

KENYA PLANT HEALTH INSPECTORATE SERVICE

STANDARD OPERATING PROCEDURE

Department: Internal Audit and Risk Department

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SOP FOR PREPARATION AND EXECUTION OF AUDIT ASSIGNMENTS

SOP/KEPHIS/IA/01



Issued by:

Internal Auditor

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Approved by:

Head of Department

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1.0 PURPOSE

To define procedure for preparation and execution of internal audit assignments

2.0 SCOPE

This procedure describes the process from planning, conducting to reporting of audit results.

3.0 REFERENCES

- 3.1 KEPHIS Internal Audit Policies and Procedures Manual.
- 3.2 International Professional Practices Framework (IPPF)
- 3.3 KEPHIS Strategic Plan
- 3.4 Institutional policies and procedures manuals.
- 3.5 Institutional Risk Register
- 3.6 ISO 9001:2015
- 3.7 Various relevant legislations
- 3.8 Relevant circulars.

4.0 DEFINITION/ABBREVAITIONS

- 4.1 Internal Auditing – An independent and objective assurance and consulting activity designed to add value and improve KEPHIS processes.
- 4.2 Assurance Services – These are audits and include Compliance Audits, Policy Audits, Procedures Audits, Processes Audits, Performance Audits, and Systems Audits including Information Systems, Financial Audits and Follow-up audits.
- 4.3 Audit Team – Comprises qualified officers appointed/selected as auditors for a specific audit task.
- 4.4 Auditee(s) - Head of Area being audited and officers under him/her.
- 4.5 Lead Auditor – Auditor in charge of a specific audit assignment
- 4.6 Head Internal Auditor (HIA) – Is the KEPHIS Audit Manager.
- 4.7 Board of Directors (BOD) - A group of people who have been appointed to oversee the activities of the organization

5.0 RESPONSIBILITY

Head of Internal Audit shall be responsible for the overall implementation of this procedure

6.0 Schematic representation

Sources of Inputs	Inputs	Activities	Outputs	Receivers of Outputs	Risks	Checks/Controls	Opportunities	Resources
▪ Institutional records ▪ Information ▪ Employee ▪ Risk register	▪ Identified risks ▪ Annual audit plan ▪ Audit programs	▪ Conducting the audit assignment	▪ Individual assignment reports ▪ Quarterly reports	▪ Board of Directors ▪ Managing Director ▪ General Managers ▪ Regional Managers ▪ OICs ▪ Audit Committee	▪ Lack of adequate preparations ▪ Lack of comprehensive objective and audit scope ▪ Failure to get clarification from auditee ▪ Inability to timely finalize and circulate final audit report	▪ Adhere to the audit plan ▪ Sensitization of auditee on importance of the audit process during entry & exit meeting ▪ Receive management response before final draft ▪ Completion of audit process cycle on time	▪ Cost saving / reallocation of resources ▪ Reduce misinformation ▪ Timely released and Inclusive audit report ▪ Reallocation and saving of resources	▪ Auditors ▪ Transport (vehicle) ▪ Finances ▪ Records ▪ Documents

Sources of Inputs	Inputs	Activities	Outputs	Receivers of Outputs	Risks	Checks/Controls	Opportunities	Resources
					Failure to have support by top management (tone at the top) and failure to prepare an implementable action plan	Sensitization of auditee on importance of the process and adherence to the audit process	Implemented management action plans	
					Fear of victimization ,lack of awareness	Adherence to the audit process	Informed auditees on the audit process	



7.0 PROCEDURES

- 7.1 HIA in consultation with Heads of departments and regional managers shall cause to have an updated risk register annually.
- 7.2 Based on the risk register, the HIA will prepare a risk based annual internal audit plan and forward it to the audit committee of the B.O.D for approval.
- 7.3 The HIA shall appoint a lead auditor for each assignment
- 7.4 HIA will issue to the general manager/regional manager concerned with the function to be audited, an engagement letter, stipulating the intent to conduct the audit and proposing the date of the entry meeting. The engagement letter shall give a one weeks' notice for the meeting.
- 7.5 The entry meeting shall then be held, and the audit will commence. The entry meeting shall be to understand the processes and request for sample documents for preliminary survey. The meeting attendance list shall be documented.
- 7.6 Preliminary survey shall be conducted for audit areas with major changes that affects the identified risks to determine whether to carry out an in-depth audit or not. Preliminary survey report shall be shared verbally as recommended by PFM Act (sect. 171 (3)).
- 7.7 The assignment lead internal auditor shall prepare the audit plan as guided by the entry meeting feedback, preliminary survey and the risk matrix.
- 7.8 The assignment field work shall commence, and be conducted as per the audit objectives.
- 7.9 Exit meeting shall be held, exit report issued, signed by the auditee and the lead auditor. The exit meeting attendance list shall be documented.
- 7.10 The lead auditor shall incorporate the deliberations and agreement during the exit meeting, and prepare a draft report for review by HIA. This shall be submitted to HIA one week after the exit meeting.
- 7.11 The HIA will then review and issue the final report, together with management response action plan, within one week after receiving the draft



report. Final report shall be issued to Managing Director, respective general manager and Head of Department.

7.12 The HIA shall prepare the quarterly report to the audit committee of the BOD for the concluded assignments.

7.13 Audit follow up shall be conducted as scheduled in the annual audit plan

8.0 RECORDS

8.1 Internal Audit Annual plan

8.2 Audit Working Papers (attachments and appendices)

8.3 Internal Audit Reports

8.4 Entry and exit reports

8.5 Individual Audit work plans

8.6 Management action plans (incorporated in the final report)

8.7 Engagement letters



9.0 REVISION SUMMARY

REVISION SUMMARY	REASON	DATE	REVISED BY	ISSUE NUMBER	REVISION NUMBER
1. Review of entire SOP	For continual Improvement	16/03/2022	H-IA	2	1