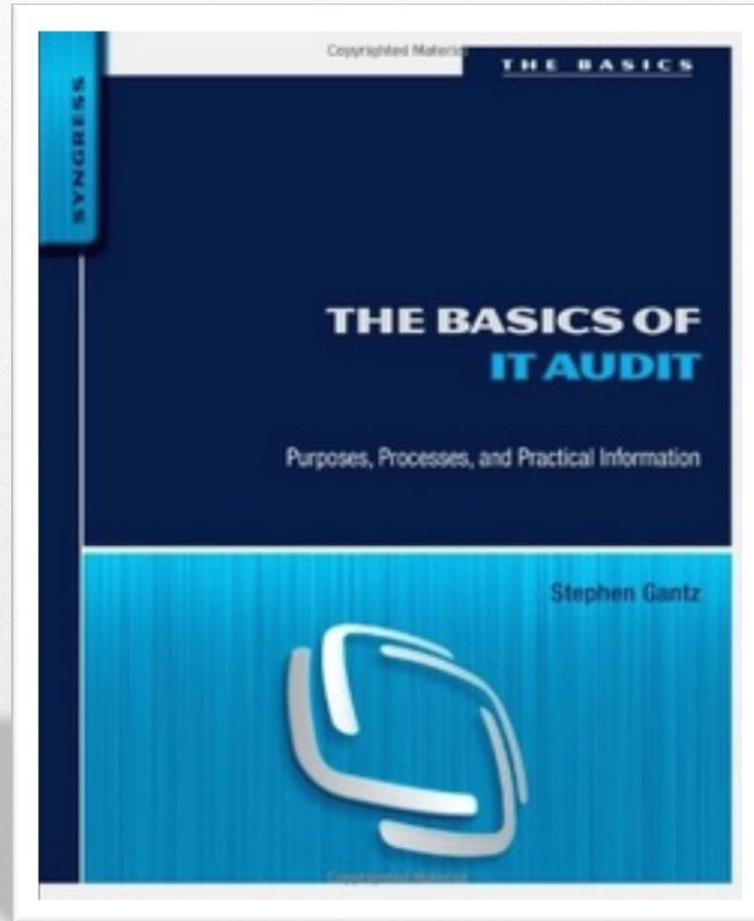# INTERNAL AUDITING

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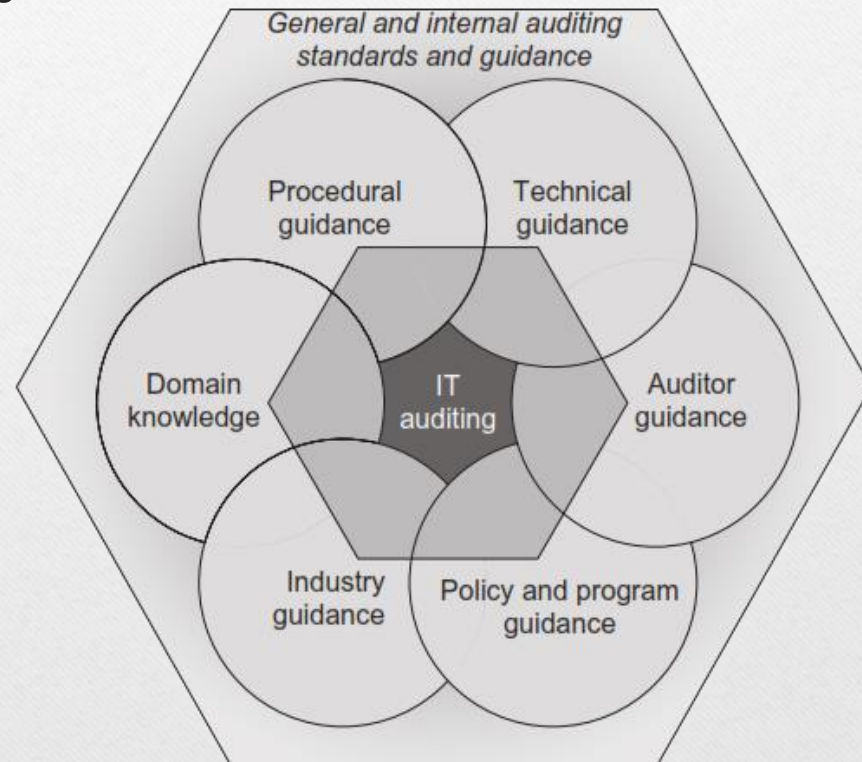- Ym : muryan_awaludin

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Textbooks

Course outline

1. Internal audit as an organizational capability

2. Benefits of internal auditing

3. Internal audit challenges

4. Internal auditors

Overview

- **Internal auditing is** an independent, objective assurance and consulting activity designed to add value and improve an organization's operations

  Internal IT auditing draws upon many sources of guidance informing audit program structure, audit procedures and protocols, areas of audit focus, and auditor practices and qualifications.

