



**INTERNAL CONTROL**

Strengthening Internal Controls to Assure Achievement of Business Objectives

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## Discussion Points

- Internal Control Overview
- Essence of Business Enterprises
- Risk and Control in Businesses
- Internal Auditors Role in Control
- Tips for Strengthening Internal Controls
- Internal Control Assurance

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## Internal Control Overview

### Internal Control

“...gets us where we want to go, without surprises along the way. Internal control is everyone’s responsibility...Internal control is me.”

*-From Cargill Corporations’ Internal Control Statement*

### It can be

- Preventative
- Detective
- Directive
- Operational, financial, or regulatory
- Administrative
- Hard or soft

## Essence of Business Enterprises

The essence of business is (1) to make profit, and (2) to make a lot of profit, and (3) to keep making a lot a lot and a lot of profit.

.....[http://multipletext.com/2013/11-19\\_The\\_essence\\_of\\_business.html](http://multipletext.com/2013/11-19_The_essence_of_business.html)

Simply put: To bring value to its stakeholders.

## Risk and Control in Businesses

- Every Business face uncertainty and uncertainties come with Risk and Opportunity
- Businesses must determine how much uncertainty to accept, while still growing stakeholders value
- Risk could be seen as anything that impact the achievement of objectives.
- Internal Control could be defined as actions taken by management, the board, and other parties to enhance risk management and increase the likelihood that established objectives and goals will be achieved.

## Internal Auditor's Role in Control

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

-The Institute of Internal Auditors Standards

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## Tips for Strengthening Internal Controls

Create, review or strengthen your internal control framework



COSO Internal Control Framework

## Tips for Strengthening Internal Controls

- Be change agents and transform minds of stakeholders regarding internal controls enterprise wide.
- Support road shows, awareness campaigns and build a culture such that all staff appreciate internal control.
- Include internal control responsibilities on employees job descriptions and key performance areas
- Develop an effectively enterprise risk management program.

## Internal Control Assurance

Internal auditors should:

- Assess and evaluate the adequacy of the control design driving the business systems and processes.
- Carry out tests on the operating effectiveness of the controls.

## Questions?

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