



Internal Audit Unit

Monthly Articles

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What is Audit?



In 400 BC, the audit process was first observed when the Egyptians and Babylonians monitored the movement of goods in and out of warehouses and reported orally; hence, the Latin word audit, which means “**To listen**”. The audit process has evolved over time according to ancient audit research, ancient audit has been found in China, Egypt, and Greece, of which only Greece has a similar form of audit to today’s audit. As practiced in the Kingdom of Cambodia, the audit process is defined in accordance with the Law on Audit of the Kingdom of Cambodia, which was approved in 2000, the Law on Accounting and Auditing, which was approved in 2016, and other relevant regulations.

Auditing refers to the independent and systematic examination and evaluation of data, reports, records, transactions, and financial or non-financial results of an organization for a specific purpose.

Audits are divided into two types: Internal Audit and External Audit.

Internal Audit refers to the independent assessment of the organization's management system by its officials to ensure that the organization's operations are efficient, economical and effective, and to prevent waste and unintentional errors in the use of funds and assets. Internal Audit also provides consulting services to add value and improve the organization's operations and help the organization achieve its objectives by using a systematic and professional approach to evaluate and improve the effectiveness of risk management, control and governance processes.

External Audit refers to the examination or review of the accounting records, operational management systems and control of the management organization in accordance with general auditing standards and government auditing standards to provide assurance that:

A- Financial and economic activities are properly presented through statements and reports

B- These activities are carried out in accordance with generally accepted accounting principles

C- Procedures and implementation are monitored in accordance with laws, regulations, agreements, management systems, program contracts and other criteria relating to government revenue, expenditure and use of resources.

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References:

- 1- Law on Audit of the Kingdom of Cambodia
- 2- Law on Accounting and Auditing
- 3- Internal Audit manual
- 4- Ajao, O.S., Olamide, J.O., & Ayodeji, T.A. (2026). Evolution and Development of Audit. Unique Research Journals, p34.