General and internal auditing standards and guidance

Procedural guidance

Technical guidance

Domain knowledge

IT auditing

Auditor guidance

Industry guidance

Policy and program guidance

1. Internal audit as an organizational capability

1. Internal audit as an organizational capability

- Both external and internal IT audit practices depend on formally defined procedures executed by capable auditors with sufficient organizational knowledge and domain expertise to effectively carry out the different types of audits an organization needs

1. Internal audit as an organizational capability

1.1 Independence and objectivity

Independence is the freedom from bias, outside control, or authority that

In an internal auditing context, *memastikan* ensures that the audit program is neither responsible for nor *Atau terikat* beholden to the parts of the organization it audits and, similarly, that individual auditors do not work for projects, operational functions, or business units that they audit

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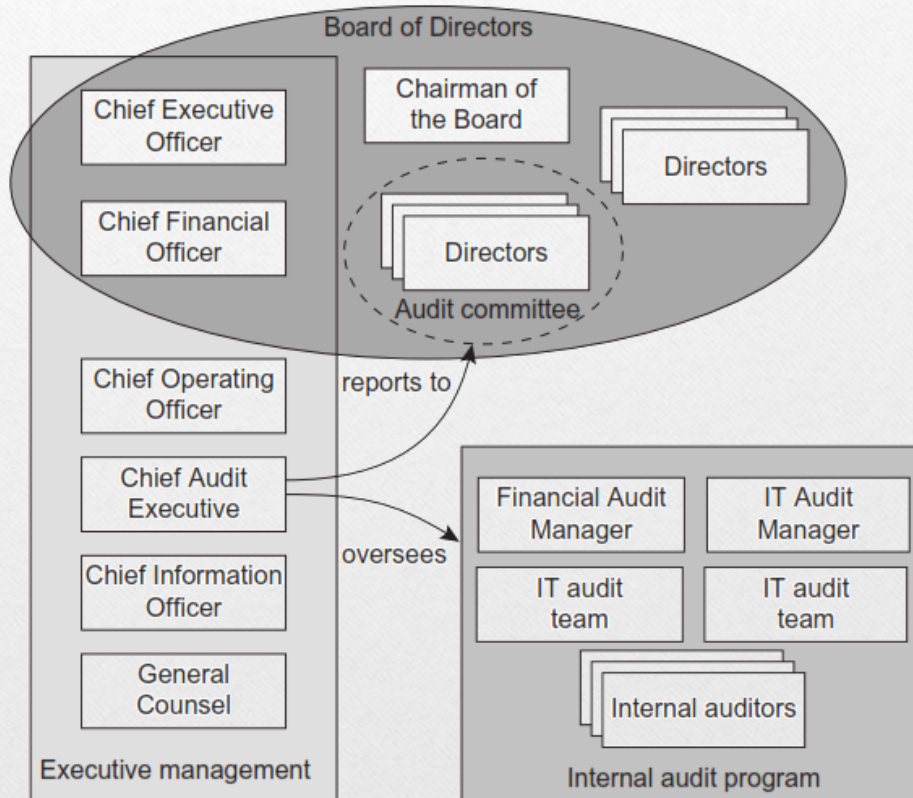# 1. Internal audit as an organizational capability

1.2 Establishing the IT audit program

The audit program is the formally defined department, business unit, or function within an organization responsible for planning, performing, and reporting the results of all internal audit activities

