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Document Title: <b>STANDARD OPERATING PROCEDURE FOR AUDIT, GOVERNANCE &amp; RISK MANAGEMENT</b>		

# CHUKA UNIVERSITY

## Standard Operating Procedure


For

## Audit, Governance & Risk Management CU/SOP/IAUD/26

### Document Review Sheet


The signatures below certify that this Standard Operating Procedure has been reviewed and accepted, and demonstrates that the signatories are aware of all the requirements contained herein and are committed to ensuring their provision.

Action	Name & Signature	Position	Date
Revised by	CPA L. M. Mburugu	Ag. HOD, Internal Audit	20/08/2019
Reviewed by	Prof. D. K. Isutsa	DEPUTY VICE-CHANCELLOR (ARSA)/MR	20/08/2019
Approved by	Prof. E. N. Njoka	VICE-CHANCELLOR	20/08/2019

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## 1.0 AMENDMENT RECORD

This Standard Operating Procedure is reviewed regularly to ensure relevance to the systems and process that it defines. A record of contextual additions or omissions is given below.

### Amendment Record Sheet

Amendment Date	Issue No.	Revision No.	Page No.	Subject of Review /Modification	Revised By	Reviewed & Approved By
20/8/2019	05	00	6 to 12	Added “resources” in all processes by revising inputs heading to read “inputs/resources” and expanding the section as necessary	HOD	ISO M.R./VC
20/8/2019	05	00	12	Revised KPIs in quality objectives to be “measurable”	HOD	ISO M.R./VC
20/8/2019	05	00	12 to 14	Revised quality objectives to distinguish from routine duties and responsibility, & infused actions that will ensure customer satisfaction	HOD	ISO M.R./VC
20/8/2019	05	00	16	Revised risks to capture factually binding and persistent ones	HOD	ISO M.R./VC
20/8/2019	05	00	18	Generated stand-alone Opportunities for the Department and de-linked them from Risks	HOD	ISO M.R./VC

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## 2.0 GENERAL

### 2.1 Purpose

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisations operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The audit procedure provides guidelines to achieving the above-mentioned objective in a timely and cost-effectiveness manner.

### 2.2 Scope


The procedure is applicable to but is not limited to all system audits, audit investigations and any other assignments as assigned by the Vice-Chancellor/CEO.

### 2.3 References

- (i) Kenya Constitution, 2010
- (ii) Universities Act No. 42 of 2012
- (iii) CU Charter, 2013
- (iv) CU Statutes, 2014
- (v) CU Strategic Plan, 2017-2022
- (vi) CU Internal Audit Charter, 2017
- (vii) Exchequer and Audit Act/Public Audit Act, 2003
- (viii) International Auditing Standards
- (ix) International Financial Reporting Standards
- (x) ISO 9001:2015 Standard, Clauses 4 to 10
- (xi) CU ISO Quality Management System Manual, 2017
- (xii) CU Customer Service Delivery Charter
- (xiii) Public Officer Ethics Act, 2003
- (xiv) CU Code of Conduct and Ethics Policy, 2014
- (xv) CU Policies
- (xvi) Public Procurement and Asset Disposal Act, 2015
- (xvii) Public Procurement and Disposal Regulations, 2016
- (xviii) State Corporations Act Cap. 446
- (xix) Public Finance Management Act, 2012
- (xx) Public Finance Management Regulations, 2015 (National Government)

### 2.4. Abbreviations

AGRMC	= Audit, Governance and Risk Management Committee
CEO	= Chief Executive Officer
CU	= Chuka University
DVC (AFPD)	= Deputy Vice-Chancellor (Administration, Finance, Planning & Development)
GRNs	= Goods Received Notes
HOD	= Head of Department
IIA	= Institute of Internal Auditors
ISA	= International Standard for Auditing
LPO	= Local Purchase Orders
M.R.	= Management Representative
PCA	= Pay Change Advice
RQs	= Requisition Notes
VC	= Vice-Chancellor

