

10 YEARS
OF UNIVERSITY
RECOGNITION
20 YEARS OF
ACADEMIC
EXCELLENCE



REVA
UNIVERSITY

Bengaluru, India

DETAILS OF INTERNAL AND EXTERNAL FINANCE AUDIT CONDUCTED

RUKMINI EDUCATIONAL CHARITABLE TRUST

(A brief note on financial Audit, this is applicable for Statutory and internal Audit.)

INTRODUCTION

- “Internal auditing is an activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes”.
- Internal audit function is now mandatory for certain companies/Institutions in accordance with Companies Act, 2013
- To enhance of Internal audit to improved accountability & financial transparency in the Organization.
- Furthermore, internal audit is considered good practice & advisable as part of underlying Control Framework & financial management capacity of an organization.

OBJECT

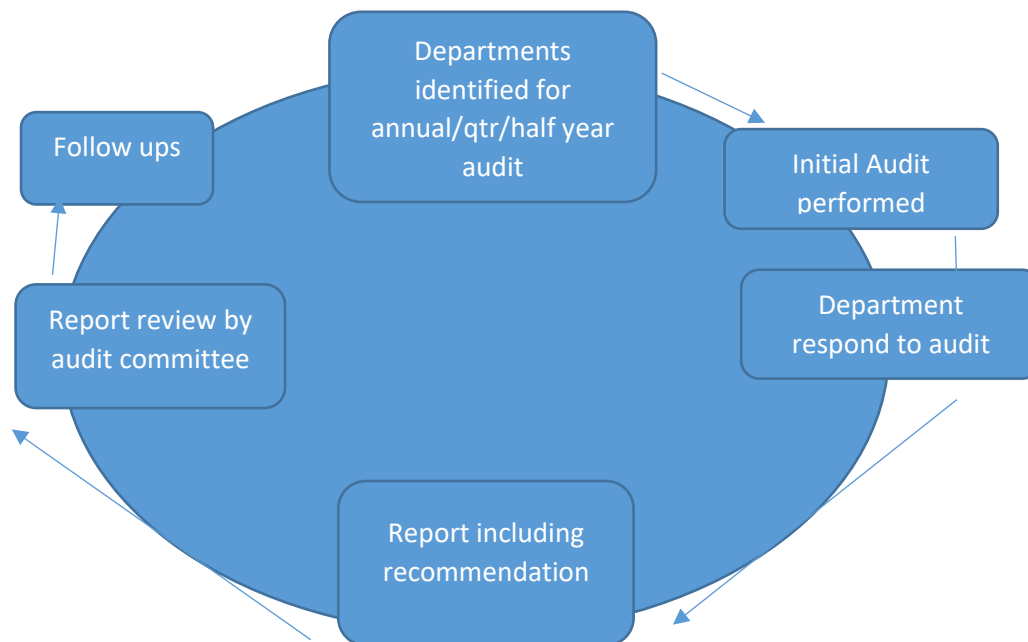
Primary objective of internal audit lies in helping the management attain maximum efficacy by providing and important source of review of operations and records for the assistance of all levels of management.

- ♣ Review of accounting system and related internal controls
- ♣ Examination for management of financial and operating information
- ♣ Examination of the economy, efficiency and effectiveness of operations including non-financial controls of an organization
- ♣ Physical examination and verification of fixed assets
- ♣ Adoption of standard accounting practices IFRS/GAAP
- ♣ Prevention and detection of fraud .

Internal Audit Process in RECT

AUDIT FLOW/PROCEDURE

Departments identified for annual audit Initial Audit performed Department respond to audit
Final Audit Report including recommendations Report review by audit committee



Our Audit Approach

Risk Based And Object Oriented Audit Approach

- In relation to internal audits, we follows “Risk based and objects oriented approach” which requires more focus on the critical areas of business.
- A risk-based audit approach is designed to be used throughout the audit to efficiently and Effectively. Focus the nature, timing and extent of audit procedures to those areas that have the most potential. For causing material misstatement(s) in the financial report. Risk like – fraud, Improper reporting, ineffective or inefficient use of resources, credibility loss, etc.
- The risk-based approach requires the auditor to first understand the entity and its environment in order to identify risks that may result in material misstatement of the financial

report. Next, the auditor performs an assessment of those risks at both the financial report and assertion levels. The assessment involves considering a number of factors such as the nature of the risks, relevant internal controls and the required level of audit evidence.

