
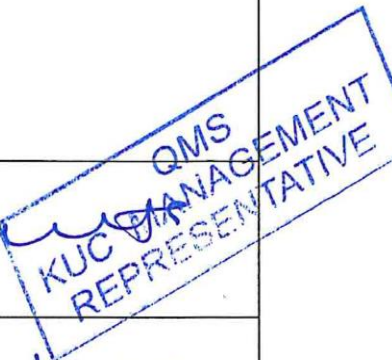





**PROCEDURE FOR INTERNAL AUDIT & RISK ASSURANCE (KUC/QMS/R/38)**

<b>AUTHORIZATION:</b>	
Procedures for Internal Audit & Risk Assurance are issued under the authority of:	
<b>ISO (QMS)MANAGEMENT REPRESENTATIVE</b>	
<b>SIGNATURE</b>	 
<b>DATE</b>	23/08/2024
<b>PROCESS OWNER: DEPUTY DIRECTOR INTERNAL AUDIT &amp; RISK ASSURANCE</b>	
<b>SIGNATURE:</b>	
<b>DATE:</b>	27/08/2024



**PROCEDURE FOR INTERNAL AUDIT & RISK ASSURANCE (KUC/QMS/R/38)**

**RECORD OF CHANGES**

<b>NO.</b>	<b>DATE</b>	<b>CLAUSE</b>	<b>REASON FOR REVIEW</b>	<b>PAGE</b>	<b>PROCESS OWNER</b>
1.	01/08/2024	All/many clauses affected in the procedure	Procedure overhaul and rebuilding due to new organizational structure	All /numerous pages affected	DDIA &RA



**PROCEDURE FOR INTERNAL AUDIT & RISK ASSURANCE (KUC/QMS/R/38)**

**DOCUMENT DETAILS**

1.	Section A: Quality Objectives
2.	Section B: Procedures
	Title
	Purpose
	Scope
	Reference
	Terminology
	Responsibility
	Input
	Methods
	Output
	Records



**PROCEDURE FOR INTERNAL AUDIT & RISK ASSURANCE (KUC/QMS/R/38)**

**SECTION A: QUALITY OBJECTIVES**

<b>OBJECTIVE</b>	<b>ACTIVITIES</b>	<b>RESOURCES</b>	<b>RESPONSIBILITY</b>	<b>TIME FRAME</b>	<b>KEY PERFORMANCE INDICATORS</b>
<b>To provide independent risk based audits and advisory services on quarterly basis</b>	Preparing a risk based audit plan  Conduct audit assignment as per schedule  Risk planning  Risk treatment  Risk reporting	Competent staff	Deputy Director, internal Audit & Risk Assurance	Quarterly	Risk based Quarterly Audit report

**SECTION B: PROCEDURES**



**PROCEDURE FOR INTERNAL AUDIT & RISK ASSURANCE (KUC/QMS/R/38)**

**1. PROCEDURE FOR CONDUCTING INTERNAL AUDITS**

**2. PURPOSE**

The purpose of this procedures is to provide guidelines for conducting internal audit

**3. SCOPE**

This procedure covers audit planning, execution and reporting

**4. REFERENCES**

Internal Audit Guidelines for Public Sector

Internal Audit Charter

Public Finance Management Act, 2012

Public Finance Management Regulations, 2015

International Auditing Standards (IAS)

**5. TERMS AND ABBREVIATIONS**

**DDIA&RA** - Deputy Director, Internal Audit & Risk Assurance

**CAC** - Council Audit Committee

**6. RESPONSIBILITIES**

DDIA&RA

**7. INPUTS**

Competent staff



**PROCEDURE FOR INTERNAL AUDIT & RISK ASSURANCE (KUC/QMS/R/38)**

**8. METHOD**

**8.1 Audit planning**

**8.1** A meeting shall be convened in the fourth quarter of every financial Year and Internal audit plan shall be submitted to CAC for review and approval.

**8.2 Audit Execution**

8.2.1 Auditors shall be assigned to carry out audits on a quarterly basis as per schedule.

8.2.2 The scope and purpose shall be communicated to the Auditor through work assignments on quarterly.

8.2.3 The Auditors shall review previous audit reports on the subject of the audit to verify outstanding issues.

8.2.4 DDIA&RA shall send audit notification to the auditee 5 days prior to the audit

8.2.5 The Audit team shall conduct the audit.

**8.3 Reporting**

8.3.1 The audit report shall be prepared in accordance with audit reporting standards

8.3.2 The report shall be discussed with the auditee before conclusion

8.3.3 The final Audit report shall be submitted to the Principal/CEO.

8.3.4 Action of the findings shall be taken.

8.3.5 The outstanding issues from the report shall be presented to Council Audit Committee.



**PROCEDURE FOR INTERNAL AUDIT & RISK ASSURANCE (KUC/QMS/R/38)**

**9. OUTPUTS**

Audit Reports

**10. RECORDS**

Risk based annual work plan, audit notification and working papers.

**1. PROCEDURE FOR RISK MANAGEMENT AUDIT**

**2. PURPOSE**

The purpose of this procedures is to provide guideline for risk management.

**3. SCOPE**

This procedure covers Risk identification, analysis and mitigation.

**4. REFERENCES**

KUC strategic Plan (2021-2026)

KUC Risk Management Policy Framework

Public Finance Management Act, 2012

Public Finance Management Regulations, 2015

Code of Governance for State Corporations 2013 (Mwongozo)

**5. TERMS AND ABBREVIATIONS**

**ERM** - Enterprise Risk Management

**IRM** - Institute of Risk Management

**IRM** - Integrated risk management

**KPI** - Key Performance Indicator

**KRI** - Key Risk Indicator

**PFM** - Public Financial Management

**PMRA** - Public Management Reform Agenda



**PROCEDURE FOR INTERNAL AUDIT & RISK ASSURANCE (KUC/QMS/R/38)**

**PSASB** - Public Sector Accounting Standards Board

**RMC** - Risk Management Committee

**RO** - Risk Officer

**6. RESPONSIBILITIES**

Deputy Director, Internal Audit & Risk Assurance

**7. INPUTS**

Risk Management Implementation Plan,

Risk Maturity Model,

Risk Management Policy Framework,

**8 METHOD**

**8.1 Risk Planning**

8.1.1 Potential Risks shall be identified and recorded in the departmental Work plan.

8.1.2 Risk planning memorandum shall be developed and submitted to Principal/CEO.

8.1.3 Approved risk planning memorandum shall be submitted to the Council Audit Committee for concurrence.

8.1.4 Internal audit shall conduct the risk audit in line with approved memorandum

**8.2 Risk Mitigation report**

8.2.1 Risk mitigation strategies shall be evaluated for their effectiveness In mitigating the identified risk.

8.2.2 Risk mitigation report shall be prepared and submitted to the Principal & CEO.





**PROCEDURE FOR INTERNAL AUDIT & RISK ASSURANCE (KUC/QMS/R/38)**

8.2.3 Risk status report shall be provided to the Council Audit Committee on a quarterly basis.

**9 OUTPUTS**

Risk planning memorandum,

Risk status reports

**10 RECORDS**

RMC Minutes

Risk management policy framework

Risk registers