

## INTERNAL AUDIT RISK IN ALBANIA

**Albana Gjoni (Karameta)<sup>1</sup>, Aurora Hoxha<sup>2</sup>, Holta Kora (Bako)<sup>3</sup>**

<sup>1</sup>Agricultural University of Tirana, Faculty of Economy and Agribusiness, Finance and Accounting Department, Albania. Email: gjoni.albana@gmail.com

<sup>2</sup>Agricultural University of Tirana, Faculty of Economy and Agribusiness, Finance and Accounting Department, Albania. Email: aurorataomja@hotmail.com

<sup>3</sup>European University of Tirana, Faculty of Economy, Economics Department, Albania. Email: holtabako@yahoo.com

### Abstract

Companies make money by assuming risks. At the same time they lose money by failing to manage risk. One of the most important and least understood subjects, which affect the internal audit, is the organization culture and attitude towards risk. Each company has a different culture. It has to be understudied the culture within the company in order to understand the risks that are inherent to that culture. Cultures of some companies bring risks that other companies have not. However, each organization has faced unwelcome surprises or unexpected loss that realizes that most of them were preventable. Such events will almost certainly be caused by risks that are not fully understood, or processes to identify those risks have not been sufficient. The study aims to demonstrate the role of internal audit as a pillar of support for management. Internal audit must be able to demonstrate his willingness to add value and work with management. In fact the main issue in terms of risk-based audit is to look forward and not backwards. There will be no credit to criticize the past, when management is faced with the challenges of the future. When managers receive or review the decisions under powers delegated procedures they should take similarly a risk assessment before making a decision and maintain a record of which to use in the future. Risk management is one of the biggest challenges of companies nowadays. It cannot be found whose responsibility is in, what is known is that all parties should work together to keep the risk to acceptable levels. The solution is found almost always on Audit, which has given its contribution to the identification, evaluation, management and control potential events or situations, to provide reasonable assurance regarding the achievement of entity objectives. This paper aims to provide an approach to the role of internal audit in risk management, in order to answer the question what is the impact that the Internal Audit on the risk management and what about the performance of this relationship in the future.

**Keywords:** *internal audit, risk management, organization culture, risk model, added value.*