D1-05

The impact of Internal Audit on verification of internal control applications: With special reference to Harischandra Mills PLC.

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Internal auditing of the organization measures the effectiveness of internal controls through internal Auditors' efforts. They assess whether the controls are properly designed, implemented and working effectively and make recommendations on how to improve internal controls. Internal controls play a vital role in operating day to day activities efficient and effective manner. For that purpose internal audit supports by verifying the proper implication of internal controls. The internal auditors' preliminary evaluations of internal control in actual audit engagements is required to make a study and evaluation of the existing system of internal control for the purpose of determining the amount of reliance that may be placed on the system. This research was conducted to investigate to the impact of internal audit on verification of internal control application. The study was done as a survey and Harischandra Mills Public Limited Company was selected as the research site. Sample was selected on random basis with 100 respondents. Primary data for the study was collected by self administered questionnaire and indepth interviews. Self administered questionnaire was developed using 5 point likert scale considering the variables of internal audit and internal controls. Secondary data for the study collected by internal audit reports and internal control manuals. The collected data was analyzed using mean comparison, standard deviation, chronbach's alpha and correlation matrix. The study concluded that internal audit has a significant impact to verify the internal control applications and it ultimately supervise the proper usage of internal controls.

Keywords: internal audit, internal controls, verification of internal control applications.