What is Internal Auditing?
Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve our organization’s operations.

What do Internal Auditors do?
➢ Evaluate risks
➢ Review processes & procedures
➢ Assess controls
➢ Assure safeguards
➢ Provide insight and foresight
➢ Communicate results and recommend action.

What is the authority of Internal Audit?
The authority of the internal audit department is outlined in the Internal Audit Charter approved by the Board of Trustees (BOT). Internal auditors must be independent, objective, and adhere to the standards set by the Institute of Internal Auditors.

The Process of Internal Auditing
1. Understand the department and the processes already in place
2. Assess the risks and related controls in place
3. Determine the audit objectives and scope
4. Perform audit test-work
5. Document, conclude and recommend action
6. Communicate recommendations with management
7. Follow-up

So, you have Heard of Auditing...
Did you know there is a difference between internal and external auditing? The main difference is the employment structure. Internal auditors work as a part of the organization to help the organization develop better controls and processes. External auditors are contracted from outside of the organization to provide assurance of accurate financial statements. See a few other differences between the two careers in the figure below.

**INTERNAL AUDIT**
- performed by an internal auditor
- reported to management of department
- suggests improvements to internal controls
- risk-based audit plan approved by BOT

**EXTERNAL AUDIT**
- performed by independent accounting firm
- reported to third-parties such as shareholders
- provides auditor’s report
- confirms that company is following GAAP
- required for certain companies