



# Quality Assurance of Internal Audit

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# Agenda

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1. Introduction and Purpose of QA
2. Standards on QA
3. QA framework
4. Types of assessment –
  1. Internal
  2. External
5. Sample Checklists

# Need for Quality Assurance

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- Constant Regulatory Changes.
- Increased expectation from stakeholders.

A Quality Assurance of internal audit assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

Given the different elements of Quality, the key steps are:

- Recognizing who the stakeholders are
- What are the expectations of these stakeholders

# Objective of Quality Assurance Program

Quality Assurance program should perform evaluation of

Adequacy of the Internal Audit goals, objectives, charter, policies and procedures

Contribution to the organizations governance, risk management and control process

Completeness of the audit universe and preparation of risk based audit plan

Compliance with the applicable laws and regulations or industry standards

Conformance to the Internal audit standards and internal polices and procedures

Effectiveness of continuous improvement and adoption of best practices

Whether IA adds value, improves organization operations and attainment of objectives

# Benefits of QA of Internal Audit

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- Providing you with an opinion regarding conformance with the spirit and intent of the standards
- Determining how effective and efficient your internal audit function
- Outlining specific improvement opportunities
- Enhancing internal audit's credibility within your organization

# Standards on Quality assurance

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## **Standard issued by ICAI- SIA 7- Quality Assurance in Internal Audit**

*The purpose of this Standard on Internal Audit (SIA) is to establish standards and provide guidance regarding quality assurance in internal audit.*

- 1. A system for assuring quality in internal audit should provide reasonable assurance that the internal auditors comply with professional Standards, regulatory and legal requirements, so that the reports issued by them are appropriate in the circumstances.*
- 2. ....responsibility for the quality in the internal audit.*
- 3. ....ensure that the system of quality assurance include policies and procedures.*
- 4. Timeline-...*

# Standards on Quality assurance

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## **International Professional Practices Framework (IPPF) issued by Institute of Internal Audit**

The IPPF contains specific Attribute Standards (1300 series) that focus on the quality and improvement of IA.

Only operations that comply with the IIA Definition, Standards and Code of Ethics can fully serve the purpose of the IA function and any deviation from the framework could hamper achievement of its aims and its usefulness.

# Standards on Quality assurance

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*International Professional Practices Framework (IPPF) issued by Institute of Internal Audit*

## ***Standard 1300 – Quality Assurance and Improvement Program***

***1310 – Requirements of the Quality Assurance and Improvement Program***

***1311 – Internal Assessments ( Similar to Para 11 of SIA 7)***

***1312 – External Assessments: ( Similar to Para 15 of SIA 7)***

***1320 – Reporting on the Quality Assurance and Improvement Program ( Para 17 of SIA 7)***

**1321 – Use of “Conforms with the International Standards for the Professional Practice of Internal Auditing”**

**1322 – Disclosure of Nonconformance**



# ISO 9001:2008

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## As per para 8.2.2 - Internal audit

The organization shall conduct internal audits at planned intervals to determine whether the quality management system

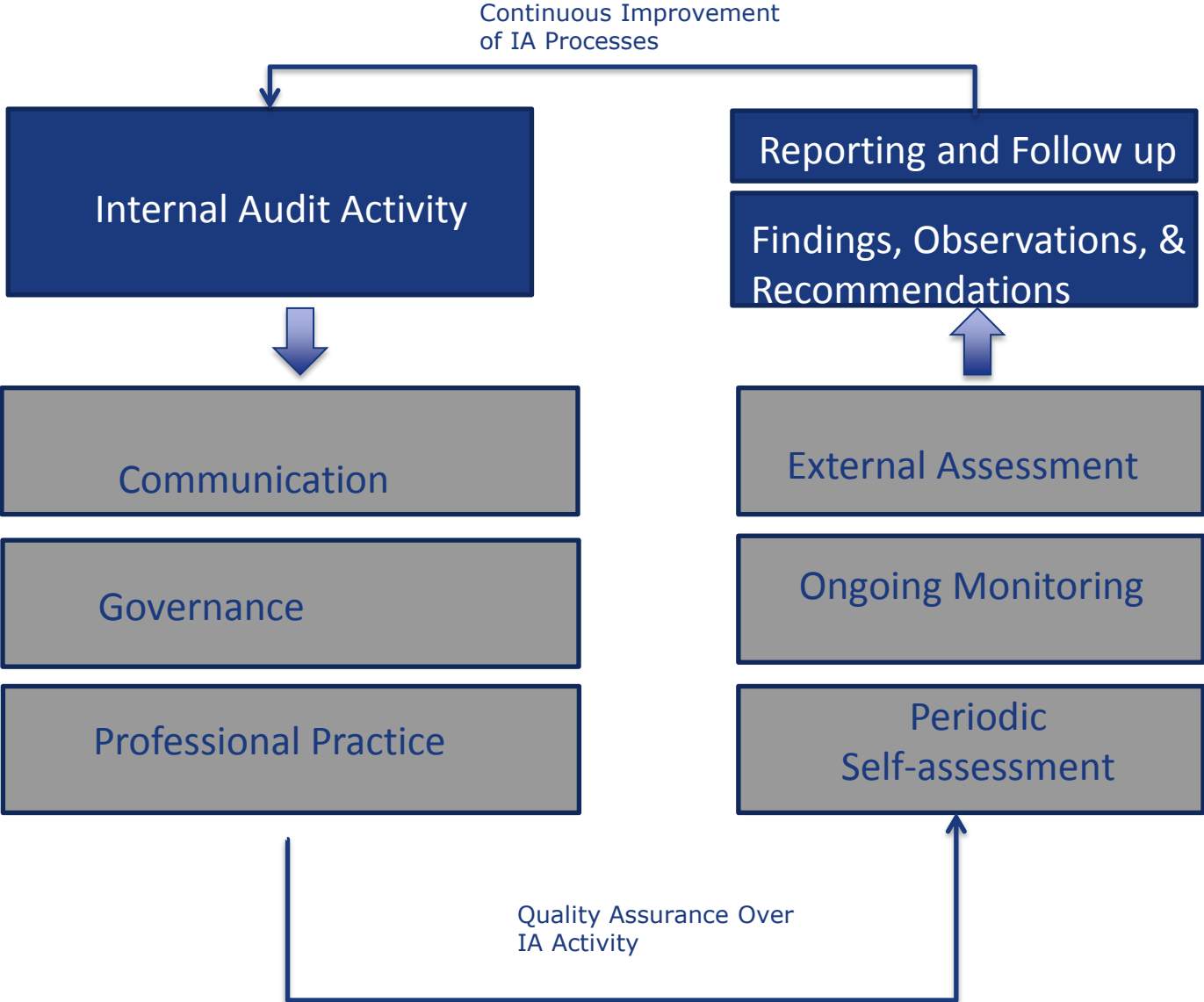
- a) conforms to the planned arrangements , to the requirements of this International Standard and to the quality management system requirements established by the organization, and
- b) is effectively implemented and maintained.

