

AIR NIUGINI
INTERNAL AUDIT ANNUAL AUDIT PLAN-2020



ROUTINE AUDIT - DOMESTIC PORT AUDITS																			
AUDIT PROJECT	AUDIT ACTIVITIES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	LEAD AUDITOR	SUPPORT AUDITOR	AUDIT TEST DURATION	TARGET COMPLETION DATE	LOCATION	Remarks
1	Kavieng Port Audit Review of; - Sales Office Activities - Airport Activities - Cashiering & Banking - Fixed Assets				X									Ai Tom		2 weeks (3 days on site)	30-Apr	Kavieng	Completed
2	Kimbe Port Audit Review of; - Sales Office Activities - Airport Activities - Cashiering & Banking - Fixed Assets									X				Monica Kupo		2 weeks (3 days on site)	30-Sep	Kimbe	Completed
3	Pom Cargo Audit Review of; - Sales Office Activities - Airport Activities - Cashiering & Banking - Fixed Assets	X												Ereman Ragi		2 weeks (3 days on site)	31-Jan	Pom	Completed
Total Audits		1	0	0	1	0	0	0	0	1	0	0	0						3
ROUTINE AUDIT - INTERNATIONAL PORT AUDITS																			
1	Cairns Port Audit Review of: - Sales Office Activities - Airport Activities - Cashiering & Banking - Admin & Operational Expenditure			X										Kevin Melchior	Lorraine Valuka	2 weeks (5 days on site)	31-May	Cairns	Deferred due to Covid19 travel restrictions
2	Manila Port Audit Review of: - Sales Office Activities - Airport Activities - Cashiering & Banking - Admin & Operational Expenditure					X								Uda Dadi	Monica Kupo	2 weeks (5 days on site)	31-May	Manila	Deferred due to Covid19 travel restrictions
Total Audits		0	0	1	0	1	0	0	0	0	0	0	0						2

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ROUTINE AUDIT - SPOT CHECKS																					
	AUDIT PROJECT	AUDIT ACTIVITIES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	LEAD AUDITOR	SUPPORT AUDITOR	AUDIT TEST DURATION	TARGET COMPLETION DATE	LOCATION	Remarks	
1	Hagen Sales & Airport	Cash Count & Reconciliation of: - Pax Sales Proceeds - Cargo Sales Proceeds - Excess Baggage Sales							X						Ereman Ragi		1 day on site	2 days	Hagen	Completed	
2	Lae Sales & Airport	Cash Count & Reconciliation of: - Pax Sales Proceeds - Cargo Sales Proceeds - Excess Baggage Sales							X						Bernard Taligatus		1 day on site	2 days	Lae	Completed	
3	Wabag Sales & Airport	Cash Count & Reconciliation of: - Pax Sales Proceeds - Cargo Sales Proceeds - Excess Baggage Sales						X							Kevin Melchior		1 day on site	2 days	Wabag	Pending	
4	Goroka Sales & Airport	Cash Count & Reconciliation of: - Pax Sales Proceeds - Cargo Sales Proceeds - Excess Baggage Sales						X							Valerie Nobolo		1 day on site	2 days	Goroka	Completed	
5	Vanimo Sales & Airport	Cash Count & Reconciliation of: - Pax Sales Proceeds - Cargo Sales Proceeds - Excess Baggage Sales					X								Leah Wanpis		1 day on site	2 days	Vanimo	Pending	
6	Madang Sales & Airport	Cash Count & Reconciliation of: - Pax Sales Proceeds - Cargo Sales Proceeds - Excess Baggage Sales					X								Lorraine Valuka	Ereman Ragi	1 day on site	2 days	Madang	Pending	
7	Pom Cargo - Outbound Cargo Reweigh	Cash Count & Reconciliation of: - Pax Sales Proceeds - Cargo Sales Proceeds - Excess Baggage Sales	X												Kevin Melchior		1 day on site	2 days	Pom	Pending	
	Total Audits	-	1	0	0	0	2	2	2	0	0	0	0	0							7