OUR AUDIT METHODOLOGY - RECT

Step-1 Scope and plan	Step-2 Risk Assessment & Internal Control	Step-3 Audit Execution	Step-4 Communicatin g Results	Step-5 Follow Ups
Kick off meeting	Meeting with key process owners to evaluate existing systems and procedures followed	Performing walkthroughs and substantive testing with minimal disruption to operations of the company	Throughout the audit, all issues identified are validated with the customer	This phase evaluates whether management implemented the corrective measures agreed to the Final Audit Report
Discussing and finalizing scope or works	Identify risks and specific audit objectives and scope	Test results are analyzed to determine if additional test work is required	Issuing Audit Report along with Audit recommendations and management responses	Report on the implementation of action plans
Project Planning & Preliminary survey	Assessment for adequacy of controls	Discuss with process owners and make changes, if required	Audit findings may be classified as high, medium and low priority	
	Audit Programme development and selection of samples	Issues are communicated, validated, and drafted with the customer as they are identified	Action plans are immediately developed by management	

CODE OF ETHICS

Integrity

The integrity of internal auditors establishes trust & so provides the basis for Reliance on their judgment.

Objectivity

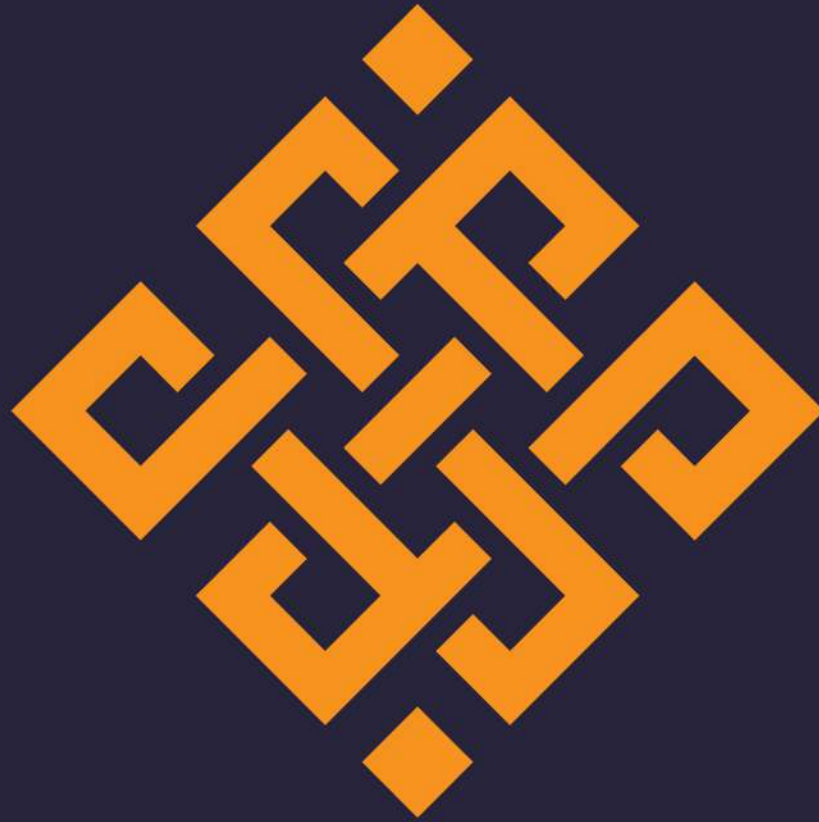
Internal auditors exhibit the highest professional objectivity in gathering, evaluating & communicating information and make a balanced assessment of all else circumstances & are not unduly influenced by their own interests or others in forming Judgments.

Confidentiality

Internal auditors respect the value and ownership of information they receive & do not disclose information without appropriate authority unless there is a legal Professional obligation to do so

Competency

Internal auditors apply knowledge, skills, & experience needed.



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