The selection of auditors and conduct of audits shall ensure objectivity and impartiality of the audit process. Auditors shall not audit their own work.

## Para 8.5.2 Corrective action

## Para 4.2.4 Control of records

# Quality Assessment Framework



# Elements of Internal Audit activities

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Audit policies and  
procedure

Stake holder  
Management

Audit universe

Risk Assessment  
and Annual Plan

Tools and  
technology

Staffing

Training and  
development

Follow up reviews

Other governance  
co- ordination

# Quality Assessment Types

Internal

External

Ongoing Monitoring

Periodic Self-assessment

Full External Assessment

Self-assessment with independent external validation

- Ensure quality of internal audit activity processes and infrastructure
- Adequate supervision at appropriate time using checklists and templates

- Evaluate framework when external assessment is not performed
- Performed by independent team for completed projects

- Review IA framework and QA framework
- Interview selected board/audit committee members
- Review sample engagement
- Evaluate and report

- Internal Self assessment – Framework
- On going monitoring
- Sample engagement review
- External assessor reviews and validate the assessment by limited review and interviews.

During the Engagement

At least annually as per the defined programme

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# Internal QA

# Internal Quality Assessment

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These internal assessments should be conducted by persons within the internal audit activity under the direction of the CAE.

The CAE should select and support the internal assessor(s) to ensure the greatest degree of objectivity possible.

Internal assessments must include:

- Ongoing monitoring of the performance of the internal audit Activity.
- Periodic self-assessment or assessments by other persons within the organization with sufficient knowledge of internal audit practices.

# Internal assessment

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## Annual Assessment:

- Whether there is appropriate internal audit framework, charter is approved and relevant, structure of audit, it give full authority and autonomy to CAE.
- Various policies and procedure in place for annual planning, audit planning, fieldwork and reporting including sampling methodology, use of expert, how to deal with fraud and suspicious items. Important points to consider during planning, fieldwork and reporting.

## On going Monitoring:-

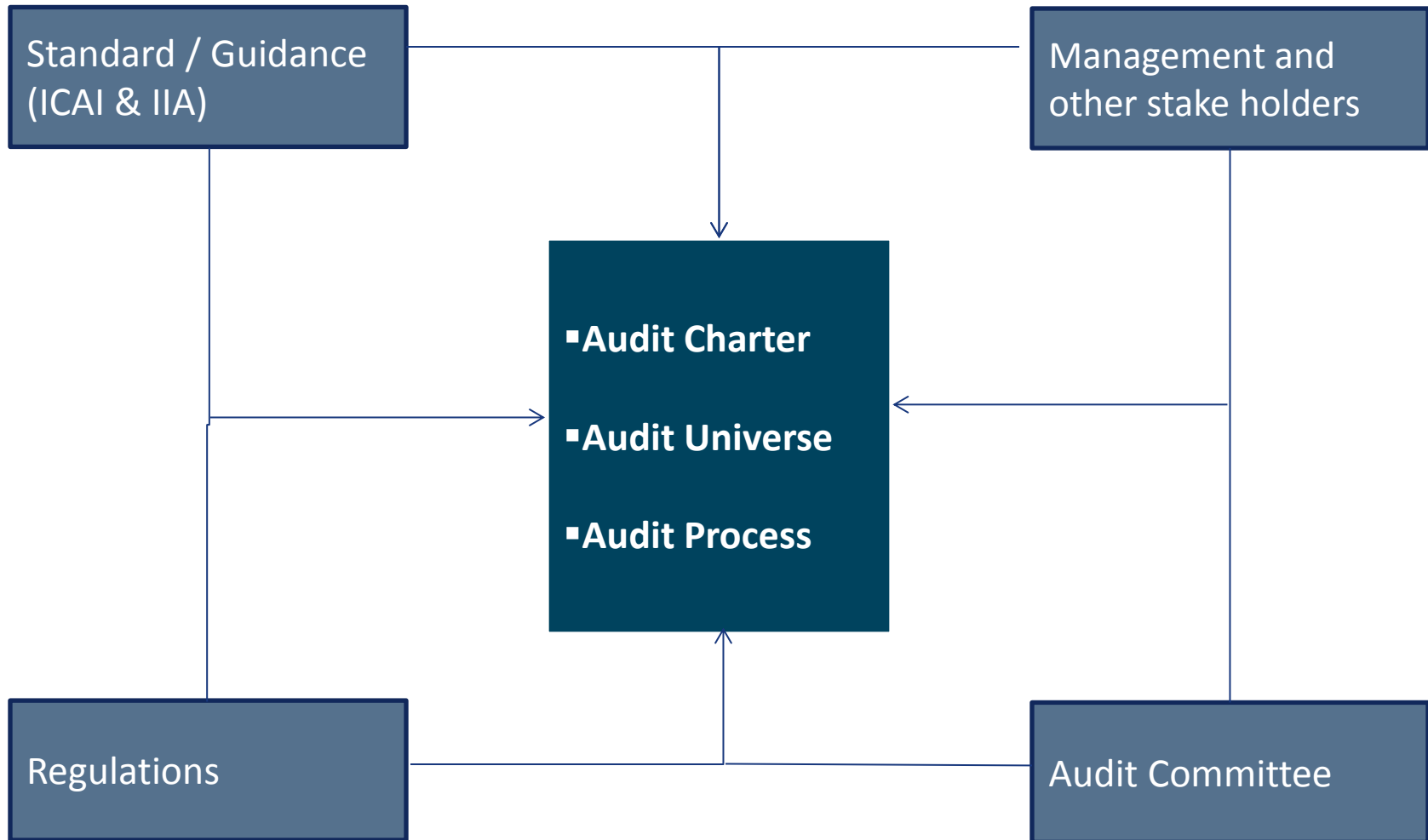
During engagement – supervisory review/ all engagement

- Checklist for audit planning, fieldwork and reporting

Peer audit/review - Practice guidance Slide 26 on sample engagements after closure

