

INTERNAL AUDIT PLANNING

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Abstract

Planning is a process of determining in advance what needs to be done, how, when and who needs audit resources. The planning of the internal audit activity involves a general strategy based on the understanding of the organization and the environment in which it operates.

The internal audit is part of the internal management and control system, but it is something else, respectively a form of additional evaluation of all the activities that take place within the organization, offered to the management, in the decision-making process..

The Internal audit is an independent, objective assurance and consulting activity designed to create value and improve an organization's operations.

Research into the role of internal audit demonstrated the importance and complexity in the management system of the company. They also showed that the audit visits and monitors the activities of a company always related to the legislative criteria.

Research in planning internal audit has shown over time that an effective audit strategy always leads to remarkable results.

Keywords: *internal audit ,analysis, riss, planning*

1. Introduction

The objectives pursued in this paper were to highlight the importance of prior planning of internal audit in order to assist an organization in meeting its objectives by implementing a systematic and disciplined approach to assessing and improving the effectiveness of risk management control and governance processes. **Keywords:** internal audit, planning, risks.

The public internal audit covers all activities carried out within an entity to meet its objectives, including the evaluation of the managerial control system. [6]

The internal audit activity is a planned activity, a process that is performed based on the analysis of the risks associated with the activities and is meant to add value to the audited entity.

Planning is the process by which the distribution of resources is made having as a starting point the needs identified for achieving the objectives.

The internal audit activity is a planned activity, a process that is performed based on the analysis of the risks associated with the activities and is meant to add value to the audited entity.

2. The activity planning system of internal audit

Considering the fact that the normative framework provides for the audit every three years of all the activities and fields of the entity and once every five years the evaluation of the internal audit function of the structures from the lower levels, which have organized internal audit departments. requires the elaboration of a multi-annual plan for the coordination of the planning activity.

The draft multi-annual plan of the internal audit activity elaborated by the internal audit department will represent the audit strategy of the entity and should include the following categories of missions:

- assurance missions and / or counseling missions of the auditable fields, distributed over the next three years;
- missions to evaluate the internal audit function at the structures subordinated to the entity that have set up internal audit departments, spread over the next five years.

The projects of the annual plans of the internal audit activity, which will be elaborated on the basis of the multiannual plan, will include both assurance missions, one or two of advice formalized on the auditable fields of the entity, and missions of evaluation of the internal audit function. subordination of the entity. [1]

The internal audit plan is prepared annually by the internal audit department, and for the selection of the missions that will be part of the plan, the following substantiation elements are taken into account: [5.]

- a. the risk assessment associated with different structures, activities, functions, programs / projects or operations;
- b. the signal criteria / suggestions of the head of the respective public entity: deficiencies previously found in the audit reports; deficiencies found in the minutes concluded following the inspections; deficiencies recorded in the reports of the Court of Accounts; other information and indications regarding malfunctions or deviations; appreciations of some specialists, experts, etc. regarding the structure and dynamics of some inherent or systemic risks; analysis of long-term trends regarding some aspects of the system operation; evaluating the impact of some changes in the environment in which the audited system evolves;
- c. the topics broken down from the UCAAPI annual plan. The leaders of the public entities are obliged to take all the organizational measures so that the topics ordered by UCAAPI are introduced in the annual internal audit plan of the public entity, carried out in good conditions and reported within the fixed term;
- d. the number of subordinated public entities;
- e. observance of the periodicity in the audit, at least once every three years;
- f. the types of audit convenient for each subordinated entity;
- g. the recommendations of the Court of Accounts.

The planning of the internal audit activity must also take into account the professional training days of the audit, established according to the law, and the days of rest leave. Then, in addition to the mandatory objectives, the auditors' time budget and the financial budget related to the planned activities are established. An audit plan is well appreciated when 70% of the time budget is allocated to actual internal audit activities.

In the planning activity, everything we "forget" will not be audited and will remain for a later period, probably within the three years established by law.

Mainly the planning process involves the existence of the following elements:

- description of the scope and approach of the audit;
- setting the audit objectives;
- establishing the manner of obtaining and analyzing / evaluating the audit evidence necessary to achieve the audit objectives;
- establishing a timetable for carrying out the effective audit action;
- estimating the human and financial resources budget for its realization.

The main objectives of the planning process can be defined as follows:

- establishing the scope of the internal audit;
- establishing the manner of fulfilling the obligations of internal auditors;
- establishing the expected results;

- identification of the necessary resources, as well as the way of their effective use;
- monitoring by the management of the audited entity of the stage of accomplishment of the planned audit missions.

The purpose of the planning activity is reflected with the help of synthesis documents that define:

- the internal audit mission;
- the objectives of the mission and the scope of the internal audit;
- the period of missions;
- the time necessary for the accomplishment of the missions taking into account the field of the mission, the nature and the sphere of the activities that will be audited.

