

| Factor | Internal audit | External audit |
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| Organisational structure | Internal audit can be an external contractor or an in-house function. | External audit is an external contractor, never an employee of the company. |
| Objectives | Internal audit forms an opinion on the adequacy and effectiveness of systems of risk management and internal control, many of which fall outside the main accounting systems. | External audit seeks to provide an opinion on whether the accounts/financial statements present a true and fair view of the organisation. |
| Audit coverage | Internal audit covers all the organisation's operations. | External audit works primarily with those financial systems that have a bearing on the final accounts. |
| Audit timeframe | Internal audit performs audits throughout the year. | External audit tends to be a year-end process, even though some testing may be carried out during the year. |
| Staff structure | Staff consists of Chief Audit Executive (CAE), managers, senior and junior internal auditors | Staff consists of partners, managers, seniors and trainees. |
| Staff | Competent persons trained in internal auditing. | Qualified CAs and partly qualified accountants. |

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| Methodology | Risk-based audits – assurance and consulting services. | Vouching and verification and some use of risk-based systems approach. |
| Certification | Certified Internal Auditor (CIA) | Chartered Accountant (CA) |
| Membership affiliation | Institute of Internal Auditors (IIA) | South African Institute of Chartered Accountants (SAICA) |
| Legislation | Legally required in the public sector, encouraged in private sector. | Legally required for all registered companies and the public sector (small companies may have exemptions). |