1. Internal audit as an organizational capability

1.2 Establishing the IT audit program
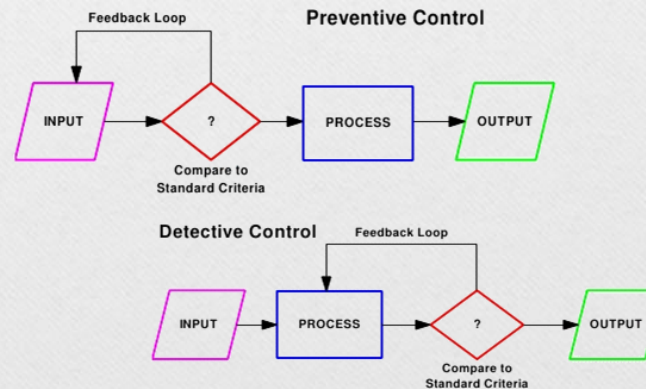
1. Internal audit as an organizational capability

1.3 Internal audit program charter

The audit program charter describes the purpose of the internal audit program

Control and Risk

Control mitigates risk:

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1. Internal audit as an organizational capability

1.3 Internal audit program charter

Table Internal Audit Roles and Responsibilities

Role	Responsibilities
CEA (alternately called Chief Auditor, Director of Audit, Lead Auditor, or equivalent title)	• Mengawasi fungsi audit internal dengan organisasi
Audit committee	• Laporan langsung ke komite audit • Memberikan pengawasan audit internal dan eksternal • Diwajibkan untuk perusahaan publik pada direksi mematuhi Undang-Undang

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1. Internal audit as an organizational capability

1.3 Internal audit program charter

Management team	• Anggota utama dari tim manajemen, seperti CEO, COO, CFO dan, biasanya berkonsultasi dengan Dewan Direksi, menyetujui anggaran dan alokasi sumber daya untuk program audit internal
Board of Directors	• Menganggap laporan audit dan rekomendasi, dan membuat keputusan tentang tindakan untuk mengambil dalam menanggapi temuan audit

1. Internal audit as an organizational capability

1.3 Internal audit program charter

Audit Manager	• Bertanggung jawab untuk memastikan pelaksanaan yang tepat dari jenis tertentu audit (keuangan, operasional, IT) dalam program audit
Auditor	• Membawahi satu atau lebih tim auditor internal • Melakukan audit, bekerja sendiri atau sebagai bagian dari sebuah tim tergantung pada jenis dan lingkup kegiatan audit yang dibutuhkan

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1. Internal audit as an organizational capability

1.3 Internal audit program charter

Operations Manager	• Bertanggung jawab untuk memastikan pelaksanaan yang tepat dari jenis tertentu audit (keuangan, operasional, IT) dalam program audit
Operations staff	• Membawahi satu atau lebih tim auditor internal • Melakukan audit, bekerja sendiri atau sebagai bagian dari sebuah tim tergantung pada jenis dan lingkup kegiatan audit yang dibutuhkan

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1. Internal audit as an organizational capability

The internal IT audit program's responsibilities include defining strategic and operational planning, selecting auditing tools, procedures and resources, conducting audits and reporting their results, and ensuring audit program quality.

1. Internal audit as an organizational capability

1.4 Internal Audit Program Responsibilities

As the organizational function that manage and conducts IT and other types of audits, **the responsibilities of the internal audit program include creating and executing the overall audit strategy** for the organization and, potentially, domain- specific strategies or plans for IT, operational, and compliance and other types of internal audits

2. Benefits of internal IT auditing

2. Benefits of internal IT auditing

For establishing and operating internal IT audit capabilities commonly includes objectives such as:	Supporting corporate IT governance, risk management, and compliance programs;
	Verifying adherence to organizationally defined policies, procedures, and standards;
	Satisfying requirements to achieve or maintain process maturity, quality management, or internal control
	Adding formality to or increasing the rigor of self-assessment processes and activities; and
	Preparing for or "shadowing" anticipated external audits.

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3. Internal audit challenges

3. Internal audit challenges

Although many potential benefits accrue to organizations that establish effective internal IT audit capabilities, **not all** organizations have sufficient resources available to dedicate staff to auditing, or to do so in a way that covers all the areas within an organization that need auditing

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4. Internal auditor

4. Internal auditor

Common subject matter topics with which internal IT auditors should be familiar include:

✓ business domains and associated processes supported by IT systems;

✓ data governance, data management processes, data backup and restoration, and storage technologies;

✓ IT policies and procedures;

✓ operations and maintenance processes;

✓ systems development life cycle process and activities;

✓ application, systems, and security architecture;

✓ computer operating systems;

✓ IT governance and risk management processes and frameworks;

✓ internal control types and applicability;

✓ IT process management or security management models; and

✓ IT-related standards and certification criteria.

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