



AUDIT MATTERS

Audit Department

Volume 1, Issue 2

November 2005

Editor:
Bronwen Yon

Inside this issue:

Audit Fables & Truths	2
The Internal Audit Service	2
Staff News	3
CAT Success	3
What can we do for you?	4
8 Little Maxims	4

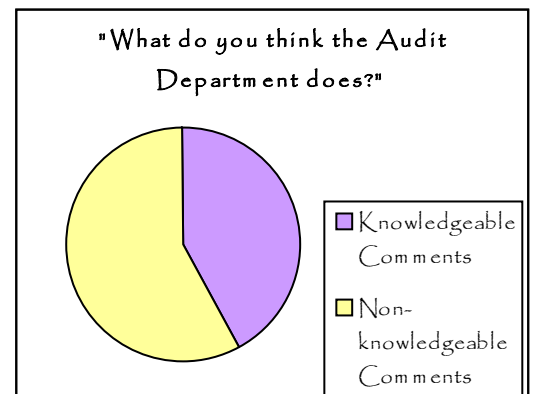
Introduction

Welcome to the second edition of *Audit Matters*, the Audit Department's newsletter. In this edition, we'll be outlining and clearing up some misconceptions by you out there, as to exactly what we do and why we do it, and how we can help you!



Public Awareness Campaign

Staff from the Audit Department recently undertook a public awareness exercise to determine the public's knowledge and perception of the Audit Department. Here are our findings:



Below are some of the comments we received regarding what the public thinks the Audit Departments does:

- * *I think it checks on the way that money is being spent by SHG and points out any discrepancies. It can be described as an "error-finding machine."*
- * *Clerical work*
- * *Business's ask them to do their tax returns.*
- * *There to give orders out.*
- * *Auditing is money problems and see where the money goes.*

“Ignorance is the night of the mind, but a night without moon and star”

Confucius

Audit Fables & Truths

What people think we do:

- * We police department's/organisation's budgets and activities
- * We criticise and find faults
- * The audit snoop - we are there to find their mistakes
- * We are there to correct mistakes once we've found them
- * Our work is only finance-related and involves traditional tick and check
- * We aim to account for / look for every penny

What we actually do:

- * We provide an internal (assurance on control, risk management and corporate governance) and Value for Money (efficient, effective and economic use of resources) audit service in addition to our External (giving true and fair view on financial statements) service
- * We provide consultancy and advice to assist in improving performance
- * We respond to and investigate concerns over financial irregularities, mismanagement and fraud

The Internal Audit Service



Developments within the department now sees Bronwen Yon, the former VFM Audit Manager in the role of Internal Audit Manager. Bronwen sees the move as “exciting and challenging” and the department is in the process of securing a place with the Institute of Internal Auditors to allow a distance learning option to undertake a Diploma in Internal Auditing. What is internal auditing, you may ask? It 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.’*

What is the purpose of Internal Audit?

- * *Seeks to advise management on whether its major operations have sound systems of risk management and internal controls and on the adequacy of overall Corporate Governance arrangements;*
- * *Internal audit may be charged with investigating frauds;*
- * *Internal auditors cover all the organisation's operations and not primarily those financial systems that have a bearing on the final accounts;*
- * *The internal audit cover is continuous throughout the year—we at the Audit Department have an Internal Audit Strategy for SHG for the five years 2005/06 to 2009/10 which covers all auditable entities at a frequency appropriate to their calculated risk scores;*

So, what is risk management?

Risk management is the process of the identification, measurement, control and financing of risks which threaten the existence, the reputation, assets or the personnel of an organisation or the services it provides.

The purpose of risk management is not to remove all risk but to ensure that risks are recognised and their potential to cause loss fully understood. Based on this information, action can be taken to direct appropriate lev-

els of resource at controlling the risk or minimising the effect of potential loss.

What is Internal Control?

Where there are risks to the achievement of objectives, management has to devise controls to address these risks. As Internal Auditors, we provide the assurance that these controls are sufficient and working as intended.

What is Corporate Governance?

Governance is about how SHG organises itself to make decisions and review actions. We in Internal Audit help by evaluating and improving the process through which:

- * *Values and goals are established and communicated;*
- * *The accomplishment of goals is monitored;*
- * *Accountability is ensured;*
- * *Values are preserved*

