КЫРГЫЗ МАМЛЕКЕТТИК ТЕХНИКАЛЫК УНИВЕРСИТЕТ	KYRGYZ STATE TECHNICAL UNIVERSITY named after I. Razzakov
	QUALITY ASSURANCE SYSTEM OF EDUCATION
	23-27

Endorsed
At the meeting of the Academic Council of KSTU named after I. Razzakov
Protocol No. 4
of “25” 11 2024

Approved
Rector of KSTU named after I. Razzakov
________ M.K. Chynybaev
“27” 11 2024

REGULATION
ON THE INTERNAL AUDIT SERVICE
OF KYRGYZ STATE TECHNICAL UNIVERSITY
NAMED AFTER I. RAZZAKOV

Bishkek, 2024

CHANGES LIST

№ of the version of the regulatory legal act	№ of the section/clause or paragraph in which changes and additions were made (indicating the page)	№ and date of the minutes of the Academic Council of KSTU
1		Protocol N4 25.11.24

1. General Provisions

1.1. This Regulation is developed in accordance with the Law of the Kyrgyz Republic "On Internal Audit" dated January 26, 2009 No. 25, as well as other regulatory legal acts of the Kyrgyz Republic in the field of internal audit.

1.2. The Internal Audit Service (hereinafter referred to as the Service) is a structural subdivision of the Kyrgyz State Technical University named after I. Razzakov (hereinafter referred to as the University), directly accountable to the Rector of the University.

1.3. The main purpose of establishing the Service is to provide advisory assistance in the creation of an internal control system, develop strategic, long-term and annual plans for its activities to ensure independent and objective control over the effectiveness of university management, proper use of resources, compliance with legislation and internal regulatory documents.

1.4. The Service shall be guided in its activities by the Constitution of the Kyrgyz Republic, the laws of the Kyrgyz Republic, decrees and orders of the President of the Kyrgyz Republic, resolutions, orders and regulations of the Cabinet of Ministers of the Kyrgyz Republic, the Law of the Kyrgyz Republic "On Internal Audit", other normative legal acts of the Kyrgyz Republic and this Regulation.

1.5. Employees of the Service are appointed and dismissed by the order of the Rector of the University on the basis of an employment contract.

1.6. The Service carries out its activities in cooperation with the structural units of the University on issues within its competence.

1.7. The decision to establish, reorganize or liquidate the sector shall be made by the Rector of the University and approved by the decision of the Academic Council of the University.

2. Principles of Activity

The Service is guided by the following principles:

2.1. Independence – organizational and functional independence from other structural units of the University.

2.2. Objectivity – impartial performance based on facts and reliable information.

2.3. Professionalism – staff must possess the necessary knowledge, skills and qualifications to conduct audits.

2.4. Confidentiality – information obtained during audits shall not be disclosed, except as provided by law.

3. Main Tasks and Functions of the Service

3.1. Main Tasks:

3.1.1. Monitoring compliance with the legislation of the Kyrgyz Republic and internal documents to prevent, detect, and suppress financial violations, abuses, and deficiencies in the work of structural units and related organizations, regardless of ownership and funding sources.

3.1.2. Assessing the reliability and effectiveness of the University's internal control system.

3.1.3. Verifying the reliability of financial and management reporting.

3.1.4. Assessing the efficiency and effectiveness of the use of material, financial, and human resources.

3.1.5. Identifying and assessing risks affecting the University's activities.

3.1.6. Monitoring the timely and complete elimination of violations and deficiencies identified during audit activities.

3.2. Functions:

3.2.1. Ensuring compliance with the legislation of the Kyrgyz Republic in the field of auditing, accounting, and reporting.

3.2.2. Monitoring compliance with procurement laws; verifying purchased goods, completed works, and services for compliance with contract conditions.
3.2.3. Auditing accounting, reliability of reporting, and financial activities according to the audit plan, including compliance with the established order of efficient and targeted use of funds.
3.2.4. Conducting sudden inventories of cash and material assets.
3.2.5. Conducting cross-checks within the scope of audit programs.
3.2.6. Submitting proposals to the Rector on referring audit findings to law enforcement authorities in case of financial or material abuse.
3.2.7. Developing strategic and annual audit plans based on risk assessment.
3.2.8. Preparing audit reports and submitting them to University management.
3.2.9. Consulting structural units on internal control issues.
3.2.10. Participating in the development and implementation of new internal control mechanisms.

4. Rights and Obligations of the Service

4.1. Rights of the Service
4.1.1. To have unhindered access to all information, including classified information, in accordance with the level of access granted under applicable law, and to all records, including electronic records, available within the organization and necessary for conducting the audit.
4.1.2. To request and obtain documents, explanations, and access to information from any structural division of the University.
4.1.3. To submit proposals to the University management on eliminating identified deficiencies.
4.1.4. To conduct inspections in any structural division of the University and to participate in the development of the University's regulatory documents.
4.1.5. To provide recommendations necessary for improving the performance of the internal audit object.
4.2. Obligations of the Service
4.2.1. To develop strategic and annual internal audit plans based on risk assessment.
4.2.2. To prepare quarterly monitoring reports on the implementation of annual plans.
4.2.3. To report annually to the Academic Council of the University on the work performed under the plan.
4.2.4. To evaluate the effectiveness of the internal control system and its alignment with the objectives of the internal audit object.
4.2.5. To assess the reliability and sufficiency of financial, accounting, managerial, and other information.
4.2.6. To assess the compliance of the activities of the internal audit objects with regulatory legal acts, stated functions, and approved activity plans.
4.2.7. To assess the efficiency and compliance with requirements regarding resource utilization, adequacy of control over the use of resources, and protection against losses.
4.2.8. To provide audit reports on the results of the inspections.
4.2.9. To maintain confidentiality of information related to state or other legally protected secrets.