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ROUTINE AUDIT - SALES, CASHIERING & BANKING REVIEW

	AUDIT PROJECT	AUDIT ACTIVITIES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	LEAD AUDITOR	SUPPORT AUDITOR	AUDIT TEST DURATION	TARGET COMPLETION DATE	LOCATION	Remarks
1	Kimbe (Hoskins)	Review of accuracy in fare calculations and revenue collection in; - Ticket Sales - Excess Baggage - Cargo - 100% Cashiering & Banking	X												Uda Dadi		2 weeks	30-Jan	Pom HQ	Completed
2	Kavieng	Review of accuracy in fare calculations and revenue collection in; - Ticket Sales - Excess Baggage - Cargo - 100% Cashiering & Banking		X											Ereman Ragi		2 weeks	30-Jan	Pom HQ	Completed
3	Manus	Review of accuracy in fare calculations and revenue collection in; - Ticket Sales - Excess Baggage - Cargo - 100% Cashiering & Banking	X												Leah Wanpis		2 weeks	30-Jan	Pom HQ	Completed
4	Rabaul	Review of accuracy in fare calculations and revenue collection in; - Ticket Sales - Excess Baggage - Cargo - 100% Cashiering & Banking		X											Valerie Nobolo		2 weeks	28-Feb	Pom HQ	Dropped (auditor resigned)
5	Vanimo	Review of accuracy in fare calculations and revenue collection in; - Ticket Sales - Excess Baggage - Cargo - 100% Cashiering & Banking		X											Bernard Taligatus		2 weeks	28-Feb	Pom HQ	Dropped (auditor resigned)
6	Lae	Review of accuracy in fare calculations and revenue collection in; - Ticket Sales - Excess Baggage - Cargo - 100% Cashiering & Banking		X											Ai Tom		2 weeks	28-Feb	Pom HQ	Completed

14	Waigani Sales	Review of accuracy in fare calculations and revenue collection in; - Ticket Sales - Excess Baggage - Cargo - 100% Cashiering & Banking														Lorraine Valuka		2 weeks	31-May	Pom HQ	Completed
15	Pom Cargo	Review of accuracy in cargo sales calculations and revenue collection - Cargo - 100% Cashiering & Banking														Monica Kupo		2 weeks	31-May	Pom HQ	In Progress
16	Alotau	Review of accuracy in fare calculations and revenue collection in; - Ticket Sales - Excess Baggage - Cargo - 100% Cashiering & Banking														Valerie Nobolo		2 weeks	30-Jun	Pom HQ	Dropped (auditor resigned)
17	Popodetta	Review of accuracy in fare calculations and revenue collection in; - Ticket Sales - Excess Baggage - Cargo - 100% Cashiering & Banking														Leah Wanpis		2 weeks	30-Jun	Pom HQ	In Progress
18	Tabubil	Review of accuracy in fare calculations and revenue collection in; - Ticket Sales - Excess Baggage - Cargo - 100% Cashiering & Banking														Valerie Nobolo		2 weeks	30-Jun	Pom HQ	Dropped (auditor resigned)
19	Kiunga	Review of accuracy in fare calculations and revenue collection in; - Ticket Sales - Excess Baggage - Cargo - 100% Cashiering & Banking														Lorraine Valuka		2 weeks	31-Jul	Pom HQ	Completed
20	Buka	Review of accuracy in fare calculations and revenue collection in; - Ticket Sales - Excess Baggage - Cargo - 100% Cashiering & Banking														Bernard Taligatus		2 weeks	31-Jul	Pom HQ	Dropped (auditor resigned)
Total Audits		-	2	4	4	6	1	1	2	0	0	0	0	0							20

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FINANCIAL STATEMENTS REVIEW - PROFIT & LOSS

	AUDIT PROJECT	AUDIT ACTIVITIES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	LEAD AUDITOR	SUPPORT AUDITOR	AUDIT TEST DURATION	TARGET COMPLETION DATE	LOCATION	Remarks
1	Passenger Disrupt Costs Review [Cost Centre 265]	Review of the PASSENGER DISRUPTION Costs in 2017, 2018, 2019 in 2020 to ensure costs discipline and efficiency.										X			Monica Kupo		3 weeks	31-Oct	Pom HQ	Pending
2	Boeing 767/731 Fuel Costs Review	Review of FUEL COSTS for 2017, 2018, 2019 & 2020 to ensure costs discipline and efficiency in fuel usage.									X				Lorraine Valuka		3 weeks	30-Sep	Pom HQ	Pending
3	Fokker 100/70 Fuel Costs Review	Review of FUEL COSTS for 2017, 2018, 2019 & 2020 to ensure costs discipline and efficiency in fuel usage.								X					Ai Tom		3 weeks	31-Aug	Pom HQ	Pending
4	DH8 Fuel Costs Review	Review of FUEL COSTS for 2017, 2018, 2019 & 2020 to ensure costs discipline and efficiency in fuel usage.							X						Leah Wanpis		3 weeks	31-Jul	Pom HQ	In Progress
5	Over Time Payments Review	Review of OVER TIME PAYMENTS made in 2017, 2018, 2019 & YTD in 2020 to ensure costs discipline & efficiency.						X							Ai Tom		3 weeks	30-Jun	Pom HQ	In Progress
	Total Audits	-	0	0	0	0	0	1	1	1	1	1	0	0						5