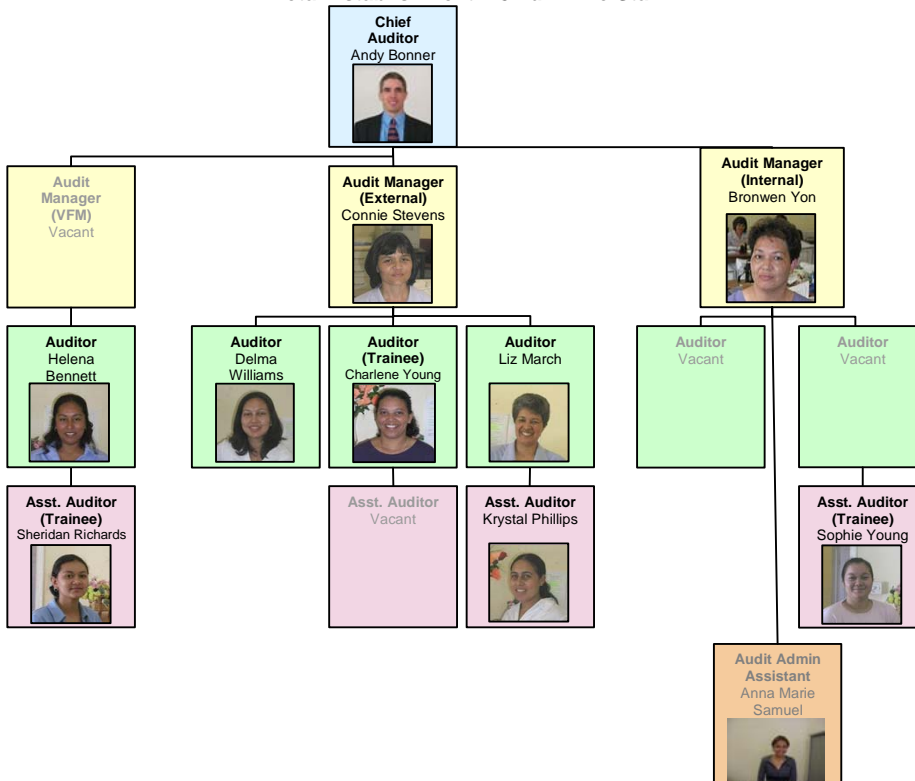
Staff News

The department has undergone a restructure over the past few months, with changes as outlined below. In addition, in July and October, we also said a fond farewell to our Assistant Auditor, Nola Henry and Administrative Assis-

tant, Tessa Peters, who both relocated to Ascension Island. A warm welcome is extended though to our new part-time Audit Administrative Assistant, Anna Marie Samuel who it is hoped, will thoroughly enjoy her experience at the Audit Department.

Audit Department Organisation Chart – November 2005

Total Establishment: 15 Full Time Staff



Audit Department staff

CAT Success



Connie Stevens, our External Audit Manager, has successfully completed and passed all of the 9 examinations required by ACCA for the Certified Accounting Technician

(CAT) qualification. This has made her the first member of Audit staff to attain the qualification. She has since progressed to the ACCA Professional Scheme which comprises 16 papers, of which she received 3 exemptions as a result of obtaining the CAT qualification. To date, Connie has since passed her first Professional Scheme paper sat in June this year. Connie says *“The idea of obtaining a professional qualification via distance learning was investigated by this department for several years. When it eventu-*

ally became possible, it was well worth the wait as a course was offered with ACCA, the world’s largest accountancy body. For me, the biggest challenge was finding the time to study after work as ten hours per week is recommended for each paper and I intended to sit two papers per session. I achieved my goal of completing the nine exams within three years.”

Connie goes on to say, *“It is inevitable that those studying via distance learning may experience lack of motivation and I believe that it is important to aim for completion within a realistic time-frame and focus on your goal. CAT has been my stepping stone to the ACCA professional scheme and with the knowledge and experience gained may also create career opportunities in not just auditing but in management, cost and financial accounting.”* We wish Connie every success and a favourable result on her professional studies as achieved with the CAT scheme.

“An excellent achievement and one that was only possible with her hard work and dedication”

Andy Bonner
Chief Auditor

AUDIT DEPARTMENT



INVESTORS IN PEOPLE

Garden Hall
Castle Gardens
Jamestown

Phone: 2111

Fax: 2111

Email:

bronweny@sainthelena.gov.sh

We're on the Web!
www.sainthelena.gov.sh
/government/audit.htm



What can we do for you?

We continue to offer our independent services in investigating genuine concern or suspicion of fraud or wrongdoing in any area of Government - you can report to us in confidence by contacting the Chief Auditor (chief.auditor@sainthelena.gov.sh or telephone 2107).

In addition we also provide consultancy and advice on areas of risk management, internal control and corporate governance. This helps you to better control and manage in your areas.

We also give assurance and add value by providing an independent assessment of the reliability of operations and meeting objectives, in your area. This can help support your case for change or additional resource, or simply confirm that everything you are doing is in accordance with best practise.

8 Little Maxims - for Auditors

There is no simple checklist showing everything auditors can do to add value, because, at times, techniques for adding value are as unique and personalised as the organisations for which we work. Thus, our Ten Little Maxims:

1. Leave every place a little better than you found it.
2. You can't stomp your foot when you are on your knees.
3. Know your objectives.
4. Every deficiency is rooted in the violation of some principle of good management.
5. Always confirm what the first person tells you.
6. The best question is: 'Mr or Ms Manager, how do you satisfy yourself that ?
7. Be alert to politics and culture defeating rules and regulations.
8. When you point your finger, make sure your nail is clean.