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## 2.5. Definition of Terms

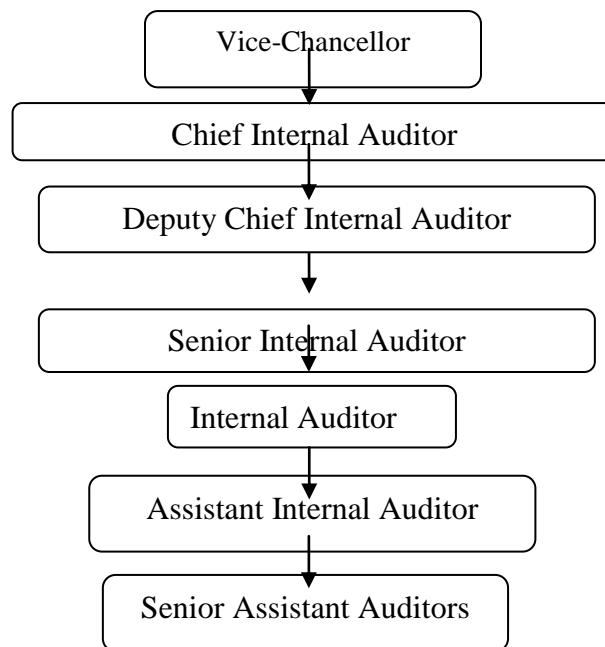
- (i) **An Audit Query:** This refers to an audit matter raised by the internal auditor requiring the account or the relevant official to provide an explanation or clarification relating to the matter raised. This may include provision of supporting documents needed to ascertain validity and fairness of a transaction.
- (ii) **Systems Audit:** This is an audit conducted to provide assurance whether, the objectives of the university unit are being achieved, and the system design and operations are efficient.
- (iii) **Accountable Document:** Validated official document that has a monetary value and must be accounted for e.g. LPO, Quotations, Payment Vouchers, Cheques, Imprest, Invoices, GRN's, RQs, Supplier Delivery Note

## 2.6 Responsibility

The Chief Internal Auditor has the primary responsibility of ensuring that this procedure is implemented and remains adequate for its intended purpose and providing information from which the documentation for their processes and activities can be compiled and for initiating action to keep them up to date. All departmental staff members are responsible for implementing and ensuring that these procedures are followed.

## 3.0 ADMINISTRATIVE STRUCTURE

The Administrative structure for the Internal Audit Office is given below




## 4.0 PROCESSES

### 4.1 Overview

The main activities of the Audit Department include:

- (i) Audit Investigation
- (ii) Systems Audit

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- (iii) Post-Auditing of Payments, Receipts & Other Accounting Documents
- (iv) Pre-Audit of Payments, Receipts & Other Accounting Documents
- (v) Opening of Quotations
- (vi) Monthly Payroll Pre-Audit Process
- (vii) Tender Box Opening

## 4.2 Process for Audit Investigation

### 4.2.1 Source

CU/SOP/VCIM/01

### 4.2.2 Required inputs/resources

- A call for investigation
- Standards and guidelines
- Resource persons (Experts)
- Stationery
- Furniture and Equipment
- Suitable working environment
- Facilitation budget

### 4.2.3 Expected outputs


- Investigation report
- System audit report

### 4.2.4 Receiver(s)

CU/SOP/VCIM/01; AGRMC; Council

### 4.2.5 Procedure details

No.	Description	Output	Responsibility
1.	Receipt of a call for an investigation from VC/CEO		HOD
2.	Plans the investigation, determines the scope and the parties to be involved and the resources required	Audit programme	HOD/ CEO
3.	Review of all the relevant policy guidelines and procedures that govern the affected operations.	Check list	Audit team
4.	Obtaining all the relevant documents and other relevant information in physical or soft copy	Paper work	Audit team
5.	Verification and analysis of the relevant documents.	Audit working papers	Audit team
6.	Interview of persons concerned where necessary.	Interview notes	Audit team
7.	The Auditor gets written statements from persons mentioned or connected as considered necessary.	Paper work	Audit team
8.	Formation of an opinion on the irregularity, malpractice or fraud	Draft Report	Audit Team
9.	Preparation and submission of a report on the	Report	HOD

