

INTERNAL AUDIT MASTER CLASS

Theme: The journey towards competence and professionalism

Engagement Execution

17th - 21st May 2021

**CIA, CPA Muonde Daniel,
CFE, CISA**

Outcome



XYZ Limited Case Study

1. Engagement Work
Program

2. Work Papers



XYZ Limited-Payroll Audit



1. Process objective

2. Risks

3. Controls

- Should be there
- Exist
- Gaps noted

4. Scope we shall check: people, process, system, policy, procedures

5. Audit Steps

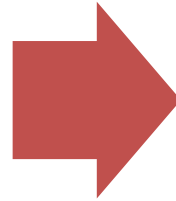
- Development
- Implementation



Engagement Objective-2210



Payroll Process Objective



Payroll Process Risks

- **Accurate salary and benefits are processed and paid**

- **Ghost workers**
- **Overpayment/Underpayment**
 1. **Salaries**
 2. **Benefits**

- Expected Controls relating**
1. **Addition, leavers & suspended**
 2. **Payroll system, finance & payment system**
 3. **Payroll reconciliations**

Engagement Objective-2210



Risk

Control

**Audit
Objective**

- **Ghost Workers-
Labourers**

- **Clocking System**

Clocking system ensures time worked by labourers/temp staff is actually captured

Engagement Execution-2300



Clocking system ensures time worked by labourers/temp staff is actually captured



Scope

1. Period
2. Employee group:
 - Executive Management & Others
 - Permanent Staff & Hourly Staff



Audit Steps

1. Testing Control
 - Design
 - Operating effectively
2. Gathering evidence
 - Identifying appropriate information (population, sample)
 - Analysing,
 - Evaluating, and
 - Documenting

Performing the Engagement-2300



Employees: only valid employees are paid accurately and payroll is accurately processed



Audit Steps

1. Testing Control
 - Design
 - Operating effectively
2. Gathering evidence
 - Identifying appropriate information (population, sample)
 - Analysing,
 - Evaluating, and
 - Documenting



Executing The Audit Steps



END



*Thank
you*



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