**PEM PAL IA COP AiP Working Group**



**for Planning the Audit Engagement**

**GUIDANCE**

**Summary**

Acknowledgements

[1. Introduction 2](#_Toc520802976)

[1.1. General introduction 3](#_Toc520802977)

[1.2. Planning purpose 3](#_Toc520802978)

[2. Sequencing and the elements of the engagement planning 3](#_Toc520802979)

[2.1. Engagement planning sequencing 3](#_Toc520802980)

[2.2. Elements of engagement planning 4](#_Toc520802981)

[2.2.1. Preliminary survey 5](#_Toc520802982)

[2.2.2. Objective setting 5](#_Toc520802983)

[2.2.3. Defining audit scope 5](#_Toc520802984)

[2.2.4. Resource deployment 6](#_Toc520802985)

[2.2.5. Audit programme 7](#_Toc520802986)

[3. Supplementary guidance 7](#_Toc520802987)

[3.1. Assignment letter 7](#_Toc520802988)

[3.2. Opening Meeting 7](#_Toc520802989)

[3.2.1. Planning the agenda and roles of participants 8](#_Toc520802990)

[3.3. Kick-off Meeting 10](#_Toc520802991)

[3.4. Performing interviews 10](#_Toc520802992)

[3.4.1. Preparing the interview 11](#_Toc520802993)

[3.4.2. Formulating questions 11](#_Toc520802994)

[3.4.3. Drafting interview guide 12](#_Toc520802995)

[3.4.4. Organizing and conducting the interview 12](#_Toc520802996)

[3.4.5. Documenting the results 13](#_Toc520802997)

[3.5. Information gathering 13](#_Toc520802998)

[3.6. Documenting the work 13](#_Toc520802999)

[3.7. Audit resources 14](#_Toc520803000)

**Acknowledgements**

This guide was the combined effort of a number of individuals and members of the Audit in Practice Working Group of the Internal Audit Community of Practice (IACOP) who shared their time and expertise to make it a reality.

Specially, IA CoP would like to recognise the following key contributors: Mioara Diaconescu, head of CHU for IA, Romania, Dragosh Nicuale, head of evaluation unit, CHU for IA, Romania, Amela Muftici, Bosnia and Herzegovina, Jean - Pierre Garrite, expert, Manfred van Kestern and Ruslana Rudnitska, Dutch Academy for finance and economics, …….(to be added)

## Introduction

These Guidelines intend to present in detail, with practical examples, the planning activity at the audit engagement level. The following IIA Standards (2200 series) and related Implementation Guidance were considered for the purpose of these Guidelines:

* IIA Standard 2200 – Engagement Planning;
* IIA Standard 2201 – Planning Considerations;
* IIA Standard 2210 – Engagement Objectives;
* IIA Standard 2220 – Engagement Scope;
* IIA Standard 2230 – Engagement Resource Allocation;
* IIA Standard 2240 – Engagement Work Programme.

Nevertheless, the auditors must be aware that there are additional IIA Standards and related Implementation Guidance providing supplementary information on different elements of the planning phase:

* For IIA Standard 2200 – Engagement Planning, additional guidance may be found in:
  + IIA Standard 2030 – Resource Management = How to determine the necessary resources for the audit engagement;
  + IIA Standard 2440 – Disseminating Results = How to communicate the audit engagement results;
* For IIA Standard 2210 – Engagement Objectives, additional guidance may be found in:
  + IIA Standard 2300 – Performing the Engagement = How to achieve the engagement objectives;
* For IIA Standard 2220 – Engagement Scope, additional guidance may be found in:
  + IIA Standard 2050 – Coordination and Reliance = How to rely on others work;
* For IIA Standard 2230 – Engagement Resource Allocation, additional guidance may be found in:
  + IIA Standard 1210 – Proficiency = How to obtain knowledges, skills, and other competencies to perform internal audit responsibilities.
* **IIA Standard 2200 – Engagement Planning;**
* **IIA Standard 2201 – Planning Considerations;**
* **IIA Standard 2210 – Engagement Objectives;**
* **IIA Standard 2220 – Engagement Scope;**
* **IIA Standard 2230 – Engagement Resource Allocation;**
* **IIA Standard 2240 – Engagement Work Programme**

