

## **The Case for Staff Auditor – not unusual.**

This justification is based on the Global Internal Audit Standards as set forth by the Institute of Internal Auditors (IIA). These standards provide a robust framework for the professional practice of internal auditing and inform the following recommendations.

### **1. Necessity and Benefits of an Internal Auditor on Staff**

The Medical Board of Trinidad and Tobago (MBTT) requires enhanced financial oversight beyond the current accountant's role. An internal auditor provides a proactive approach to financial governance, risk management, and operational efficiency. The following points justify this appointment:

- i. **Enhanced Governance and Independence:** An internal auditor strengthens governance by providing independent, objective assurance and insight into financial operations. Unlike the accountant who focuses on recording transactions, the internal auditor would report directly to the Board, ensuring unbiased oversight.
- ii. **Comprehensive Risk Management:** The internal auditor would systematically identify, assess, and mitigate financial and operational risks, addressing concerns about expenditure patterns and safeguarding the Board's funds.
- iii. **Proactive Financial Oversight:** With substantial funds under management, an internal auditor would provide continuous monitoring of financial resources, ensuring they are managed effectively and in line with the Board's objectives.
- iv. **Increased Transparency and Accountability:** Regular, structured financial reporting by an internal auditor would address the current lack of budgets and audited accounts, enhancing transparency for all stakeholders.
- v. **Ethical Practices and Compliance:** An internal auditor would help maintain ethical financial practices and ensure compliance with relevant laws and regulations.

### **2. Recruitment and Reporting Mechanisms**

- i. **Recruitment:** The internal auditor should be a member of a reputable auditing firm which is recruited through a public tendering process. The auditor should be a Certified Internal Auditor (CIA) accredited by the Institute of Internal Auditors (IIA). The Council's financial committee should oversee the

recruitment process and seek Board approval through a General Meeting resolution.

- ii. Term: The auditing firm's contract should be set for renewal on a one-year term.
- iii. Reporting: The auditor should prepare quarterly internal reports on the controls of the organization which is electronically submitted to the Board.
- iv. Presentation: Both internal and external audit reports should be presented at the Annual General Meeting.
- v. Performance Evaluation: The Treasurer and/or Finance committee will generate the auditor's performance appraisal for Board review.

### **3. Internal Auditor's Duties**

In accordance with the IIA Standards, the internal auditor's duties should include:

a) Financial Management and Reporting:

- Develop and implement a robust budgeting process
- Establish a system for regular financial reporting
- Oversee the preparation of annual financial statements
- Implement controls for accurate fee collection and recording

b) Operational Efficiency:

- Review and optimize processes for issuing medical licenses
- Assess efficiency of event planning and hosting
- Evaluate procurement processes for consumables

c) Risk Management and Compliance:

- Develop a risk assessment framework specific to MBTT's operations
- Ensure compliance with relevant regulations
- Implement controls to safeguard sensitive information

d) Capital Project Oversight:

- Assist in financial planning for land purchase and building construction
- Establish project management controls
- Conduct regular audits of the construction project

e) Human Resource Management:

- Review administrative staff workload and efficiency
- Assess staffing needs as activities expand
- Recommend staff training programs

f) Technology Utilization:

- Evaluate current IT systems
- Recommend technology solutions to improve efficiency

g) Governance and Transparency:

- Establish a framework for regular reporting to the Council and Board
- Develop policies for ethical financial management
- Ensure transparency in all financial transactions

h) Revenue Enhancement:

- Analyze current fee structure
- Identify potential additional revenue streams

i) Asset Management:

- Develop and maintain an asset register
- Implement controls for proper asset use and maintenance

j) Continuous Improvement:

- Regularly review all processes and suggest improvements
- Benchmark MBTT's operations against similar organizations