- Peer review check list

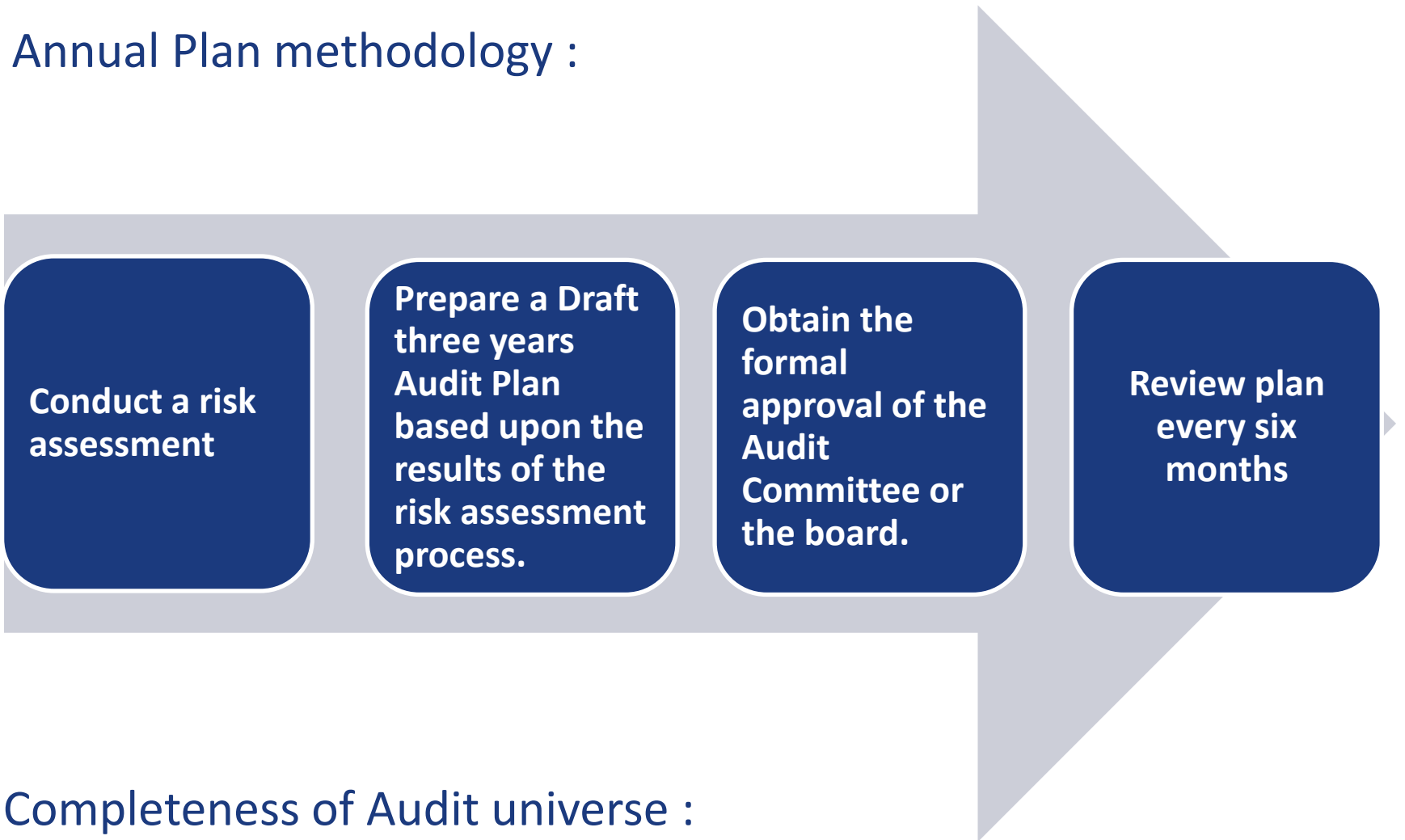
# Sample – Annual review





# Sample – Annual review

Annual Plan methodology :



Completeness of Audit universe :

# Peer review

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- A critical component of Internal Audit Department (IAD) Quality assurance is ongoing reviews of the quality of audit execution and documentation.
- Peer review is performed by a dedicated / independent team of qualified professionals within the IAD.
- The following represents the sample framework for the peer review program.

## 1. Peer review Selection Program

At the end of each quarter, the Peer audit team identifies the audit activities which are subject to review. The following factors are considered in the selection process:

- Coverage of approximately 20-30% of all audit activities on an annual basis.
- Coverage of all Audit Managers on an annual basis.
- Unsatisfactory and Needs Improvement audits are more heavily weighted for selection than satisfactory audits.

# Peer review:

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## 2. Peer review Questionnaire

[Sample peer review check list](#)

A Questionnaire needs to be developed to help ensure quality and consistency of reviews.

### Structure of the Questionnaire

The questionnaire evaluates an engagement through the Planning, Fieldwork and Reporting phases. Questions are designed to capture the audit teams' compliance with established IAD policies and procedures.

## 3. Peer review Ratings Framework and Reporting

### Scoring System of the Peer review Questionnaire .

Each question is assigned a value which is based on the relative importance of the attribute the question is addressing.

Each engagement will be rated using the scoring system in the Questionnaire.

Engagements will be rated as Green, Amber or Red.

# Peer review result:

Ratings	Description
Green = Conforms (> 85 points)	Engagements rated Green <u>meet substantively all IAD policy requirements</u> . Work performed on the engagement was adequate to support the deliverables in all material respects.
Amber = Partially Conforms (60 to 85 points)	The engagement does not achieve some of the major quality objectives, but at least <u>partially conforms</u> to the others. The findings are not so pervasive to indicate the audit didn't sufficiently cover the key risks.
Red = Does Not Conform(< 60 points)	The engagement had one or more <u>unsatisfactory</u> findings in critical areas. The work performed is not adequate to support the deliverables in all material respects.

# Peer review:

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Overall results of the peer reviews are reported quarterly to IAD Senior Management /Audit committee chairman. Common themes and associated action plans are communicated to IAD .

Depending on the results of the Peer review, IAD may need to adjust the conclusions in the Audit Report. Changes to the Audit Report could include changes to the issued Audit Report rating and/or the rating of the issues noted within the Audit Report.

## **4. Training**

Results of Peer reviews will be analyzed to determine concepts that need to be incorporated into training programs.

