



not for profit | internal audit services

team



Richard Weaver
Partner
020 7969 5567
rweaver@haysmacintyre.com



Tim Geddes
Senior Audit Manager
020 7969 5553
tgeddes@haysmacintyre.com



Les Jones
Charities Consultant
020 7969 5538
ljones@haysmacintyre.com



David Haines
Senior Audit Manager
020 7969 5543
dhaines@haysmacintyre.com

"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's 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".

Institute of Internal Auditors

Whereas the annual external audit follows statutory prescribed processes to check the accuracy of an organisation's financial record keeping and controls, an internal audit can review those areas in more detail as well as other non-financial areas as directed by a charity's senior management and its trustees.

why commission an internal audit?

There are various reasons why not for profit organisations commission internal audits. For example, it may be to:

- reassure a prudent audit committee or senior management team that all is well.
- have a structured and objective assessment of the financial and other risks facing the organisation.
- receive a third party assessment of compliance with governance and other regulations.
- assess the effectiveness of and identify areas for development in an organisation's in-house teams.
- address a particular issue or situation that has been causing concern.

In addition there may be other reasons why management and/or trustees seek further comfort in a particular area. Often, larger charities and not for profit organisations will have a regular and integrated internal audit as a matter of course to reassure all stakeholders and to drive programmes of continual improvement.

not just financial management

A common misconception is that an internal audit is focused entirely on financial systems and procedures. Internal audit can address a wide range of other operational procedures that are critical to your organisation's success – whether this is human resources, information technology, trading operations, compliance with legal regulations or fundraising.

focus on the important issues

As internal audits are continuous and focused on different issues depending on the organisation's needs – which are likely to change significantly over time - it is important that your internal auditors understand the specific nature of your organisation and have experience in conducting internal audits within a number of organisations.

By using internal auditors with experience of organisations like your own, you will benefit from their accumulated knowledge of the common areas requiring review and from their investment in systems and procedures to do this efficiently. You will also be able to take advantage of their broader knowledge to design an internal audit process that is absolutely right for your organisation and its stakeholders.

illustrative internal audit areas

risk

- risk identification review
- risk policy and process
- risk register and management
- business and environmental risk
- business development
- governance

financial systems and controls

- finance department
- finance controls
- budget controls
- capital expenditure projects
- investment policy and procedure
- regulatory compliance
- fixed assets
- management reporting
- policy and processes
- treasury management

taxation

- trading operations (including VAT)
- employee taxation
- gift aid
- benefits in kind
- pensions

property

- premises and physical security
- building and development projects

Other areas

- information technology
- network security
- organisational structure
- contingency planning
- fundraising strategy
- PR and press communications
- HR

charity internal audit expertise

Whether you are seeking support for a major and ongoing internal audit process or a relatively small and specific internal audit project, haysmacintyre is able to provide an expert and cost-effective service based on our e-Audit software. This was developed specifically for us and reflects the needs of our many not for profit clients.

tailored internal audit reports to focus management attention

As a result of being one of the leading advisers to the not for profit sector, haysmacintyre has an enormous wealth of external and internal audit expertise which it has used to develop a series of specialist reports that can quickly and easily be tailored to the particular needs of each client – whether they are large or small, experienced or new to the internal auditing process.

These reports are structured in such a way as to highlight significant findings and recommendations with easy access to the more detailed information. This saves valuable time and provides clear guidance for trustees and management on what needs to happen to improve the area under review.

specialist risk and governance advice

haysmacintyre consultant, Les Jones OBE, who was previously Deputy Chief Executive and Finance Director at the World Wildlife Fund, provides specialist advice to the firm's internal audit clients and in particular has first hand experience of Risk Management and changes to governance structures and their effect on an organisation. Les is able to offer constructive advice on how your charity can deal systematically with these issues.

about haysmacintyre

haysmacintyre, Chartered Accountants and business advisers, works with over 550 charities and not-for-profit organisations in the UK and overseas. Our services include the full range of audit, tax, VAT and comprehensive advisory services. Our multi-disciplinary specialist team has extensive sector experience working for a diverse range of charities. We are based in one location which ensures an integrated and comprehensive approach to our clients' requirements.

haysmacintyre is a founding member of MSI Global Alliance (MSI), an international alliance of independent legal and accounting firms, with 250 members in 100 countries.

haysmacintyre

haysmacintyre
Fairfax House
15 Fulwood Place
London
WC1V 6AY

t 020 7969 5500
f 020 7969 5600
e marketing@haysmacintyre.com
w www.haysmacintyre.com



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