|  |  |
| --- | --- |
| **IIA Standards series** | **Title** |
| 1000 | Purpose, Authority, and Responsibility |
| 1100 | Independence and Objectivity |
| 1200 | Proficiency and Due Professional Care |
| 1300 | Quality Assurance and Improvement Program |
| 2000 | Managing the Internal Audit Activity |
| 2100 | Nature of Work |
| 2200 | Engagement Planning |
| 2300 | Performing the Engagement |
| 2400 | Communicating Results |
| 2500 | Monitoring Progress |
| 2600 | Communicating the Acceptance of Risks |

## 1.1. General introduction

1. Engagement planning process has to address the main phases of an audit engagement: planning, fieldwork and reporting. Follow-up is not addressed in these Guidelines, even if this process is often seen as a forth stage of an audit engagement.
2. The Audit Programme is a document produced during the engagement planning process. The Audit Programme provides detailed information about fieldwork phase of the engagement.
3. The main elements in the planning process are the same whether the internal auditor is undertaking an assurance or consulting mission. The assurance missions will naturally focus in greater depth on the evaluations of internal controls in relation to known operational risks but these must also be considered during consulting assignments.
4. Planning internal audit engagements involves considering the strategies and objectives of the area or process under review, prioritizing the risks relevant to the engagement, determining the engagement objectives and scope, and documenting the approach. ​
5. Although these are shown as sequential, work required for preliminary planning may continue up to and beyond the kick-off meeting. However, the issue of a formal assignment letter is required before the opening meeting is held.
6. Internal audit missions may be undertaken by internal audit units located within the budget entity or a shared internal audit service. Where this results in a difference in approach and responsibilities for key actions these are shown. Otherwise the respective guidance applies equally to all internal audit work.

## 1.2. Planning purpose

1. Engagement planning is critical to effective internal auditing. The ultimate purpose of the planning activities is to set up the objectives and the scope of the audit engagement. These should be communicated to the auditee for the documentation preparation. An additional result is that a good planning stage will allow auditors to further plan the fieldwork.
2. Planning will help in the management of the audit team by providing instruments for time tracking that will improve the planning stage for the incoming audit engagements. Appropriate and sufficient deployment of the audit resources will be enabled as a result of this phase of an audit engagement.

# **2. Sequencing and the elements of the engagement planning**

1. It’s important for internal auditors to understand the engagement planning process used by the organization’s internal audit activity, which is often described in the internal audit policies and procedures manual. The sequencing and the content of engagement planning is equally important as the correct timing and the right information may be utmost importance for a successful audit engagement.

## 2.1. Engagement planning sequencing

1. The sequencing is about position of the engagement planning activities within an audit engagement process. The audit engagement has 4 phases: start and planning, fieldwork, reporting and follow-up of recommendations. The engagement planning is part of the first phase and its exact position within an audit engagement sequencing is presented below.

**PHASE 1 – Start and Planning**

* Assignment letter
* Notification letter
* Opening meeting
* Planning (including internal control evaluation, risk analysis, setting up the objectives and scope, etc.)

**PHASE 2 – Fieldwork**

* Scope and Objectives Memo
* Kick-off meeting
* Fieldwork
* Wrap-up meeting

**PHASE 3 - Reporting**

* Draft audit report
* Contradictory procedure
* Final audit report

**PHASE 4 – Follow-up**

* Regular follow-up of recommendations

## 2.2. Elements of engagement planning

1. The engagement planning elements represent the main categories of information the auditors should obtain for a proper planning of the engagement. The series 2200 of IIA Standards and the related Implementation Guidance provide details on how the information may be collected and used.
2. The elements of the engagement planning are:
   1. Preliminary Survey
   2. Objective Setting
   3. Defining Audit Scope
   4. Resource Deployment
   5. Issuing the Audit Programme
3. Each of the elements has its own contribution to a successful planning phase, if performed in an effective manner. Quality and availability of information, together with a reliable and most appropriate source are critical for a successful planning phase.
4. Based on the information collected throughout the elements of the engagement planning, the *“Engagement Planning Memorandum”* (EPM) is issued. The standard format for this document is presented in annex 1.
5. As there is a lot of information to be collected and interpreted in the planning stage, there is a risk that internal auditors might unnecessarily omit some elements or information. In order to avoid this, the *“Planning Roadmap”* may be used (annex 2). Besides the inventory of the performed activities, this document will emphasize the contribution of each element for EPM issuance.
6. EPM may be complemented by *„Engagement Programme”* (annex 3) which is a document listing all the activities within the audit engagement, the staff responsible and the time budget allocated and executed for each of them. This instrument will allow auditors to track the actual time spent performing the engagement against the budgeted time. The causes for, and effects of, significant overrun may be documented as a lesson learned for future planning purposes.