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findings to the VC/CEO.		
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### 4.3 Process for Systems Audit

#### 4.3.1 Source

CU/SOP/VCIM/01

#### 4.3.2 Required inputs/resources

- Audit work plan and programme
- Standards and guidelines
- Resource persons (Experts)

#### 4.3.3 Expected outputs


- Audit reports and recommendations

#### 4.3.4 Receivers

CU/SOP/VCIM/01; AGRMC; Council

#### 4.3.5 Procedure details

No.	Description	Output	Responsibility
1.	Preparation of the Draft Annual Work Plan	Draft AAWP	HIA
2.	Presentation of the Annual Audit Work Plan to the AGRM Committee for approval	Approved AAWP	Chair, AGRMC & HIA
3.	Preparation of audit programme based on the approved Annual Work Plan to ensure that all identifiable risks are covered during the audit	Audit programme	HIA
4.	Notification of the Auditee of the intended audit.	Audit Working Papers	HIA
5.	Conducting entrance conference to discuss and agree on the purpose, scope and the timing of the audit.	Opening attendance	Audit team
6.	conducting the Audit review in accordance with the plan and laid down procedures as per ISA standards	Audit Working Papers	Audit team
7.	Discussion of the findings with the Auditee in an exit conference as per the work plan	Exit meeting attendance	HIA/ Audit team
8.	Preparation of a draft report discussed with the Auditee and any outstanding issues are clarified.	Draft Report	HIA/ Audit team
9.	Forwarding of the draft report to the Auditee for feedback/ Responses within two weeks.	Feedback	HIA/Auditee
10.	Receiving of the Auditee responses within two weeks and all Responses to be supported.	Responses	HIA/Auditee
11.	Preparation of the final report, comprising of practical recommendations to the Management. Final Report may also be shared with the Auditee.	Report	HIA
12.	Following up on all recommendations on the	Follow up visit	HIA

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	improvement of systems to ensure implementation.	/ memo	
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#### 4.4 Process for Post-auditing of Payments, Receipts & Other Accounting Documents

##### 4.4.1 Source

CU/SOP/FIND/24; CU/SOP/RADP/04

##### 4.4.2 Required inputs/resources

Accounting documents/payments

Standards and guidelines

Resource persons (Experts)

##### 4.4.3 Expected outputs

Processed payment

##### 4.4.4 Receivers

CU/SOP/FIND/24; CU/SOP/VCIM/01

##### 4.4.5 Procedure details


No.	Description	Output	Responsibility
1.	Receipt of documents in the Internal Audit Department	Payment documents	Auditor
2.	Determining whether documents received are correct, accurate, authentic and reflect the true and fair view of the actual operations and corporate guidelines	Verification notes	Auditor/FO
3.	Performance of analytical and other evaluations	Analytical notes	Auditor
4.	Examinations of relevant documentation and other material.	Examination notes	Auditor
5.	Performance of inspections, test checks and uses and other verifications as necessary.	Inspection notes	Auditor
6.	Calling for support documentation from the user	Gapping notes	Auditor
7.	Comparison with prevailing industry position	Notes	Auditor
8.	Appraisal of existing internal control system and processes and level of compliance relating to submitted documents.	Appraisal notes	Auditor
9.	Processing of payments / accounting documents	Processed payment	Auditor

#### 4.5 Process for Pre-Audit of Payments, Receipts & Other Accounting Documents

##### 4.5.1 Source

CU/SOP/FIND/24; Top Management



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#### 4.5.2 Required inputs/resources

Accounting documents/payments  
Standards and guidelines  
Resource persons (Experts)

