



KITALE NATIONAL POLYTECHNIC



QUALITY MANAGEMENT SYSTEM BASED ON ISO 9001:2015
STANDARD

INTERNAL AUDIT PROCEDURE MANUAL

KNP/PM/IA/ 02

VERSION: C

REVISION: 0

Authorized by: _____ Principal	Sign: 	Date: 25 TH OCT 2021
Issued by: _____ Management Representative	Sign: 	Date: 25 TH OCT 2021



	KITALE NATIONAL POLYTECHNIC ISO 9001:2015	REF: KNP/PM/IA/02	
		DEPT	INTERNAL AUDIT
		ISSUE DATE	25TH OCT 2021
	TITLE: INTERNAL AUDIT PROCEDURE MANUAL	VERSION	C
		REVISION	0

TABLE OF CONTENTS

RECORDS OF CHANGE	3
PROCEDURE NUMBER1: CONDUCTING SCHEDULED AUDITS.....	4
PROCEDURE NUMBER 2: CONDUCTING UNSCHEDULED AUDITS	8

	KITALE NATIONAL POLYTECHNIC ISO 9001:2015	REF: KNP/PM/IA/02		
		DEPT	INTERNAL AUDIT	
	TITLE: INTERNAL AUDIT PROCEDURE MANUAL		ISSUE DATE	25TH OCT 2021
			VERSION	C
			REVISION	0

PROCEDURE NUMBER1: CONDUCTING SCHEDULED AUDITS

1.0 GENERAL

1.1 PURPOSE

The purpose of this procedure is to ensure effectiveness, timeliness, efficiency and consistency in conduct of scheduled audits.

1.2 SCOPE

This procedure applies to conduct of all scheduled audits.

1.3 REFERENCES

- a) PFM Act 2015 and PFM regulations 2012.
- b) Current Budget.
- c) The Polytechnic Strategic Plan.
- d) Previous Audit reports- both internal and external.
- e) Internal Audit Manual.
- f) Public Procurement and Disposal Act 2005.
- g) Annual Risk based audit work plan.
- h) Departmental Risk registers
- i) KNP Calendar of events

1.4 TERMS AND DEFINITIONS

- a) RAC – Risk and Audit Committee.
- b) IA – Internal Auditor.
- c) GC-Governing Council

1.5 PRINCIPAL RESPONSIBILITY


The IA shall ensure that this procedure is adhered to.

1.6 INTERFACES

- a) Governing Council – Approval of audit plan and recommendation on audit reports
- b) Principal- response to audit findings and recommendation.
- c) Hods/Hos-provide documents for audit

1.7 PERFORMANCE TARGET

The performance shall be measured through the overall performance of the Department basing on

	KITALE NATIONAL POLYTECHNIC ISO 9001:2015	REF: KNP/PM/IA/02		
		DEPT	INTERNAL AUDIT	
	TITLE: INTERNAL AUDIT PROCEDURE MANUAL	ISSUE DATE	25TH OCT 2021	
		VERSION	C	
		REVISION	0	

PERFORMANCE TARGET	MONITORING AND EVALUATION
Timely preparation of audit reports	Having the reports ready at end of every quarter
Timely preparation of annual audit plan	Having the annual audit plan ready within the second month of the financial year
Timely preparation of audit objectives and program	Having the audit objectives and program ready two weeks before the planned audit

1.8 RESOURCES

The resources to be used in the process are listed below:-

- a) Personnel
- b) Funds
- c) Stationary
- d) Time

1.9 INPUTS AND OUTPUTS

INPUTS	OUTPUTS
Questionnaires	Audit reports
Audit program	Audit reports

2.0 METHOD


2.1 Planning

2.1.1 This shall start in the first month of each financial year with the IA developing an Annual Audit Plan.

2.1.2 In developing the Annual Audit plan, the IA shall consider the following:

- a) All risk areas identified by the Management,
- b) Previous follow up Audit recommendations,
- c) Special Audits requested by the management, and
- d) Any changes that might affect the Internal Audit Annual Plan.

