



Internal Audit Unit

Monthly Articles

No. 4/22, published in April 2022

Types of Internal Audits



In accordance with Sub-Decree No. 113 dated July 14, 2021 on the organization and functioning entities under the supervision of the Non-Bank Financial Services Authority (FSA) and the development plan of the internal audit unit of FSA for 5 years (2021-2025), the Internal Audit Unit of FSA has defined the types of audits as : Compliance Audit, Operational Audit and Action Plan, Financial Audit, Performance Audit, Human Resources Audit, Asset Audit and Information Technology System Audit.

In particular, in accordance with the Internal Audit Manual of the General Department of Internal Audit of the Ministry of Economy and Finance, the types of audits are defined as follows:

- **Operational Audit:** Refers to the examination of the use of the unit's resources to assess whether those resources are used effectively and efficiently to achieve the objectives and missions of the audit office. This audit incorporates elements of other types of audits.

- **Financial Audit:** Refers to the examination of accounting records and financial statements, including assurance, authorization and certification work and disbursement of funds. The purpose of this type of audit is to verify that there are adequate control mechanisms for cash and other similar assets, and whether there are adequate control mechanisms for the acquisition and use of resources. Unlike external financial audits, internal financial audits do not express an expert opinion on the accuracy of financial statements.

- **Compliance Audit:** Refers to the confirmation of compliance with laws, regulations, policies, and procedures, including laws, sub-decrees, proclamations, circulars, and other principles of ministries and provisions of relevant legal institutions. Many recommendations are made to improve processes and control mechanisms in order to ensure compliance with legal standards.

- **Internal Control Audit:** Focuses on the components of the main activities of the audit, such as salaries, benefits, cash management, inventory and equipment, and the safekeeping of gifts and agreements, and financial statements, which are all subject to this examination.

- **Fraud Audit:** Refers to the performance of special audit activities where fraud has occurred or is suspected to help the audit director detect or determine the existence and extent of fraud and provide the necessary evidence for legal remedies.





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- **Information Technology System Audit:** Refers to the examination of the internal control environment of an automated information processing system and ascertaining how officials use the system. This audit generally assesses the input and output systems, process control mechanisms, backup and recovery plans, security, and computer systems. An IT system audit may focus on current systems and systems in the development stage. The key experience is in combining IT system audits with other types of audits, especially where there is a high level of automation.

- **Performance Audit:** Refers to the examination of programs, functions, operations, or management systems and procedures of a department/unit/office to assess whether the auditee has managed available resources economically, efficiently, and effectively. The audit is systematic and structured, generally using a professional and detailed approach to the structure.

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References:

- Sub-decree on the organization and conduct of entities under the supervision of FSA
- Internal Audit Unit of FSA Development Plan (2021-2025)
- Internal audit manual of the Ministry of Economy and Finance