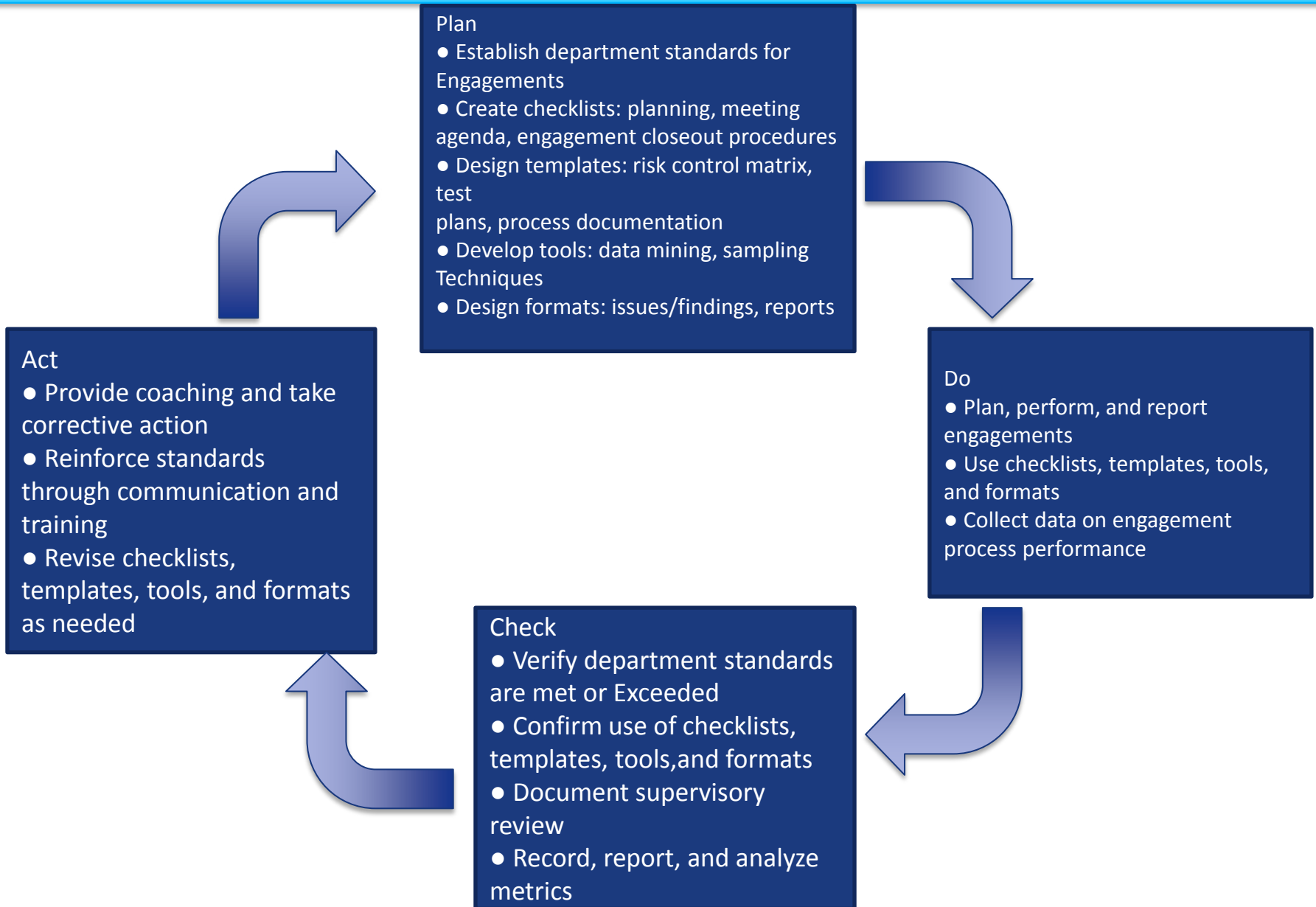
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## QA- Internal assessment – On going monitoring

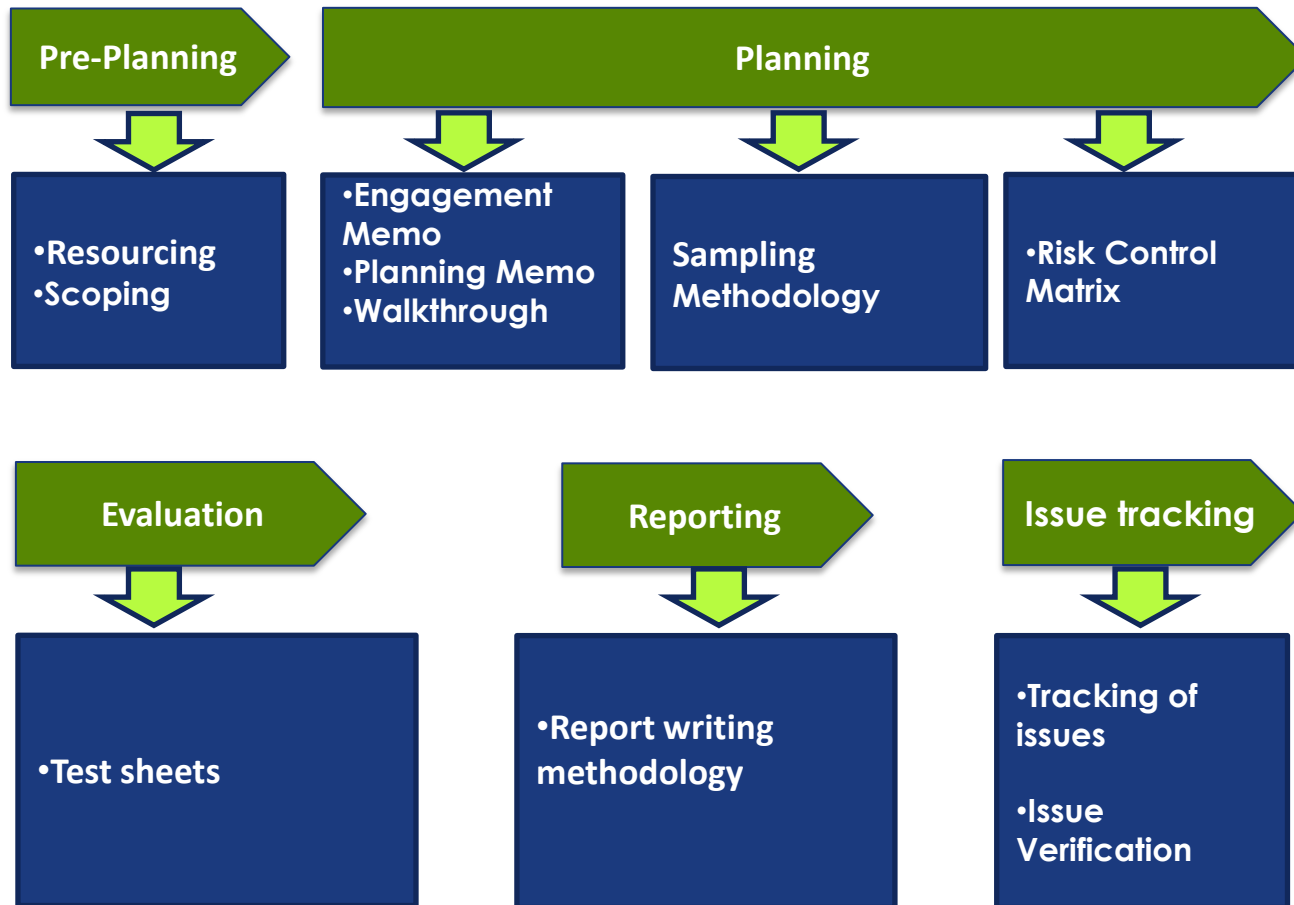
### QA- Internal assessment – At Engagement level

- Audit Planning
- Fieldwork
- Reporting

# On going monitoring



# On going monitoring – Audit Policies





# Planning – Important points

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- Timing
  - Communication with auditee
  - Preliminary research
  - Annual Risk assessment
  - Identification of scope items
  - Opening Meeting with the auditee
  - Process discussions with auditee
  - Information gathering regarding the audit
  - Internal environment – People, Systems
  - External environment- Penalties, Regulations
  - Sampling Methodology
  - Use of expert
  - How to deal with fraud and suspicious items
- 
- Key- is supervisory review done on time and evidenced as per check list.