### 2.2.1. Preliminary survey

1. IIA Standards 2200 – “Engagement Planning” and 2201 – “Planning Considerations” state that Internal auditors must plan engagements carefully in order to effectively accomplish the goals and objectives set forth in the annual internal audit plan and to adhere to the organization’s established policies and procedures for the internal audit activity.
2. During preliminary survey, the auditors will perform interviews with key staff of the auditee and will analyze a list of documents useful for getting familiar with the auditee vision, mission, objectives and expectations. A non-exhaustive list of documents might include: own internal audit plan (reasoning for the mission to be included in), risk management documentation, strategies, previous audit reports, organizational structure, tasks allocation among management and functional staff, internal reports and reporting system, applicable laws and regulations, internal procedures, budgets, planning documentation, etc.
3. Potential findings may arise in this stage. Internal auditors should document any gaps identified (especially for proving conformance with laws and regulations). The opportunities for making important improvements for the auditee activity or risk management and governance process should be documented as well.
4. The preliminary survey will contribute to the chapter 1-5 of the EPM. The information obtained will be further used for the rest of the elements of the engagement planning, as the preliminary survey is the base of the whole planning process within the internal audit engagement.

### 2.2.2. Objective setting

1. Objective setting is a normal sequel of Preliminary survey. IIA Standard 2210 – “Engagement Objectives” states that internal auditors must establish objectives as a part of planning for each engagement. Usually, the auditors define the engagement objectives based on management goals and expectations. To access this information the auditors will use the data collected during preliminary survey and will complement this, if case, with interviews with senior management and stakeholders. Following this, preliminary objectives will be defined.
2. As internal audit is a risk-based activity, another criterion used to refine the preliminary objectives, already defined, is risk analysis. This will show the key risks that have been identified related to the area or process under review. In this context, the risk analysis becomes critical important. Thus, there are several inputs for risk identification during the preliminary survey: own risk assessment, auditee risk assessment, risk management system, etc. The conclusion of this analysis will be considered when setting-up the objective(s).
3. The objective setting will contribute to the chapter 5 of the EPM. The information obtained will be further used for the rest of the elements of the engagement planning, as the objective setting is the base for defining audit scope, resource allocation and audit programme.

### 2.2.3. Defining audit scope

1. IIA Standard 2220 – “Engagement Scope” states that internal auditors are tasked with establishing an engagement scope that is sufficient to achieve the engagement objectives. Because an engagement generally cannot cover everything, internal auditors must determine what will and will not be included in the audit scope. Therefore, the audit scope is determined as a sequel of the objective setting.
2. When defining the audit scope, the internal auditors should review all the planning work done so far: preliminary survey and objective setting. This allows them to achieve a thorough understanding of how best to link audit scope to the objectives. It is important for internal auditors to carefully consider the boundaries of the engagement, as the scope must cover enough breadth to achieve the engagement objectives.
3. Internal auditors generally consider and document any scope limitations, as well as any requests from the client or stakeholders for items to be included or excluded from the scope. If internal auditors encounter scope limitations, these must be reported in the final engagement communication. Internal auditors may place reliance on work performed by others and it may be useful to document such reliance in the audit scope.
4. The results will be documented in a “*Scope and Objective Memorandum”* (annex 4) that will be communicated to auditee for further preparation of the engagement. The objective setting will contribute to the chapter 5 of the EPM and the results will be used to further plan the fieldwork, including testing phase. Additionally, the audit scope will help auditors to identify the necessary resources to be allocated to the audit team: number of staff, knowledges, skills, availability, time budget, technology, etc.

