

PREFACE

I am happy in presenting the technical guide on 'Internal Auditing' from the Directorate of Advanced Studies of the Institute. I consider that it is a timely launched publication for internal auditors. It is a comprehensive toolkit for practicing contemporary internal audit. The growing complexities in business environment and business models have made organizations vulnerable to various uncertainties and risks. The prime objective of internal audit is to provide assurance to the Board/Audit Committee and management on adequacy and efficiency of its systems that enable the management to respond to those uncertainties and risks proactively. With increasing relevance of internal audit in modern day business scenario, the Companies Act has mandated appointment of internal auditor in listed and certain other classes of companies.

With this background, and the emerging role of 'an informed advisor', that an internal auditor is to assume, the future of internal auditing profession is poised for a revamp post which it shall emerge as a key function in every organization.

The technical guide broadly covers: (1) the evolution of the internal audit profession, from its inception stage to present. It also indicates the future orientation of the profession; for which the internal auditors need to proactively upgrade their skills and build their team capabilities; (2) toolkit for approaching an internal audit engagement, from the stage of acceptance of an engagement to the drafting of the final

internal audit report; (3) emerging areas of internal audit, such as social audit.

While congratulating the Directorate for releasing this publication, I acknowledge with thanks the contribution of Ms. Kimi Thareja who is Assistant Director (Advanced Studies) for her sincere efforts in preparing this material.

A handwritten signature in dark ink, consisting of a stylized circular mark followed by a horizontal line with a small hook at the end.

Chairman (Board of Advanced Studies)