[Sample - QAR Checklist for audit planning](#)

# Sample Audit Planning Memo

<b>Audit Name</b>	
<b>Audit Director</b>	
<b>Audit Manager</b>	
<b>Auditor In-Charge</b>	

<b>Business Overview</b>	<b>Department Overview</b>	<b>Application/Systems Overview</b>
<b>Key Personnel</b>	<b>Risk Assessment</b>	<b>Frauds &amp; Investigations</b>
<b>Audit Scope</b>	<b>SOX Applicability</b>	<b>Data Analytics</b>
<b>Time Budget &amp; Staffing</b>	<b>Sampling Strategy</b>	

# Planning – Important points

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## Sampling Methodology

- Determine type of sampling, define sampling unit, period, population and source of information.
- Determine sample size. Select sampling technique – haphazard, judgemental , random, interval and stratified.

## Use of expert

Whether expert is used where technical expertise, knowledge and skills are required to perform all or part of the engagement.

## How to deal with fraud and suspicious items

- An internal auditor should use his knowledge and skills to reasonably enable him to identify fraud indicators.
- The internal auditor should assess the controls implemented by management.

# Fieldwork

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## [Sample QAR Checklist for fieldwork](#)

- Assign areas to team members.
- Testing as per sample strategy decided at the time of planning.
- Review sampling strategy for any change.
- Testing and verification of the data and documents
- Discussion of audit issues/findings with auditee
- Fieldwork checkpoint meeting
- Key- is supervisory review done on time and evidenced as per check list.

# Sample test sheet

The objective of test sheet is to ensure that audit evidence from the test work has been documented in a consistent manner.

## Test sheet template

Objective of test sheet:

RCM Reference:  
Risks and Controls

Test Name:

Test Objective:

Client Contact:

Sample Period:

Source of Information:

Sampling Information:

Test Steps/ Results:

Exceptions:

Conclusion:

# Reporting

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- Develop draft audit report
- Closing meeting with the auditee
- Reporting checkpoint meeting
- Management responses on the issues raised
- Validate management response
- Root cause
- Final report discussion and distribution of the report to the management
- Key- is supervisory review done on time and evidenced as per check list.

[Sample QAR Checklist for reporting](#)

# Sample Audit Findings And Dispositions summary

Sr. No.	SUMMARY OF FINDING	DISPOSITION OF ITEM	ITEM NUMBER IN REPORT	REASON NOT REPORTED	WHO DISCUSSED WITH

# QAR COMMON FINDINGS

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## **Framework level**

1. Internal audit charter not in place
2. Audit charter not approved by audit committee
3. Internal audit methodology/policy procedures not in place

## **Planning Memo**

1. There is no mention of Management's Control Self-Assessment.
2. The results of Continuous Monitoring are rarely documented in the Planning Memo or Audit Scope.
3. The Fraud and Investigations section states that the area does not have a high potential for fraud, with no explanation as to why.
4. The documented date of the Manager's review is after the start of Fieldwork.

## **Risk Control Matrix**

1. Risks are not clearly written to include what the exposure is or what could happen.
2. Controls are written as a statement or procedure. They do not clearly define how the control lessens or mitigates the risk.
3. Workpapers do not include evidence in TeamMate that the RAM was reviewed by the Client.



# QAR COMMON FINDINGS

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## **Test Work**

1. The final RAM does not include a summary of the test results.
2. Test documents do not always document the sampling process used. In addition to the sample size, each test should define the population, define the sampling unit and state how the sample was chosen (random, stratified, haphazard or judgmental).
3. The Summary of Findings and Dispositions was not properly completed.
4. The documented review date of the Workpapers is after the issuance of the Audit Report.

## **Reporting**

1. The final status of audit issues (reported or not reported) noted in Audit documentation and the issues reported do not agree.

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# External QA

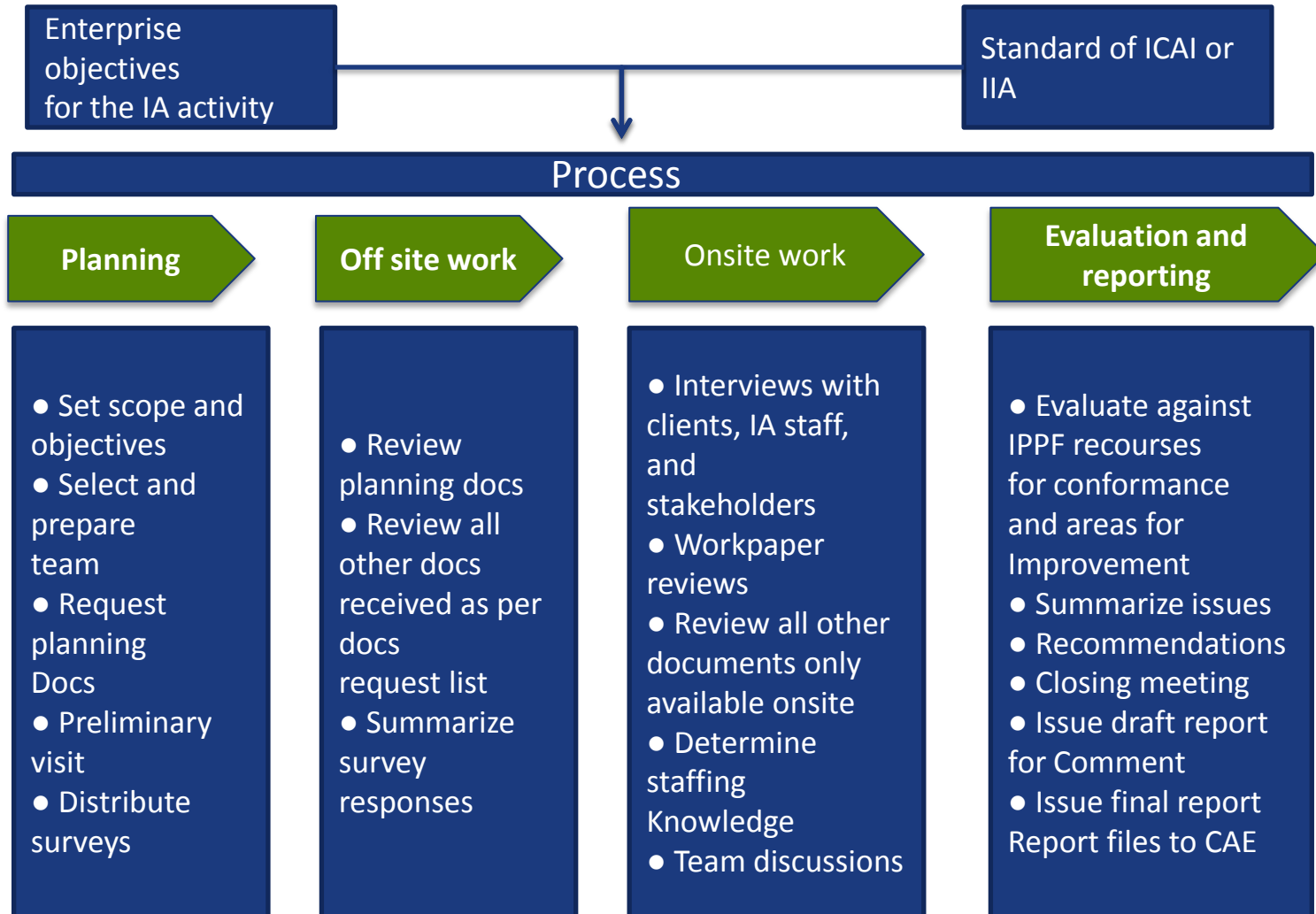
# External Assessment

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Following key elements:

- The process and procedure to support external assessment might also be used for internal assessment.
- The basic scope remains the same however it can be stretched further.
- The entity's control environment and the CAE's audit practice environment.
- The integration of internal audit into the organization's governance process,
- Aligning audit objectives and plans with the objectives of the entity as a whole.
- The Standards (IIA / ICAI) and any other legal requirements laid down for the internal audit activity within the specific organization and/or country.
- Independent Assessor provides more credibility.
- Performed at least once a three years (five years).

