



Internal Audit Unit

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The difference between Internal Audit and Financial inspection

The roles and duties of internal audit and inspection are clearly separated and distinct, as defined in Sub-Decree No. 168 ANKr.BK dated 8 October 2020 On the Framework of the Functions and Duties of Internal Audit and Inspection to avoid duplication and to enhance effectiveness, efficiency, transparency, and accountability.

Role of Internal Audit

Internal audit units within ministries, institutions, and public organizations serve as internal auditors directly under the supervision of the Minister of the Ministry or the Head of the Institution, and are responsible for carrying out duties in accordance with the Law on Audit of the Kingdom of Cambodia and Sub-Decree No. 40 ANKr.BK dated February 15, 2005, on the organization and functioning of internal audit in ministries, institutions, and public organizations, along with other relevant legal and regulatory frameworks.

In addition, the Internal Audit Unit of FSA is established to serve the Board of FSA and the Chair FSA on audit-related matters with the mission to strengthen the internal control system through monitoring and professional audits based on technical expertise, ethics, independence, integrity, accountability, and the development of internal audit functions, as well as providing training to subordinate units related to internal audit functions.

Role of Financial inspection

The Ministry of Economy and Finance is the technical staff of the Royal Government in the inspection of public finance management and state assets in ministries, institutions, similar public units, capital administrations, provinces, cities, and district, commune, public and private legal entities that benefit from public finances in accordance with the law on the public finance system and the applicable legal regulations.

The Minister of Economy and Finance is responsible

for preparing the annual financial inspection results report to the Head of the Royal Government and copying it to the Ministry in charge of relations with the National Assembly-Senate and the Inspectorate.

The Financial Inspectorate has the mission of examining the compliance, achievement, and effectiveness of the management and implementation of public financial transactions and state asset management based on risks, suspicious cases, complaints, and denunciations with the aim of ensuring the maintenance of public financial discipline, ensuring respect for and implementation of laws and legal regulations related to public finance and state assets, identifying violations of public finance and state assets by taking measures to hold accountable, preventing and/or taking measures for intentional or unintentional errors in the management and/or implementation of public financial transactions and state asset management, and ensuring the integrity and consistency of financial information and data for participation in annual budget preparation and payments.

In general, internal audit plays the role of internal control in ministries, institutions, general departments, and capital units. Financial inspection plays the role of external control in ministries, institutions, and public enterprises as defined in the laws, regulations, and legal provisions in force.

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References:

- 1- Sub-Decree on the Framework of the Functions and Duties of Internal Audit and Inspection
- 2- Sub-Decree on the organization and functioning of entities under the supervision of FSA.