### 2.2.4. Resource deployment

1. IIA Standard 2230 – “Engagement Resources” states that internal auditors must determine appropriate and sufficient resources to achieve engagement objectives. Appropriate refers to the mix of knowledge, skills, and other competencies needed to perform the engagement. Sufficient refers to the quantity of resources needed to accomplish the engagement with due professional care. It is critical that internal auditors assigned to an engagement possess the necessary knowledge, skills, experience, and additional competencies to perform the engagement competently and thoroughly.
2. The base for resource deployment is reviewing the work done so far under engagement planning, meaning: preliminary survey, objective setting and defining the audit scope. It is important for internal auditors to inventory not only staff resources, but also available technology that may be helpful or necessary to perform a quality engagement. They may also consider whether additional outside resources or technology are necessary to complete the engagement.
3. If the internal audit activity does not have appropriate and sufficient resources on staff, the chief audit executive (CAE) is expected to obtain competent advice or assistance to fill any gaps.
4. In determining resource needs heads of internal must determine both the number and the level experience required for team members taking into account the experience of the team leader. Not all team members need to have the same level of experience, skills and competence, but the team as a whole must be capable of meeting the objectives of the audit.
5. Nominate a Team Leader for the audit. The team leader should have the necessary authority, management ability and skills and the legitimacy regarding the performance of the audit mission (certification, knowledge of the audited domain etc.). Consider using of external resources when additional knowledge, skills and other competencies are needed.
6. The results of resource deployment will be documented in *“Audit Programme”* (AP) (annex 5) and will contribute to the chapter 7 of the EPM.

### 2.2.5. Audit programme

1. IIA Standard 2240 – “Engagement Work Programme” states that when developing the work program, internal auditors must consider the nature, extent, and timing of the audit tests required to achieve the engagement objectives. Each engagement procedure in the work program should be designed to test a particular control that addresses risk.
2. The result of application of this standard is the Audit Programme, which represents the final part of the engagement planning, providing the link between the planning phase and the fieldwork phase of the engagement. The *„Audit Programme”* is a document within EPM describing the detailed information about fieldwork. The format of the document may vary by engagement or organization. Commonly used formats include standard templates or checklists to document completion of planning steps, memoranda that summarize tasks to be completed and additional information in the risk and control matrix. Well documented work programs assist in communicating roles, responsibilities and tasks to the members of the engagement team.
3. The Audit Programme is based on the engagement objectives and scope settled in EPM. It typically includes resource deployment plans and describes the techniques or methodologies that will be used to conduct the engagement (e.g., sampling techniques). The results will be documented in *“Audit Programme”* (AP) (annex 5) and will contribute to the chapter 7 of the EPM. Audit Programme must be approved by internal audit management before the commencement of audit fieldwork. However, with new information and knowledge gained during fieldwork, the audit program may be adjusted, subject to prompt approval by internal audit management.
4. For engagement management purposes, the auditors may use an *“Executed Audit Programme”* (annex 5a) that will facilitate an overall opinion on the internal controls. This document contains most of the information for fieldwork (except resource deployment). Additionally, the results of the fieldwork are included here and an overall opinion is delivered.

# **3. Supplementary guidance**

1. Under this section, it will be shortly presented the provisions of other IIA Standards related to the information mentioned in the previous chapters above. Other best practices were considered, as well.

## 3.1. Assignment letter

1. An assignment letter must be issued for all internal audit missions. This letter provides the formal authority to conduct the audit and should:

* State the scope of the audit in terms of its title;
* Indicate the location where the audit is to be carried out;
* Provide the names and structure of the audit team and a nominated team leader for the audit;
* Provide the reporting lines for the audit including whom the audit team should report to on professional and technical issues;
* Provide the timeframe of the audit engagement.