# External Assessment – Full



# External- Self Assessment with Independent Validation

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- Internal team to complete self assessment work.
- The same basic work needs to be performed and documented is similar to full assessment.
- Structured in a manner that fully documents and supports planning, field work and reporting activities.
- The independent assessor validates the work of internal team through review of documents, re-performing a sample of assessment work, conducting interviews.
- Assessing the conformance conclusions reported by the internal assessment team.

# External Assessment

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## Qualification of External Assessment Team:

IIA Standard 1312: External Assessments specifies that the full external assessment must be conducted “by a qualified, independent assessor or assessment team from outside the organization.”

1. The full external assessment team should comprise personnel of at least managerial level.
2. The team leader should have experience that is comparable to that of the CAE.
3. The team leader should be a competent, certified internal audit professional.
4. Each team member should have a thorough understanding of current internal audit practices and the IPPF and its application; sound judgment; and good communication and analytical skills.
5. The full external assessment team should possess, or have ready access to, all of the necessary technical expertise (e.g., governance, information technology, risk management, internal audit attributes, management consulting, and internal audit management).
6. Knowledge of the organization’s industry by at least one team member is an important consideration.

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# Conclusion & Reporting

# Conclusion & Reporting

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- Discuss the gaps and recommendations with the CAE
- Contents of the QAR report typically includes:
  - ✓ Executive summary
  - ✓ Process
  - ✓ Benchmarking
  - ✓ Interviews conducted and interview results
  - ✓ Survey results
  - ✓ Compliance status with standards (IIA/ ICAI)
    - ✓ Generally Compliance
    - ✓ Partial Compliance
    - ✓ Non compliance
  - ✓ Suggestions of leading good practice opportunities for consideration by the internal audit team
- Results of the external quality assessment review should be communicated to the senior management and Board/ Audit Committee including the plan of action for implementation of recommendations.



# The added Value of Quality Assessment

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A Quality Assessment should go beyond confirming compliance to the Standards. Key questions include:

- Is Internal Audit focused on the right things?
- Is Internal Audit properly equipped to contribute the appropriate value ?
- Play a key role in the corporate governance and risk management process?
- Does Internal Audit understand stakeholder needs and expectations? And are they meeting them?
- Do Internal Audit practices reflect the successful practices of the profession?
- Does Internal Audit have the right strategies for future success?
- Is Internal Audit viewed as a trusted business risk and control advisor?

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# Sample Checklist

# Ongoing monitoring – Planning Checklists

## Work paper Quality Planning Checklist

This checklist must be completed by the auditor-in charge and signed off by the Manager for each Audit and Follow-up Audit prior to the start of fieldwork.

Step #	Step	Comments (if any)
<b>Planning Memo</b>		
1	Has the Planning Memo been reviewed to verify that all standard sections are completed and are self explanatory.	
1a	Business Overview completed?	
1b	Applications/Systems Overview completed?	
1c	Has the associated auditable entity, its residual risk rating, and the inherent risk(s) relevant to the audit been identified? Have key risks covered in the audit been summarized?	
1d	Have control issues that have been self-identified by business management through prior to or during planning that are within the scope of the audit been documented? Has the status and reasonableness of management's corrective action plans and impact on the Audit Scope been considered and documented?	
1e	Have Fraud Risks identified been discussed and has the audit team concluded on which risks are relevant to the scope of the audit and included them in the planning memo?	
1f	Have prior internal, external, regulatory and assurance audit results that are relevant to the scope of the audit been documented in the Planning Memo, including the impact on the audit?	
1g	Audit Scope completed?	
1g.1	Is audit coverage in relation to key risks, areas of coverage (i.e., functions), and/or areas of special emphasis summarized?	
1g.2	Are the risks identified in the RCM reflected in the Scope?	
1g.3	Is the "as of date" and audit period that controls will be tested clearly defined and included?	
1g.4	Are any scope limitations documented?	
1g.5	If relevant, is the impact of any continuous monitoring results documented?	
1h	Are Data Analytics, if applicable completed and linked to the testing in the RCM?	
1i	Is the time Budget & Staffing completed? Are the hours sufficient for all team members?	
1j	Have the Senior Managers, Managers, and team members been identified?	

# Ongoing monitoring – Planning Checklists

## Flowcharts

2

Have flowcharts and/or narratives that outline the process and controls being audited been completed?

## RCM

3

Are all pertinent key risks associated with the scope of this audit included in the RCM?

4

Do the Key Risks in the RCM answer the "So What" question?

5

Have Control Activities from Standard RCMs been customized to the controls in place?

6

Are existing Control Activities included in the RCM and are they adequately designed to mitigate the risks identified? If not, is an issue included on the Summary of Audit Findings and Dispositions?

7

Are the Control Activities identified in the RCM appropriately worded and do they address the who, what, when, where and how?

8

Do the test steps appropriately test the key attributes of the controls?

9

Are any SOX related controls specifically identified in the RCM ?

# Ongoing monitoring – Planning Checklists

## Engagement Memo

10	Was the Engagement Memo issued to management and business owners before the start of fieldwork?	
10a	Is the start date of the audit included?	
10b	Is the high level audit scope and/or area of focus included?	
10c	Was the Standard Engagement Memo Template used?	
11	Does the high level scope in the engagement memo align with the planning memo scope?	

## Meetings

12	Are internal planning meetings documented in the Planning Checkpoint Meeting template? (i.e., Meeting to discuss Planning Memo, Engagement Memo, Overview Flowchart, RCM)	
13	Are client meetings documented in the Client Opening Meeting template?	