The planning process differs depending on the time horizon to which it refers.

Thus, in the activity of internal public audit the specific working tools used in the planning process are the multi-annual planning, and the annual planning and are materialized in:

- The multi-annual public internal audit plan which is prepared by the public internal audit structure for a period of 3 years, based on the analysis of risks associated with auditable activities and includes all activities carried out within the public entity and in the area of internal audit.
- The annual public internal audit plan prepared by the Ministry UCAAPI GUIDE to Public Finances MULTIANNUAL AND ANNUAL PLANNING OF THE INTERNAL PUBLIC AUDIT ACTIVITY 2014 6 internal public audit structure, based on the multiannual plan and includes the internal audit missions prioritized according to available audit resources.

A distinct aspect in the activity of elaboration of the multiannual / annual plan of internal public audit, occurs in the case of public entities that have in subordination, coordination or under the authority of other public entities. **In that situation, the internal audit departments within the public entities hierarchically superior must allocate resources to perform mission evaluation of the internal audit function of the structures at the levels lower at least once every five years.**

Also, the internal audit departments within the public entities hierarchically superior, **must plan resources so as to ensure carrying out the internal audit activity at the level of the entities in subordination / coordination / under authority that did not constitute own internal audit departments.** Therefore in the case of hierarchical entities superior one of the aspects to be considered at the moment internal audit activity planning is the number of entities in subordination / coordination / under their authority.

Depending on the complexity of the internal audit missions, the established practice at the level of the entity and the available resources, **through the plans Internal audit missions can be planned to monitor implementation recommendations.**

3. The elements analyzed on period planning the activity of public audit internal

When planning the internal public audit activity, the manager, the internal audit department must take into account all the factors that have influenced or may influence the activity of the entity. Therefore, in the content of the multiannual / annual public internal audit plan must be also find internal audit missions that took into account:

- ✚ risk assessment associated with different structures, processes, activities, programs / projects or operations;
- ✚ the signal criteria and the suggestions of the head of the public entity;
- ✚ deficiencies previously found in the audit reports;
- ✚ the deficiencies found in the minutes concluded afterwards inspections;

- + the deficiencies and recommendations recorded in the Court 's reports Accounts;
- + the missions recommended by UCAAPI / the public audit department internally at the higher hierarchical level, for which the leaders public entities have the task to take all organizational measures so that these should be included in the entity's annual public internal audit plan be carried out in good condition and reported within the set deadline;
- + the assessments of some specialists, experts, etc. on the structure and dynamics of internal risks;
- + assessing the impact of changes in the environment in which the audited system evolves;
- + the number of public entities subordinated / coordinated / sub the authority of another public entity;
- + periodicity in auditing, at least once every 3 years;
- + periodicity in evaluation, at least once every 5 years;
- + types of audit;
- + available audit resources.

In order to elaborate the internal audit plans, it is necessary to carry out some risk analysis, documentation on the entity's objectives, audit scope internal audit objectives, risk analysis criteria, the methodology used and the internal audit resources. **The purpose of the evaluation risk, in the planning phase of the audit, is to identify the sectors important aspects of the activity that should be examined as possible mission objectives.**

It is very important to note that the complexity of the activities carried out within a public entity is reflected in the very wide range of mission types you need to do includes a correct planning of the internal audit activity. In these conditions the head of the internal audit department is responsible for carrying out a business planning based on the risks faced by the entity and by set priorities in accordance with its objectives. Thus, the plan multiannual / annual public internal audit **includes assurance missions, counseling missions and evaluation missions**

At the time of drawing up the audit plans, the head of the audit department public intern al audit must take into account the entire activity of structure for the next period (potential ad hoc audit missions, professional training of the staff within the department, administrative activities, etc.), as well as the foreseen resources to have them available. The process of planning the internal public audit activity helps and provides the guarantee that things are done properly, at the right time and there are the necessary resources to carry out the planned activities.

4. CONCLUSIONS

For all these reasons, the audit program needs to be planned. This enables the auditor and the auditee to prepare for the audit and to enable it to be carried out with maximum cooperation by both parties.

The basic rule in carrying out the audit is to follow the activities in their natural sequence, for example: contracting, design, approval, execution, delivery.

In most situations, the audit of the quality system is performed for the constructive purpose of ensuring that the quality system of the organization works, being an instrument of its development.

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Thus, planning aims to add value to the internal audit, which is why the head of the public internal audit department must set measurable and achievable objectives and tools for effective measurement of final results. by achieving the objectives, internal audit is a support for

management to improve the efficiency and effectiveness of risk management, control and governance process. the term “achievable” refers to the possibility of achieving the established objective.

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