2.1.3 Upon developing the Annual Audit Plan, the IA shall forward the same to the Principal who shall convene a GC meeting to approve the annual Audit plan within the second month of the financial year.

	KITALE NATIONAL POLYTECHNIC ISO 9001:2015	REF: KNP/PM/IA/02		
		DEPT	INTERNAL AUDIT	
	TITLE: INTERNAL AUDIT PROCEDURE MANUAL	ISSUE DATE	25TH OCT 2021	
		VERSION	C	
		REVISION	0	

2.1.4 In the event of disapproval, the IA shall make the necessary amendments and resubmit.

2.1.5 Upon approval, the internal Audit shall plan and execute the scheduled Audits as per the annual Audit plan.

2.2 Organizing

2.2.1 The IA shall develop relevant objectives and audit program for the scheduled audits.

2.2.2 Upon development of the audit objectives and program, the IA shall as per the communication procedure in the Administration Procedure Manual communicate the same to the auditee two weeks before the planned Audit.

2.2.3 In the event the auditee is not present on the scheduled date he/she shall inform the IA at least two working days to the scheduled date.

2.3 Conducting the audit

2.3.1 On the scheduled date the IA shall convene an opening meeting with the auditees before commencement of the Audit exercise.

2.3.2 The IA shall then execute the audit as per the program and prepare audit working papers.

2.3.3 Upon execution of the audit, the IA shall prepare a preliminary Audit report and brief the Principal on the findings.

2.3.4 The IA shall then conduct an exit meeting with the auditees pointing the weaknesses noted and the recommendations.


2.4 Reporting

2.4.1 Within one week after conducting the audit, the IA shall as per the communication procedure in the Administration Procedure Manual communicate to the Principal the findings of the audit stating the weaknesses and the recommendations for response.

2.4.2 Upon receipt of the response(s) from the Principal, the IA shall prepare a final audit report in two weeks and submit to the chairman RAC and the Principal.

2.4.3 At the end of every quarter, the IA shall in consultation with the Chairman RAC, convene a meeting of RAC to discuss the audit findings and make recommendations to the Principal.

2.5 The Principal shall table the recommendations from RAC in a management meeting for deliberation and adoption.

	KITALE NATIONAL POLYTECHNIC ISO 9001:2015	REF: KNP/PM/IA/02		
		DEPT	INTERNAL AUDIT	
	TITLE: INTERNAL AUDIT PROCEDURE MANUAL	ISSUE DATE	25TH OCT 2021	
		VERSION	C	
		REVISION	0	


2.6 During subsequent audits, the IA shall follow up on the previous audits to ascertain those actions were taken and report the same in a RAC meeting for deliberation and necessary action.

2.7 Follow up of Audits

- 2.7.1 Within three months after the audit, the IA shall make a follow up to determine the extent of compliance and or implementation of agreed upon audit recommendations.
- 2.7.2 The IA shall write to the Principal requesting for the status of implementation of RAC resolutions three months after the audit.
- 2.7.3 The Principal shall provide the status of implementation within 7 days after receiving the request in clause 2.7.2
- 2.7.4 Upon receipt of the status report from the Principal, the IA shall within one-day request the relevant internal Audit staff to confirm the status in the affected departments.
- 2.7.5 The assigned auditor upon confirmation of the status within 3 days, shall prepare a status of recommendations report to the IA
- 2.7.6 The IA shall review the report from CIA and communicate the status on quarterly basis to the Principal and the RAC for appropriate action.

3 LIST OF APPLICABLE RECORDS

- 3.1 Audit reports.
- 3.2 Evidence of communication.
- 3.3 Audit working papers.
- 3.4 Audit objectives.
- 3.5 Audit program.

	KITALE NATIONAL POLYTECHNIC ISO 9001:2015	REF: KNP/PM/IA/02		
		DEPT	INTERNAL AUDIT	
	TITLE: INTERNAL AUDIT PROCEDURE MANUAL	ISSUE DATE	25TH OCT 2021	
		VERSION	C	
		REVISION	0	

PROCEDURE NUMBER 2: CONDUCTING UNSCHEDULED AUDITS

1.0 GENERAL

1.1 PURPOSE

The purpose of this procedure is to ensure effectiveness, consistency and efficiency in conduct of unscheduled audits.