#### 4.5.3 Expected outputs

Processed payment

#### 4.5.4 Receivers

CU/SOP/FIND/24; Employees


#### 4.5.5 Procedure details

No.	Description	Output	Responsibility
1.	Receipt of payment documents in the Internal Audit Department	Payment documents	Auditor
2.	Ascertainment of correctness of accounting documents before payment is made	Verification notes	Auditor/ FO
3.	Ascertainment of compliance with both external and internal statutory provisions and management guidelines as issued from time to time.	Compliance notes	Auditor
4.	Determining whether documents presented to auditors are correct, accurate, authentic and present true and fair view of the actual operations and corporate guidelines	Validation notes	Auditor
5.	Use of analytical and other evaluations to audit	Analytical notes	Auditor
6.	Examination of relevant documentation and other material	Examination notes	Auditor
7.	Performance of inspections, test checks and uses other verification as necessary.	Validation notes	Auditor
8.	Calling for support documentation from the user	Gapping notes	Auditor
9.	Comparison with prevailing industry position	Comparison notes	Auditor
10.	Appraisal of existing internal control system and processes and level of compliance.	Appraisal notes	Auditor
11.	Processing of payments / accounting documents	Processed payment	Auditor

#### 4.6 Process for Opening of Quotations

##### 4.6.1 Source

CU/SOP/PROD/25

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#### 4.6.2 Required inputs/resources

Quotations  
Standards, guidelines and regulations  
Resource persons (Experts)

#### 4.6.3 Expected outputs

Fairness and Transparency in procurement activities.

#### 4.6.4 Receivers

CU/SOP/PROD/25; CU/SOP/DVCF/02; CU/SOP/VCIM/01; Employees

#### 4.6.5 Procedure details

SN	Description	Output	Responsibility
1.	The Procurement Department gives an alert on the need to open quotations	Received quotations	Auditor
2.	Opening of the quotation box in the presence of representatives from the User Department, Internal Audit Department and Procurement Department.	Opening minutes	Auditor
3.	Checking whether Quotations received electronically are opened by a committee with restricted passwords.	Passwords opening verification	Auditor
4.	Checking for responsiveness in terms of number of people who have responded (min is three suppliers).	Responsiveness notes	Auditor
5.	The quotations are signed by the user and the procurement representatives respectively in the presence of the auditor.	Signed opened quotations	Auditor
6.	The quotations are handed over to the Procurement Department for evaluation.	Signed opened quotations	Chair of Opening team

#### 4.7 Process for Monthly Payroll Pre-Audit Process

##### 4.7.1 Source


CU/SOP/FIND/24; CU/SOP/RADP/04

##### 4.7.2 Required inputs/resources

The draft payroll  
Standards and guidelines  
Resource persons (Experts)

##### 4.7.3 Expected outputs

Processed payroll

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### 4.7.3 Receivers

CU/SOP/VCIM/01; CU/SOP/FIND/24

#### Procedure details

SN	Description	Output	Responsibility
1.	Presentation of the payroll for the month from Finance Department by 24 <sup>th</sup> of the month	Complete & Supported Payroll Schedules	Finance Officer
2.	Checking for authorisation by Registrar (A& P)	Authorization notes	Auditor
3.	Confirmation that all changes are supported by properly authorised PCA's.	Confirmation documents	Auditor
4.	Confirmation that any new employees have a genuine copy of appointment letters	Verified new entries	Auditor
5.	Checking calculations of statutory deductions.	Verified calculations	Auditor
6.	Checking for arithmetic accuracy of the entire payroll	Verified arithmetic accuracy	Auditor
7.	Confirms that the net amounts in the payroll are the amounts written in the payment cheques	Cross-checked payroll & cheques	Auditor
8.	Confirms employees who have left are terminated in the payroll.	Verified terminated employees	Auditor

### 4.8 Process for Tender Box Opening

#### 4.8.1 Source

CU/SOP/PROD/25

#### Required inputs/resources

Advertised tenders

Standards, guidelines and regulations

Resource persons (Experts)

#### 4.8.3 Expected outputs

Tender documents


Tender opening report/minutes

#### 4.8.4 Receivers

CU/SOP/PROD/25; CU/SOP/VCIM/01

#### 4.8.5 Procedure details

SN	Description	Output	Responsibility
1.	Notification by Procurement Department about opening of an Open Tender	Tender Bids	Auditor
2.	Attending tender opening as observers for open tenders.	Tender opening attendance	Auditor