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FINANCIAL STATEMENTS REVIEW - BALANCE SHEET

	AUDIT PROJECT	AUDIT ACTIVITIES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	LEAD AUDITOR	SUPPORT AUDITOR	AUDIT TEST DURATION	TARGET COMPLETION DATE	LOCATION	Remarks	
1	Fixed Assets - Properties Review	Review of ANL's Fixed Assets focused on Properties (Land & Building) to ensure full disclosure of these Assets in the FAR and Financial Statements and full compliances to company policies for disposals.											X		Kevin Melchior		3 weeks	30-Nov	Pom HQ	Pending	
2	Accounts Receivable - Debtors Accounts Review	Review to ensure: a) Credit Customers are in compliance with Company's Credit Policy. b) Proper Reconciliation and accuracy in maintenance of account balances.										X			Uda Dadi		3 weeks	31-Oct	Pom HQ	Pending	
3	Other Deposits & Prepayments [Commercial Property Bond Fees]	Review of OTHER DEPOSITS & PREPAYMENTS to ensure accuracy in reporting and security of cash asset.									X				Ai Tom		3 weeks	30-Sep	Pom HQ	Pending	
4	Accounts Payable - Creditors Accounts Review	Accounts Payable [AP] Payments Review focused in double payments/illicit payments, etc.								X					Ereman Ragi		3 weeks	31-Aug	Pom HQ	In Progress	
	Total Audits	-	0	0	0	0	0	0	0	1	1	1	1	0							4

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OTHER AUDIT REVIEWS & SPECIAL PROJECTS

	AUDIT PROJECT	AUDIT ACTIVITIES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	LEAD AUDITOR	SUPPORT AUDITOR	AUDIT TEST DURATION	TARGET COMPLETION DATE	LOCATION	Remarks
1	IT System Access and Security Review	Review of INFORMATION TECHNOLOGY system security and access level to ensure segregation of duties at all levels. Focused in Commercial Stores Arms system and Chris 21 Payroll System.											X		Monica Kupo		3 weeks	30-Nov	Pom HQ	Pending
2	Commercial Stores Inventory Review	Stock Count and Reconciliation of Physical Stock vs System Record.										X			Ai Tom		3 weeks	31-Oct	Pom HQ	Pending
3	Review of Inbound Cargo [Domestic]	Reweigh of Inbound Cargo from all Domestic Outports. Reconciliation of reweigh weight vs system recorded.											X		Ereman Ragi	Bernard Taligatus	3 weeks	30-Nov	Pom HQ	Pending
4	Route Profitability [Domestic Routes]	Review of ROUTE PROFITABILITY for domestic routes to ascertain profitability of the route.							X						Uda Dadi	Monica Kupo	3 weeks	31-Jul	Pom HQ	Deferred to 2021 per CEO email
5	Review of Inbound Cargo [International]	Reweigh of Inbound Cargo from all International Ports. Reconciliation of reweigh weight vs system record.									X				Bernard Taligatus	Valerie Nobolo	3 weeks	30-Sep	Pom HQ	Dropped (auditor resigned)
6	Tax Compliance Review [Air Niugini & LinkPNG]	Review of: a) Salary & Wages Tax b) Goods & Services Tax c) Business Payment Tax d) Corporate Income Tax e) Foreign Contractor withholding Tax f) Other Taxes								X					Kevin Melchior	Leah Wanpis	3 weeks	31-Aug	Pom HQ	Pending
7	Other Statutory Compliance Review [Air Niugini & LinkPNG]	Review of: a) ROC Requirements (Company Annual Returns) b) Superfund Requirements (NASFUND) c) IATA Requirements									X				Kevin Melchior	Leah Wanpis	3 weeks	30-Sep	Pom HQ	Pending
8	Sales Not Reported Review [SLP5225]	Review of SLP5225 for the entire PX Network for the last 5-6 years. This will also be a follow up audit.								X					Valerie Nobolo		3 weeks	31-Aug	Pom HQ	Dropped (auditor resigned)