5. Reporting and Cooperation

5.1. The Service shall submit:
• Quarterly reports to the Rector of the University on the progress of the audit plan implementation;
• An annual report containing an analysis of the state of internal control and recommendations for its improvement to the Academic Council of the University.
5.2. The Service shall cooperate with other University divisions by providing advisory assistance on issues of internal control and risk management.

5.3. In cases where violations requiring immediate action are detected, the Service must promptly inform the Rector of the University.

6. Responsibility of the Service and Its Employees

6.1. The employees of the Service are responsible for:

- The quality and timeliness of audit inspections;
- The accuracy of the information provided;
- Maintaining data confidentiality.

6.2. Violations of established norms and rules by Service employees entail liability in accordance with the legislation of the Kyrgyz Republic and the University's internal regulations.

6.3. The Head of the Service bears personal responsibility for the performance of assigned tasks and functions.

7. Organization of the Internal Audit Service

7.1. The structure of the Service is formed by the Rector of the University and submitted for approval to the Academic Council.

7.2. The work of the Service is managed by the Head of the Service, who is appointed and dismissed by order of the Rector.

7.3. Qualification requirements for the Head and employees of the Service are approved by the Rector's orders.

7.4. Employees of the Service are engaged on the basis of employment agreements.

7.5. The Service operates according to the Internal Audit Program and Work Plan (Appendices 1 and 2).

7.6. The Service may make amendments and additions to the Program and the Work Plan with the consent of the Rector.

8. Rights and Obligations of the Head of the Internal Audit Service

The Head of the Internal Audit Service:

8.1. Bears responsibility, as established by the legislation of the Kyrgyz Republic, for organizing the work of the Service and fulfilling its assigned tasks.

8.2. Determines internal audit procedures in accordance with approved standards and recommended methodologies of internal audit.

8.3. Monitors the quality of internal audit activities.

8.4. Submits an annual report on the Service's activities to the Academic Council and the Rector, including an assessment of the internal control system.

8.5. Informs the Rector about any identified facts related to illegal activities within the internal audit object.

8.6. Develops and implements a quality assurance program, including internal and external evaluations.

8.7. Determines the objectives, scope, frequency, and resources of each audit engagement.

8.8. Shall not:

a) disclose or provide information obtained during or in connection with the performance of duties, except in cases provided by law;

b) use his/her powers to the detriment of the University or abuse such powers in the course of duties.

9. Rights and Obligations of Service Employees

9.1. In conducting internal audits, Service employees must comply with internal audit standards and other requirements of the legislation of the Kyrgyz Republic.

9.2. Service employees have the following rights:

9.2.1. To obtain and review all necessary documentation (including in electronic form) and explanations required for conducting the audit;
9.2.2. To obtain from the personnel of the internal audit object copies of all necessary documents related to the audit.
9.2.3. To avoid any conflict of interest.
9.3. Internal audits are prohibited for Service employees:
9.3.1. Who have personal and/or financial interests in the area of the audit object being reviewed;
9.3.2. Who worked in the part of the internal audit object being audited during the audit period or within the past twelve months;
9.3.3. In any other circumstances affecting the objectivity and impartiality of the internal auditor, as established by internal audit standards.
9.4. In case of a conflict of interest, Service employees must immediately notify the Head of the Internal Audit Service, or, if the conflict involves the Head, report directly to the Rector of the University.

10. Rights and Obligations of the Head of the Internal Audit Object

The Rector of the University:
10.1. Approves annual and long-term work and audit plans, as well as training plans for the Internal Audit Service.
10.2. Makes decisions on implementing the recommendations contained in internal audit reports.
10.3. Reviews the annual internal audit report.

11. Interaction with Audited Entities

11.1. Audited entities are obliged to:
• Provide access to documents, information, and reports;
• Provide written explanations and supplementary materials upon auditors' request;
• Facilitate the audit process.
11.2. The Service must act within its authority, adhere to ethical norms, avoid conflicts of interest, and ensure the proper handling of information obtained during audits.

12. Relations with Other Organizations in the Field of Internal Audit

Relations with the Accounts Chamber of the Kyrgyz Republic
12.1. The Accounts Chamber of the Kyrgyz Republic is not entitled to interfere in the planning of internal audits conducted by internal audit services within their respective entities.
12.2. The Accounts Chamber of the Kyrgyz Republic is not entitled to use the results of internal audits for the purpose of applying any sanctions.

13. Final Provisions

13.1. This Regulation enters into force upon approval by the Rector of the University.
13.2. Amendments and additions to this Regulation are made by order of the Rector of the University.