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3.	The tenders are opened in the presence of bidders and tender opening committee	Tender opening notes	Auditor
4.	Verify the documents submitted	Verified documents	Auditor
5.	The bids are handed to the Procurement Department to organise for evaluation.	Tender opening minutes	Auditor

## 5. RECORDS/RETAINED DOCUMENTED INFORMATION

Minutes of Departmental meetings

Audit reports

Annual Audit Work Plan

AGRMC Minutes

Audit working papers


## 6.0 KEY PERFORMANCE INDICATORS/OBJECTIVES

### 6.1. Key Performance Indicators

- (i) Percentage of audit investigation conducted
- (ii) Percentage of systems audit conducted
- (iii) Percentage of post-auditing done
- (iv) Percentage of pre-audit done
- (v) Percentage timely opening of quotations minutes
- (vi) Percentage of monthly payroll pre-audit process done
- (vii) Percentage of timely tender box opening done
- (viii) Percentage compliance with statutory rules, regulations and acts
- (ix) Percentage audit feedback issued on time


### 6.2. Quality Objectives

<b>Linked Strategic Objective(s):</b> SO 22: Strengthening University Governance for Effective Decision Making SO 24: Development and Projection of a Positive Image of the University SO 26: Improvement of Productivity, Efficiency and Effectiveness SO 27: Compliance with Statutory Requirements			
<b>1. Quality Objective:</b> To monitor and evaluate the effectiveness of the University's risk management processes and mechanisms and complete before end of stipulated time			
<b>Strategy (Actions/Activities required to achieve the objective)</b> Inclusion of the university corporate risks in the preparation of the annual audit work plan Understanding of the University policies, procedures, policies and other regulations			
<b>Responsibility</b>	<b>Resources Required</b>	<b>Timeline</b>	<b>Measure of Success (KPIs)</b>
HOD Internal Audit	Policies, regulations and procedures Strategic Plan Statutes, staff & stationery	Continuous	Percentage follow up coverage on adequacy of the risk matrix assessed
Review dates:	Quarterly		

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<b>Linked Strategic Objective(s):</b> SO 25: Maintenance and Improvement of Quality Assurance SO 27: Compliance with Statutory Requirements			
<b>2. Quality Objective:</b> To continuously provide independent assurance on adequacy of internal control systems to include 7 Faculties up from 5 Faculties, or achieve 85% AAWP			
<b>Strategy (Actions/Activities required to achieve the objective)</b> Implementation of management requests Implementation of the Annual Audit Work Plan.			
<b>Responsibility</b>	<b>Resources Required</b>	<b>Timeline</b>	<b>Measure of Success (KPIs)</b>
HOD Internal Audit	Approved Annual Audit Work Plan Procedures, Policies Regulations & Guidelines Staff & stationeries	Continuous	Implementation of at least 85% of the AAWP % audit reports generated % implementation of audit recommendations
Review dates:	Quarterly		
<b>Linked Strategic Objective(s):</b> SO 27: Compliance with the Constitution and Statutory Requirements			
<b>3. Quality Objective:</b> To increase compliance/adherence with laid down statutory laws, rules and regulations to 100% from 95%			
<b>Strategy (Actions/Activities required to achieve the objective)</b> Preparation of annual work plan to include statutory audits, CUE Requirements and other laws			
<b>Responsibility</b>	<b>Resources Required</b>	<b>Timeline</b>	<b>Measure of Success (KPIs)</b>
HOD Internal Audit	Statutes & Constitution, Staff & stationeries, Different regulation documents such as PFM, PPOA ACT, etc.	Continuous	Implementations of Audit Recommendation on compliance requirements Compliance by the University with Regulations.
Review dates:	Quarterly		
<b>Linked Strategic Objective(s):</b> SO 26: Improvement of Productivity, Effectiveness and Efficiency			
<b>4. Quality Objective:</b> To increase periodic reporting on internal audit activity purpose, authority, responsibility and performance to 100% up from 95%			
<b>Strategy (Actions/Activities required to achieve the objective)</b> Having Departmental meetings quarterly to discuss the progress of audit activities.			
<b>Responsibility</b>	<b>Resources Required</b>	<b>Timeline</b>	<b>Measure of Success (KPIs)</b>
Internal Audit Team	Staff & stationeries Continuous Training of the staff in the department Provision with new guidelines	Continuous	Quality of reports prepared Practical recommendations Pre-audit activities % feedback issued
Review dates:	Quarterly		