9	Review & Analysis of Sales & Revenue [All Sales Channels]	Review and analysis of 2016, 2017, 2018 & 2019 Sales and Revenue by each Sales Channels : a) Domestic Sales office and outports. b) International Sales c) Travel Agents (BSP Agents) d) General Sales Agents												X	Uda Dadi	Leah Wanpis	4 weeks	31-Oct	Pom HQ	Pending	
10	Review & Analysis of Direct & Overhead Costs by Departments	Review and analysis of 2015, 2016, 2017, 2018 & 2019 Direct and Overhead Costs per Department to ascertain: a) Basis of Increase in Costs and Budget Overruns. b) Give analysis and opinion Reviews of the reconciliation process – re-performance of the bank reconciliation														Lorraine Valuka		4 weeks	30-Apr	Pom HQ	Completed
11	Bank Reconciliation - BSP Operating Account	Reviews of the reconciliation process – re-performance of the bank reconciliation												X	Kevin Melchior	Ereman Ragi	3 weeks	31-Mar	Pom HQ	In Progress	
12	Contract Employment Remuneration Structure & Process Review	Review of the Contract Employment Remuneration Structure and Grading System & Process.														Uda Dadi		3 weeks	28-Feb	Pom HQ	Dropped as per CEO's email
13	PX Credit Card Payment Review	Review of PX CREDITCARD PAYMENTS to ensure costs discipline and compliance with policies.												X	Lorraine Valuka		3 weeks	30-Nov	Pom HQ	Pending	
Total Audits			-	0	2	0	0	0	0	1	2	2	2	4	0						13
Total Audits-Monthwise			4	6	5	7	4	4	6	4	5	4	5	0							54
<p>Note 1: 'X' - Indicates Planned Audits to be performed during the year.</p> <p>Note 2: Any Audit Project requested by the management outside of this plan will be considered as Ad-hoc project., this includes all investigations and additional spot checks.</p> <p>Note 3: Fraud cases referred to IA will be reviewed by the CIA whether it requires further investigation or not. As per IA Manual and approval by Board Audit Sub-Committee, fraud cases involving K50,000 or its equivalent or more will be investigated by IA, except for cases involving lapses in key internal controls.</p>																					
PREPARED BY: Chief Internal Auditor			REVIEWED BY: General Manager QSR&A						APPROVED BY: Managing Director / Chairman - Board Audit Sub-Committee												

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INTERNAL AUDIT ANNUAL AUDIT PLAN-2020 [ADDITIONAL PROJECTS]



ROUTINE AUDIT - DOMESTIC PORT AUDITS																			
AUDIT PROJECT	AUDIT ACTIVITIES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	LEAD AUDITOR	SUPPORT AUDITOR	AUDIT TEST DURATION	TARGET COMPLETION DATE	LOCATION	Remarks
1	Review of Key Controls - [Fare Audit]								x					Uda Dadi		3 weeks	28-Aug	Pom HQ	New
2	Review of Key Controls - [System Access to Fare Edit/Booking]											x		Ereman Ragi		3 weeks	30-Nov	Pom HQ	New
3	Review of Key Controls - [UATP Account Access & Control]											x		Lorraine Valuka		3 weeks	30-Nov	Pom HQ	New
4	Review of Key Controls - [Credit Card Usage & Security]											x		Kevin Melchior		3 weeks	30-Nov	Pom HQ	On plan
	Review of Key Controls - [Cash & System Refunds - Pax Sales]												x	Ai Tom		3 weeks		Pom HQ	New
	Review of Key Controls - [Cash & System Refund - Cargo]								x					Monica Kupo		3 weeks		Pom HQ	New

	Accounts Payable Payments Review	review of all payments made so far to ensure no duplicate payments/same vendor registered twice/two different invoice for same service or goods provided/payment for service or goods not provided/over payments/incorrect rates/etc																X		Ereman Ragi		3 weeks			Pom HQ		New	
	Accounts Payable Creditors Account Review	Review and reconcile to ensure creditors account balance accurate and correct.																X		Ereman Ragi		3 weeks			Pom HQ		On plan	
	Total Audits		0	0	0	0	0	0	0	4	3	5	5	0														17