1.2 SCOPE

This procedure applies to conduct of all unscheduled audits.

1.3 REFERENCES

- a) Public Finance Management Act 2015.
- b) Current Budget.
- c) Current TENP Strategic Plan.
- d) Previous Audit reports.
- e) Current Internal Audit Manual.
- f) Public Procurement and Disposal Act 2005.

1.4 TERMS AND DEFINITIONS

- a) IA – Internal Auditor
- b) RAC – Risk and Audit Committee
- c) GC –Governing Council

1.5 PRINCIPAL RESPONSIBILITY


The IA shall ensure that this procedure is adhered to.

1.6 INTERFACES

- a) Governing Council–Approval of audit plan and recommendation on audit reports
- b) Principal- response to audit findings and recommendation.
- c) Hods/Hos-provide documents for audit

1.7 PERFORMANCE TARGET

The performance shall be measured through the overall performance of the Department basing on

	KITALE NATIONAL POLYTECHNIC ISO 9001:2015	REF: KNP/PM/IA/02		
		DEPT	INTERNAL AUDIT	
	TITLE: INTERNAL AUDIT PROCEDURE MANUAL	ISSUE DATE	25TH OCT 2021	
		VERSION	C	
		REVISION	0	

PERFORMANCE TARGET	MONITORING AND EVALUATION
Timely preparation of audit reports	Having the reports ready at end of every quarter
Timely preparation of annual audit plan	Having the annual audit plan ready within the second month of the financial year
Timely preparation of audit objectives and program	Having the audit objectives and program ready two weeks before the planned audit

1.8 RESOURCES

The resources to be used in the process are listed below:-

- a) Personnel
- b) Funds
- c) Stationary
- d) Time

1.9 INPUTS AND OUTPUTS

INPUTS	OUTPUTS
Questionnaires	Audit reports
Audit program	Audit reports

2 METHOD

2.1 This procedure shall start with the IA either:


- a) Noticing an area that needs to be appraised, or
- b) Receiving information from the Principal/Management/staff on an area that needs to be appraised.

2.2 Upon the occurrence of any of the above the IA shall develop an audit program.

2.3 In developing the audit program, the IA shall consider the following:

- a) The suitable audit technique to use,
- b) The objectives of the audit, and
- c) The key documents and records to appraise.

2.4 Upon development of the audit program, the IA shall conduct the audit and record the findings in the audit working papers.

	KITALE NATIONAL POLYTECHNIC ISO 9001:2015	REF: KNP/PM/IA/02	
		DEPT	INTERNAL AUDIT
		ISSUE DATE	25TH OCT 2021
	TITLE: INTERNAL AUDIT PROCEDURE MANUAL	VERSION	C
		REVISION	0

- 2.5 The IA shall then prepare a preliminary audit report, discuss the findings with the Principal and convene an exit meeting with the auditees.
- 2.6 Within one week, the IA shall as per the communication procedure number 1 in the Administration Procedure Manual communicate the findings to the Principal, indicating the Audit findings, the weaknesses and the recommendations for response.
- 2.7 Upon receipt of the response, the IA shall prepare a final audit report in two weeks and submit to the chairman RAC and the Principal for information.
- 2.8 At the end of every quarter, the IA shall in consultation with the Chairman RAC, convene a meeting of RAC to discuss the audit findings and make recommendations to the Principal.
- 2.9 The Principal shall table the recommendations from RAC in a management meeting for deliberation and adoption.
- 2.10 As need be, the IA shall follow up on the audit to ascertain that actions were taken and report the same in a RAC meeting for deliberation and necessary action.

3 LIST OF APPLICABLE RECORDS

- 3.1 Audit reports.
- 3.2 Evidence of communication.
- 3.3 Audit working papers.
- 3.4 Audit program.