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Risk identification table (For information – refer to complete the register below)


SN	Risk	Source (How can the risk occur)	Impact (What is the impact of the risk occurring)
1	Inherent Risk	Susceptibility of an assertion to a misstatement that could be material, individually or when aggregated with other misstatements, assuming that there are no related controls. Inherent risk is addressed at both the financial statement level and at the assertion level.	These are the University and other risks that arise from the University objectives, nature of operations and industry, the regulatory environment in which it operates and its size and complexity. The risks of material misstatement will vary based on the nature of the account balance or class of transaction. Risks of particular concern to the auditor might include: 1. Complex calculations which could be misstated; 2. High value inventory; 3. Accounting estimates that are subject to significant measurement uncertainty; 4. Failure of ERP or some module becoming obsolete.
2	Fraud Risk (Part of inherent or possible control risk)	The risk of an intentional act by one or more individuals among management, governance, employees or third parties, involving use of deception to obtain unjust or illegal advantage.	There are two types of intentional misstatement that are relevant to the auditor: 1. Misstatements resulting from fraudulent financial reporting; and 2. Misstatements resulting from misappropriation of assets.
3	Control Risk (Do internal controls in place mitigate the inherent risks?)	Risk that the University internal control system will not prevent, or detect and correct on a timely basis, a misstatement that could be material, individually or when aggregated with other misstatements.	The University should identify and assess its business and other risks (such as fraud) and respond by designing and implementing a system of internal control. University level controls such as AGRMC oversight, IT general controls, and HR policies are pervasive to all assertions whereas activity level controls generally relate to specific assertions. Some control risk will always exist because of the inherent limitations of any internal control system. The auditor is required to understand the entity's internal control and perform procedures to assess the risks of material misstatement at the assertion level.
4	Combined Risk	This is a term that is sometimes used to refer to the assessed (inherent and control risk) risks of material misstatement at both the Financial Statement level and the assertion level.	Auditors can make separate or combined assessments of inherent and control risks depending on preferred audit techniques or methodologies and practical considerations.
5	Detection Risk	This is the risk that the auditor will not detect a misstatement that exists in an assertion that could be material, either individually or when aggregated with other misstatements. The acceptable level of detection risk for a given level of audit risk bears an inverse relationship to the risks of material misstatement at the assertion level	The auditor identifies assertions where there are risks of material misstatement and concentrates audit procedures on those areas. In designing and evaluating the results of performing procedures, the auditor should consider the possibility of: 1. Selecting an inappropriate audit procedure; 2. Misapplying an appropriate audit procedure; or 3. Misinterpreting the results from an audit procedure.

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### Risk Identification Key

<b>Likelihood</b>	<b>Consequence</b>	<b>Raw Risk (Likelihood x consequence)</b>
1: Low, very unlikely less than 10% chance of occurring	1: insignificant, consequences are very low, can lead to nil/minor disruptions (1 day), leads to no financial losses	1 - 3: Low, managed within existing controls, monitor annually
2: Medium, possible 20% - 60% chance of occurring	2: Moderate, consequences are moderate, disruption can be up to a week, financial loss can be up to \$10,000	4 - 6: Medium, evaluate efficiency of existing controls or implement mitigation plan, monitor quarterly or 6 monthly
3: High, likely to almost certain 70% - 100% chance of occurring	3: Serious, consequences are adverse, can lead to legal prosecutions, media coverage, investigation by statutory body, complete loss of service delivery or financial loss of > \$ 100,000	7 - 9: High, implement mitigation plan immediately, escalate to senior management, monitor weekly or monthly



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**RISK REGISTER**

Note for monitoring, the responses are: What = risk described. Why = prevent/correct consequence. How = mitigations/controls. Who = risk owner.

