

## SPEECH ON SENSITIZATION ON ANTI- CORRUPTION STRATEGIES IN INTERNAL AUDIT DEPARTMENT.

BY;



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“Corruption is abuse of socially accepted norms”. Corruption may be described as:

- Bribery
- Fraud
- Misappropriation of funds
- Abuse of office
- Breach of trust e.t.c

From the above this can be described as lack of professional integrity.

### **ROLE OF INTERNAL AUDIT**

- ✚ Internal controls are procedures and processes, financial or otherwise, put in place by management to safeguard assets, ensure efficiency and effectiveness of financial and accounting systems
- ✚ In reviewing internal controls, the internal auditors’ main objective is to determine whether existing internal controls are well designed and effectively operational and, if not, advise management on their weaknesses. Without regular reviews of procedures and processes, this would create opportunities for fraud and corruption, and operational difficulties.
- ✚ The internal audit function is charged with the duty of constantly evaluating and advising management on the proper operations of the internal control systems.
- ✚ Institutions without effective internal controls will provide loopholes that can be used to perpetrate corruption.
- ✚ As the eyes of the management, the unit has a role in ensuring that loopholes in systems are not only reported but corrected and areas of weaknesses eliminated.
- ✚ Some of the identified weaknesses arise due to lack of effective controls and supervision in the institution.
- ✚ Therefore it is safe to say that internal control systems are crucial for preventing and detecting errors, fraud and other corrupt practices.
- ✚ The objective of internal audit is to add value through provision of timely, sound and effective management information to the university.

## **EXAMPLES OF COMMON INTERNAL CONTROL SYSTEMS WITHIN THE UNIVERSITY**

- Physical controls like barriers, strong rooms for safe custody of cash, burglar proofing, and security personnel in all entrances to the university premises
- Segregation of duties
- Authorization and approval processes
- Accounting and arithmetical controls
- Personnel controls e.g. at recruitment, transfers and rotation of staff
- Internal checks in document processing
- Computerization and use of ICT-reducing human interface

### **Opportunities of corruption can come about due to lack of:-**

- a) A clearly documented policy (e.g. expenses like travel payments)
- b) Communication of policies and regulations
- c) A common system of entitlement and benefits
- d) Written approvals of expenses e.g. travel plans
- e) Adherence to budgetary limits
- f) Clearly defined guidelines on who is responsible for approving expenses e.g. travel, and what constitutes official travel

### **Key areas to ensure compliance**

Internal audit to verify cash book balances, bank reconciliations and adherence to set limits for cash payments

To conduct ad-hoc examination of expenses e.g. travel payments to establish observance of the laid down travel procedures

Carry out regular checks on procurement of goods and services to ensure compliance with set out rules and regulations

Verify the assets to be disposed and the criteria used in determining what, how and when to dispose off assets, and to ascertain whether the maximum value is obtained from the disposed assets.

Carry out regular reviews of all the above procedures and advise management on areas of weaknesses

### **WAYS OF SEALING THE LOOPHOLES**

1. Formulate, document, disseminate and implement financial policies and procedure manuals
2. Prepare and comply with approved annual/periodic budgets. This should be aligned to the university strategic plan
3. Institute strong internal control systems
4. Maintain proper and up to date accounting records and timely reports
5. Establish and facilitate a strong internal audit function
6. Constitute and operationalize an audit committee as per the best practices and government regulations issued from time to time
7. Permit and facilitate oversight (external auditors, audit committees, Public Accounts Committee, anti-corruption authorities etc)
8. Implement recommendations of oversight institutions
9. Strict adherence to relevant laws and regulations

### **Conclusion**

Internal audit department plays a very critical role in ensuring that corruption issues are eradicated.

Thank You all.