# Ongoing monitoring – Planning Checklists

## II. Senior Manager Planning Checklist

This checklist must be completed and signed off by the Senior Manager for each Audit and Follow-up Audit prior to the start of fieldwork

Step #	Step	Comments (if any)
1	Was an Engagement Memo prepared, reviewed by the Senior Manager and issued to management and business owners before the start of fieldwork?	
2	Has a Planning Memo been prepared and reviewed by the Senior Manager to verify that all standard sections including the following have been completed prior to the start of fieldwork?	
2a	Have prior internal, external, regulatory and assurance audit results that are relevant to the scope of the audit been documented in the Planning Memo, including the impact on the audit?	
2b	Does the Risk Assessment in the Planning Memo link the risks in scope for the audit to the auditable entity?	
2c	Have any changes to the audit scope agreed to in the planning meeting been reflected in the Planning Memo and RCM?	
2d	Does the scope in the Planning Memo align with the Business Plan and the areas outlined in the Engagement Memo?	
3	Is it evidenced in the Planning Checkpoint Meeting Template that the sufficiency of hours in the audit plan was discussed?	
4	Are all pertinent key risks associated with the scope of this audit included in the RCM ?	
5	Are existing Control Activities included in the RCM and are they adequately designed to mitigate the risks identified? If not, is an issue included on the Summary of Audit Findings and Dispositions? Do the test steps test they key attributes of the controls?	
6	Have flowcharts and/or narratives that outline the process and controls being audited been completed and reviewed by a Manager prior to the start of fieldwork?	

# Ongoing monitoring – fieldwork Checklists

## Work paper Quality Fieldwork Checklist

This checklist must be completed by the auditor-in charge and signed off by the Manager for each Audit and Follow-up Audit prior to the report issuance date.

Step #	Step	Comments (if any)
<b>Administrative</b>		
1	Is it documented in the client meeting templates that the RCM was discussed with the client prior to the start of fieldwork?	
<b>RCM</b>		
2	Do the test steps appropriately test the key attributes of the controls?	
3	Were all Test Steps in the RCM completed?	
4	Were the Test Results summarized in the RCM?	
5	Are the RCM, workpapers and exceptions hyperlinked/referenced as needed?	
6	Have Issues Closed But Not verified been included in the testwork to verify?	

# Ongoing monitoring – fieldwork Checklists

Work Papers		
7	Has each control been documented on a standard Lead Sheet?	
8	Does each test performed meet the stated objective on the Lead Sheet?	
9	Does each lead sheet conclude on the adequacy and effectiveness of the controls tested?	
10	Does the test work performed support the test results reported on the Lead Sheet?	
11	Do the work papers contain sufficient documentation and supporting evidence that demonstrates how each key control was tested to support the work performed and conclusions reached? Is the information sufficient to enable an experienced auditor with no previous connection to the engagement to re-perform the work?	
12	If exceptions were identified, is documentation of the exception included and carried forward to the Summary of Audit Findings and Dispositions?	
13	Do documents received from or prepared by the client include the client's name and title as well as the date?	
14	Has each workpaper been reviewed by a Manager and have all coaching notes been addressed?	
15	Does the scope in the Planning Memo agree to the actual test work performed?	
16	Were the Engagement Team Members identified in the Planning Memo consistent with those who actually performed the audit work?	
17	If any changes were made to the risk profile or audit scope during the course of the audit, were they documented in an addendum to the Planning Memo approved by the Senior Manager?	



# Ongoing monitoring – fieldwork Checklists

Sampling		
18	Is the sample period and population defined clearly on the Lead Sheet?	
19	Was the completeness of the population verified and are the steps taken to verify the completeness of the population clearly documented on the Lead Sheet?	
20	Is the source of the information (e.g. what system the report/information came from) documented on the Lead Sheet?	
21	Is the sampling method used and an explanation of how the sample was chosen documented on the Lead Sheet?	
22	Is the sample size selected appropriate based on the population size and frequency of the control as defined in Sampling Policy?	
23	Was any automated auditing utilized for testwork properly documented?	
Meetings		
24	Are internal fieldwork meetings documented in the Fieldwork Checkpoint Meeting template?	
25	Are client fieldwork status meetings documented in the standard approved format?	

# Ongoing monitoring – Reporting Checklists

## Work paper Quality Reporting Checklist

This section of the checklist must be completed by the auditor-in charge and signed off by the Manager for each Audit and Follow-up Audit prior to the report issuance date

Step #	Step	Comments (if any)
<b>Audit Findings</b>		
1	Have all issues/exceptions identified during the audit been documented and carried forward to the Summary of Audit Findings and Dispositions Report (SAFD)?	
2	Are all of the audit issues (reportable and non-reportable) supported by the audit test steps and test work documentation?	
3	Were explanations of dispositions if any appropriate? Are the appropriate remaining issues included in the Audit Report?	
4	Was the Summary of Audit Findings and Dispositions Report Workpaper reviewed by the Manager?	
5	If management has accepted the risk of any of the findings, has it been documented ?	
<b>Reporting</b>		
6	Does the scope in the Audit Report align with the Business Plan and the areas outlined in the Engagement Memo and agree to the actual test work performed?	
7	Were issues self-identified by management appropriately included in the Audit Report ?	

# Ongoing monitoring – Reporting Checklists

8	Are all reported issues rated appropriately Reporting Policy?	
9	Do all reported issues have an action plan, issue owner and target date in the Audit Report?	
10	Has the reasonableness of the management action plans and the respective target completion dates of the findings been assessed?	
11	If issues are SOX related, communicated to the appropriate SOX Coordinators?	
<b>Workpaper Finalization</b>		
12	Are all workpapers complete, signed off and reviewed?	
<b>Meetings</b>		
13	Is the reporting checkpoint meeting documented in the Reporting Checkpoint Meeting template?	
14	Is the Client Closing Meeting documented in the standard approved format?	

# Ongoing monitoring – Reporting Checklists

Administrative		
15	Has the Business Plan been updated with the audit end date after the issuance of the report?	

## II. Senior Manager Reporting Checklist

This section of the checklist must be completed and signed off by the Senior Manager for each Audit and Follow-up Audit prior to the report issuance date

Step #	Step	Comments (if any)
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### Reporting

1	Was the Summary of Audit Findings and Dispositions Report Workpaper reviewed by the Senior Manager to help ensure that all issues identified during the audit have been included in the Audit Report or appropriately disposed of on the SAFD?	
2	Has the draft copy of audit reports graded NI or Unsat been shared with the appropriate level of Internal audit and Client Senior Management before final issuance as evidenced in the reporting checkpoint and client closing meeting templates?	
3	Do all reported issues have a reasonable action plan, issue owner and target date in the Audit Report ?	

### Workpaper Finalization

4	Are all workpapers complete, signed off and reviewed?	
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### Administrative

This section of the checklist must be completed and signed off by the Senior Manager for each Audit and Follow-up Audit prior to the audit end date

5	Did the results of the audit highlight significant changes to the Auditable Entity Risk Assessment and if so, has the Business Plan been updated and an addendum to the Planning Memo been created?	
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# Sample Peer review Checklist

## AUDIT WORKPAPER PEER REVIEW CHECKLIST

Audit Name		Audit Report # and Date	
Audit Director		Audit Manager	

PEER REVIEW DATE:

Peer Review Team Member	
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### I PLANNING

		YES	NO	COMMENTS
1	Was the Audit Planning Date entered in the Business Plan Application?			
2	Is the Audit Opening meeting documented?			