Risk name/ description	Risk Consequences	(L)	(C)	Potent Risk = (LxC)	Mitigations/ controls (Opportunities source)	Risk Owner	Monitoring	Actual Risk				
								LA	CA	RI= LA*CA	RR% = RI/PR	EC%
Substandard reports	Substandard recommendation	2	2	4	-Predetermination of the required documents -Proper allocation of assignments; On-job training of employees	Audit team	Quarterly	1	2	2	50%	50%
Failure to comply with the statutes	-Summons by the government -Damaged reputation -Legal suit	1	3	3	Informing the auditees on the consequences	HOD	Continuous	1	0	0	0%	100%
Unresponsive auditees/ delayed responses	Non-adherence to the annual work plan	3	3	9	-Follow ups with auditees -Development audit programme and sharing with the auditees	Audit team	Weekly/ quarterly	2	4	8	90%	10%
External interference with the audit activities/ Independency	Non objectivity/ independence	3	3	9	-Training of audit staff on objectivity & independence -Development of audit objectives	HOD	Bi- Annual	2	2	4	44%	56%
Leakage of audit Reports/ Confidentiality	Lack of objectivity	2	3	6	-Signing of oath of secrecy -Adherence to code of ethics	Audit Team	Continuous	1	3	3	50%	50%
Complex University Operations/ Business Impact risks	Inherent audit risk	3	3	9	-Good understanding of business operation -Updated Audit working Papers Continuous education of audit staff	Audit Team	Continuous	2	3	6	56%	44%
Fraud at Financial or Asset level	Loss to the University	2	3	6	-Ensuring good internal controls -Adherence and compliance with financial rules/policies -Safeguarding University assets	HOD	Continuous	1	3	3	50%	50%







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Risk name/ description	Risk Consequences	(L)	(C)	Potent Risk = (LxC)	Mitigations/ controls (Opportunities source)	Risk Owner	Monitoring	Actual Risk				
								LA	CA	RI= LA*CA	RR% = RI/PR	EC%
Lapses in IT Controls	Weak Internal Control Systems	2	2	4	-Ensuring Internal Controls are working	HOD	Continuously	1	3	3	25%	75%
Inappropriate audit Procedures	Lack of objectivity	2	2	4	-Ensuring workable audit programmes -Reporting on overall audit programme status	Audit team		1	2	2	50%	50%
Misinterpretation of the results from an audit procedures	Lack of objectivity	2	2	4	-Having practical working programmes -Ensuring Audit peer review of the Audit reports and Audit working papers -Ensuring audit results are properly supported/ evidence based reports/ statement -Ensuring timely issuance of audit reports	HoD	Continuously	2	1	2	50%	50%

Key: LA= Likelihood achieved. CA= Consequence achieved. RI= Risk incidences encountered. RR% = Residual Risk EC (%) = Effectiveness of Control  
 Potent Risk (PR): Refers to potential raw risk that is anticipated. EC% = 100% - RR%

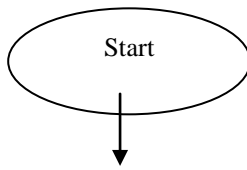
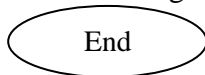
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<b>OPPORTUNITIES TABLE</b>				
<b>S/N</b>	<b>Opportunities</b>	<b>Action plan</b>	<b>Time line</b>	<b>Effectiveness status</b>
1	Community goodwill and support	Collaborate with the community to encourage them on the available programmes	Continuous	80%
2	Potential funding/grant agencies	Thoroughly audit University /Agencies grants and issue recommendations based on best practices	Continuous	80%
3	National and County government	Monitor the implementation of rules and regulations for continuous improvement by the auditees	Continuous	80%
4	Increasing demand for higher education and professional programmes	Undertake audit review of the entity processes to ensure operation is as stated in SOP	Twice a year	70%
5	Kenya attainment of middle income economic status in global arena	Embrace ISO 9001-2015 for quality audit report	Continuous	70%

