



## **Raise for Development and Humanitarian Aid (RDHA)**

### **Internal Audit Function**

RDHA Internal Audit function is a cornerstone of our institutional governance framework, embodying our steadfast commitment to transparency, accountability, and effective resource management. We believe that effective internal audit is not merely a control function; rather, it is a strategic partner that adds value by strengthening internal controls, improving processes, and mitigating risks, thereby supporting the efficient and effective achievement of our humanitarian and developmental objectives.

## 1. Independence and Objectivity

To ensure the highest levels of credibility and integrity, RDHA's Internal Audit function operates with complete independence. The Head of Internal Audit has direct and unrestricted access to senior management and the Board of Directors (or its Audit Committee), ensuring that there is no influence on their professional judgments. Internal auditors do not assume any operational responsibilities in the activities they audit, which maintains their objectivity and allows for the delivery of neutral and objective assessments.

## 2. Risk-Based Methodology

RDHA's annual Internal Audit plan is developed based on a comprehensive risk assessment methodology. This involves identifying, analyzing, and evaluating potential risks that could impact the achievement of the organization's objectives, including financial, operational, compliance, and reputational risks. This methodology ensures that audit efforts are focused on the most critical and sensitive areas, thereby increasing the effectiveness of the audit function and providing tangible added value to management.

## 3. Comprehensive Audit Scope

The scope of Internal Audit's work at RDHA extends to all activities, processes, and projects within the organization. This includes, but is not limited to:

- **Financial and Accounting Operations:** Reviewing the accuracy of financial records, the efficiency of accounting systems, and compliance with accounting standards (IPSAS) and donor requirements.
- **Project and Program Management:** Assessing the effectiveness and efficiency of project implementation, resource utilization, and achievement of programmatic goals.

- **Procurement and Supply Chain Management:** Ensuring adherence to procurement policies, transparency in vendor selection, and effective inventory management.
- **Human Resources:** Reviewing compliance with HR policies, payroll, and personnel management.
- **Information Security and Data Protection:** Evaluating security controls to protect sensitive data and digital systems.
- **Legal and Regulatory Compliance:** Verifying the organization's adherence to local and international laws, as well as donor requirements.

## 4. Professional Standards and Unified Methodology

RDHA's Internal Audit team adheres to the highest professional standards, including the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA). A unified and organized audit methodology is followed, which includes:

- **Advance Planning:** Defining audit objectives, scope, and required resources.
- **Evidence Gathering:** Utilizing various techniques to collect sufficient and reliable evidence (e.g., document review, interviews, data analysis).
- **Assessment and Analysis:** Analyzing collected data to evaluate the effectiveness of internal controls, identify deficiencies, and assess risks.
- **Reporting:** Formulating clear and concise reports that include findings, observations, and actionable recommendations.

## 5. Effective Reporting and Follow-up

Regular Internal Audit reports are a vital tool for senior management and the Board of Directors in decision-making. These reports include:

- **Executive Summary:** Highlighting key findings and recommendations.
- **Detailed Findings:** Supported by evidence and analysis.
- **Recommendations:** Practical and actionable to address deficiencies and improve controls.
- **Action Plans:** Agreed upon with relevant departments, outlining responsibilities and timelines for implementing recommendations.

The implementation of recommendations is regularly followed up to ensure that deficiencies are addressed and required improvements are achieved. This ensures that

audit efforts are not limited to problem identification but extend to ensuring their effective resolution.

## 6. Added Value and Continuous Improvement

RDHA's Internal Audit function goes beyond mere compliance; it actively contributes to:

- **Enhancing Governance:** By evaluating the effectiveness of governance structures and processes.
- **Improving Operations:** Identifying opportunities for efficiency and effectiveness in operational and financial processes.
- **Risk Management:** Assisting in identifying, assessing, and mitigating risks facing the organization.
- **Building Trust:** Strengthening the confidence of donors, partners, and communities in RDHA's ability to manage its resources responsibly and transparently.