	ENGAGEMENT MEMO	YES	NO	COMMENTS
3	Was the Engagement Memo issued to management and business owners before the start of on-site planning and fieldwork?			
4	Is the start date of the audit included?			
5	Is the audit scope or area of focus included?			
6	Is the audit process explained?			
7	Are the Audit Manager, IT Manager, audit and IT team members identified?			

# Sample Peer review Checklist



<b>PLANNING MEMO</b>		<b>YES</b>	<b>NO</b>	<b>COMMENTS</b>
The format and content of Planning Memos vary depending on the type of audit. If a section is "Not Applicable" or "As Applicable" mark the answer as NO and indicate the audit type in the comment section.				
8	Review the Planning Memo to verify that all standard sections are completed and are self explanatory. For instance, if a section is "N/A" an explanation is required to explain the rationale as to why it is not applicable.			
9	Business Overview completed?			
10	Systems Overview completed?			
11	If applicable, does the Systems Overview explain the reason why no audit coverage will be included in the audit?			
12	Risk Assessment completed?			
14	Frauds & Investigation completed?			
15	Litigation completed?			
16	Prior Audit Results completed?			
17	Have prior audit issues been documented and followed-up?			
18	Does the prior audit report indicate that management has accepted reported risks?			

# Sample Peer review Checklist



	PLANNING MEMO Cont.	YES	NO	COMMENTS
19	Is the acceptance documented in the Planning Memo?			
20	Audit Scope completed?			
21	Have Continuous Monitoring results been considered in the scope?			
22	Are the risks identified in the previous sections reflected in the Scope?			
23	Data Analytics completed?			
24	Time Budget & Staffing completed?			
25	Is there evidence in TeamMate that the Planning Memo was reviewed and approved by the Audit Manager prior to the start of fieldwork?			
26	Does the scope in the Planning Memo agree to the actual test work performed?			
27	Were significant changes to the risk profile or audit scope documented in a Planning Memo Addendum?			
28	Does the scope in the Business Plan, Engagement Memo and Planning Memo Agree?			

	OVERVIEW FLOWCHART	YES	NO	COMMENTS
29	Has an Overview Flowchart that outlines the process being audited been completed?			
30	Is there evidence in TeamMate that the Overview Flowchart was reviewed by the Audit Manager prior to the start of fieldwork?			



# Sample Peer review checklist

	RAM	YES	NO	COMMENTS
31	Are the Key Risks related to the functions being audited identified in the RAM?			
32	Does the Risk answer the "So What" question?			
33	Are existing Control Activities included in the RAM?			
34	Does the Control explain what is happening now to "Lessen or Mitigate" the stated Risk?			
35	Are all sections in the Properties tab completed?			
36	Do the Test Steps test the stated control?			
37	Have all Test Steps in the RAM been completed?			
38	Have the Test Results been summarized in the RAM?			
39	Is there evidence in TeamMate that the RAM was reviewed by the Audit Manager prior to the start of fieldwork?			
40	Is there evidence in TeamMate that the Client RAM been discussed with the client prior to the start of fieldwork?			



# Sample Peer review checklist

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	<b>SOX</b>	<b>YES</b>	<b>NO</b>	<b>COMMENTS</b>
41	Have SOX requirements been considered in the scope?			
42	Is SOX testing specifically detailed in the Planning Memo?			
43	Is SOX related testing specifically identified in the RAM and audit test work?			
44	Were SOX testing guidelines followed?			
45	Is SOX testing specifically detailed in the Audit Scope and Detailed Audit Findings sections of the audit report?			
46	Are the SOX flags in the Business Plan Application and report issuance system checked?			

## **II FIELDWORK**

		<b>YES</b>	<b>NO</b>	<b>COMMENTS</b>
47	Was the Fieldwork Start Date entered in the Business Plan Application?			

	<b>SAMPLING</b>	<b>YES</b>	<b>NO</b>	<b>COMMENTS</b>
48	Has the population size been defined?			
49	Have the sampling unit and date range been defined?			
50	Has the sample size been identified?			

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# Sample Peer review checklist

	<b>SAMPLING Cont.</b>	<b>YES</b>	<b>NO</b>	<b>COMMENTS</b>
51	Has the sampling selection method been identified?			
52	Was automated auditing utilized?			

	<b>TEST WORK</b>	<b>YES</b>	<b>NO</b>	<b>COMMENTS</b>
53	Does the test work performed support the test results reported?			
54	Are the RAM, workpapers and exceptions hyperlinked as needed?			
55	Are tickmarks used explained in a legend?			
56	Do the workpapers contain a sample of documentation supporting key controls tested?			
57	Are findings supported in TeamMate with a representative sample of evidence?			
58	Do documents received from or prepared by the client include the client's name and title as well as the date?			
59	Is there evidence that client spreadsheets, reports or files used in testing were reviewed for completeness and accuracy?			
60	Is there evidence in TeamMate that the workpapers prepared by a Senior were reviewed by the Audit Manager or Peer prior to the issuance of the audit report?			

# Sample Peer review checklist



	FINDINGS	YES	NO	COMMENTS
61	Do all audit findings correlate to the audit test steps and test work documentation?			
62	Are all findings hyperlinked to supporting test work?			
63	Is there evidence that all findings were reported to Management or cleared?			
64	Are non-reported findings included and explained in Audit documentation?			
65	If management has accepted the risk in the findings, has it been documented in system?			
66	Has the Summary of Findings and Dispositions been completed?			

## III REPORTING

	AUDIT REPORT	YES	NO	COMMENTS
67	Are all issues in the Audit Report supported by fieldwork and findings in system?			
68	Were issues self-identified by the client included in the Audit Report if they were deemed to be "significant" or "reportable"?			

# Sample Peer review checklist

I		AUDIT REPORT Cont.	YES	NO	COMMENTS
69	Does the scope in the Audit Report agree to the scope documented in the Planning Memo?				
70	Have the Risk Type, Issue Category and appropriate flags been updated in RITA for each issue included in the audit report?				
71	Do all reported issues have an action plan, issue owner and target date in the Audit Report?				
72	Is there a copy of the final Audit Report in documentation folder/system?				
73	Is there evidence in Audit documentation folder/ system that the Audit Manager reviewed all issues and issues disposition prior to the issuance of the Audit Report?				
74	Is the Audit Closing meeting documented?				

## IV WRAP-UP

		YES	NO	COMMENTS
75	Was the Audit End Date entered in the Business Plan Application?			
76	Are all workpapers complete, signed off and reviewed?			
77	Has the RAM been promoted into back up Storage?			

# Sample Peer review checklist

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	<b>WRAP-UP Cont.</b>	<b>YES</b>	<b>NO</b>	<b>COMMENTS</b>
78	Have all replicas been merged?			
79	Have all conflicts been resolved?			
80	Is the Kaizen Memo completed and included in the PA2 Administration & Meetings folder?			

# Q & A

Thank You!