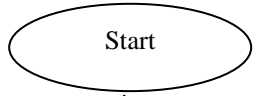
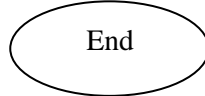
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### APPENDIX I: PROCESS MAPS

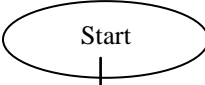
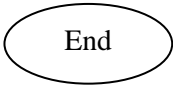
<b>i. Audit Investigation</b>	
<b>RESPONSIBILITY</b>	<b>ACTION</b>
VICE-CHANCELLOR/DEPUTY VICE-CHANCELLOR (AFPD)/INTERNAL AUDITOR	 <p>To issue appointment letters once a situation warranting such arise</p>
INTERNAL AUDIT	Formulation of programme on investigation based on the terms of reference
CLIENT/DEPARTMENT CONCERNED	Provision of all records needed for the task by the Auditor
INTERNAL AUDIT	To write to appointing authority on whether they have received all records for task. If yes proceed with task. If no let appointing authority know the limiting factors. <b>NO/YES</b>
INTERNAL AUDIT	Analysis of findings and preparation of the report
VC/DEPUTY VICE-CHANCELLOR (AFPD)	<p>Receive the report of the investigation from Internal Audit</p> 

### ii. Post-Auditing of Payments, Receipts and Other Accounting Documents


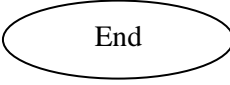
<b>RESPONSIBILITY</b>	<b>ACTION</b>
FINANCE OFFICER	 <p>To avail payment vouchers for payments and receipts arranged in box files in serial order of their payments and receipts</p>
INTERNAL AUDIT	Checks all payments to verify financial regulations and corporate guidelines are observed in all payments. Test sample may be used
INTERNAL AUDIT	To check and ensure payment cheques follow serial order. In case of irregularity to check with Finance Officer and satisfy the omission <b>NO/YES</b>
INTERNAL AUDIT	Analysis of the findings and preparation of the report
VICE-CHANCELLOR	<p>Receive the report on Post-Audit for action as per recommendations in the report</p> 

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### iii. Pre-Audit of Payments, Receipts and Other Accounting Documents

RESPONSIBILITY	ACTION
FINANCE OFFICER	 ↓ To ensure all payments vouchers are submitted to the Department for examination
INTERNAL AUDIT	Receive all payment vouchers brought by a payment voucher register
INTERNAL AUDIT	Ascertain correctness of accounting documents. Check on statutory provisions and management guidelines as issued from time to time
INTERNAL AUDIT	Processes and examines all correct documents. Unsupported documents are queried. All vouchers are entered in a register for submission to Finance Office
FINANCE OFFICER REPRESENTATIVE	Receive documents for second signature for cleared payment. Queried vouchers received for concerned to comply with query.
VICE-CHANCELLOR	Receive a report from audit for areas in the process which requires his attention  <div style="text-align: center;">  </div>

### iv. System Audit

RESPONSIBILITY	ACTION
VICE-CHANCELLOR AUDITOR	 ↓ He/she provides guidelines on how to conduct system audit based on riskiness of auditable area
AUDIT STAFF	Prepares audit programme of area he/she is allocated for approval by Vice-Chancellor Auditor
AUDIT STAFF	Familiarize with client department and arranges for familiarization day with client before starting actual system audit
AUDIT STAFF	Client to avail all documents necessary for compilation of report
AUDIT STAFF	Compilation and submission of report and filter it for onward transmission
VC/ AUDITOR	Receive report and filter it for submission onward
VC	Receive report of system audit for action  <div style="text-align: center;">  </div>