## 3.2. Opening Meeting

1. The purpose of opening meeting is to start the audit and to briefly present the details of the engagement, such as: the audit plan where de mission is included, the audit team members and their roles, the time framework for the engagement, etc.
2. During the opening meeting certain administrative issues should be discussed. Firstly, these will include one room to be available for the audit team during the fieldwork (phone and internet access provided). This is very important, once the internal auditors need privacy for effective interviews. On the other hand, during the fieldwork, the audit team members will discuss each other about different issues under verification. Secondly, a contact person within the auditee should be established for engagement purposes only. This is necessary as different issues that may arise during the engagement.
3. A list of preliminary documents may be requested at the opening meeting. Their role is to facilitate the inception of preliminary survey within the engagement planning phase.
4. The auditors will present the next steps within the audit engagement and will provisionally set up the kick-off meeting where they will present the audit objective(s), the audit scope, and the actual timing for the fieldwork.

### 3.2.1. Planning the agenda and roles of participants

1. A successful opening meeting requires preparation and planning. The key preparation for the meeting is to identify the issues that are to be discussed and then formalized in the opening statement issued following the meeting. Auditors are therefore advised to prepare an agenda and/or speaking note that represents a full draft of the opening statement. There should also be a formal invitation to avoid confusion on the purpose and timing of the meeting. As the issues are the same as those to be included in the opening statement these are considered further below.
2. Prior to the Opening Meeting the auditors will set and announce the auditees (usually the Head of organizational unit considered as the “owner” of the audited area) about the meeting and inform them very briefly about the purpose of the meeting.
3. Firstly, the audit team which will perform the meeting should determine:

* The leader of the meeting – the person starting the meeting, giving sequence and tempo.
* The second person who will discuss technical details – can be the team leader of the audit or an auditor

1. It is important that these two roles are performed by two different people. Normally, the Team Leader of the audit will be the leader of the meeting and one of the audit team member will assume the role of the second person. If, for example, the Head of Internal Audit Unit is present at the Opening Meeting he/she takes the role of the leader of the meeting and the Team Leader of the audit will assumes the role of the second person.
2. In general, the leader of the meeting could plan the agenda as follows:

* To thank to auditees for their presence and time;
* To present the purpose of the meeting;
* To present the title of the audit;
* To present the audit team;
* To ask for a contact person and an office for the audit team.

1. The other person will then give technical presentation how the audit will be performed, if case. Usually this information is to be presented during kick-off meeting.
2. It is important to emphasize that general principle is that auditees cannot alter the audit title during the Opening Meeting. It should be given by the auditors
3. Preparation of Opening Statement and performance of Opening Meeting are presented in the flowchart below.



## 3.3. Kick-off Meeting

1. The purpose of kick-off meeting is to start the audit fieldwork and to explain how the audit team intends to perform the audit and to agree the key interviewees and scheduling of the audit. The scheduling should be always performed in agreement with the Team Leader of the audit, as he is responsible for completion of the audit within the given deadline. The main information when discussing the scheduling is “who are key persons for audited areas?”. Then the answer to question “When” will be given by the auditor and agreed with the auditee.
2. Other purpose of the kick-off meeting is to explain the boundaries of the work to be undertaken during the audit. This is to avoid disagreements at the end of the audit as to what was included or excluded.
3. During the kick-off meeting, the “*Scope and Objective Memorandum”* will be communicated to the auditees. The Audit Programme is another document that contains information to be discussed during this meeting.
4. The kick-off statement must include the following:

* Audit objectives and scope;
* Main risks identified
* Main activities of the audit and audit methods to be used.
* Target dates for the draft and final report.

## 3.4. Performing interviews[[1]](#footnote-1)

1. The interview is an audit technique used by auditors to gather data during different audit engagement phases. During the planning phase, the interview is used by auditors to get information that will orient them to an effective planning activity. The object of the interview is to identify possible issues or to find out new sources of information.
2. Usually, the information collected during the interview will finally be confirmed with the interviewee, as long as only valid information should be considered for planning purposes. The aim of the interview in the planning phase of the mission is also to understand the audited activity in order to identify possible audit issues
3. There are two main categories of interview techniques:
   1. Structured interview – this is an interview where a certain number of pre-defined questions were already drafted. The interview is held around these questions and there is low flexibility to approach themes that were not included in the list. The structured interview can help in comparing the results of different interviewees.
   2. Unstructured interviews – here, the auditor has an indicative list of questions to follow, but he/she has maximum flexibility to approach different themes of interest that were not previously included in the list. The unstructured approach works fine during the planning phase of the engagement, where auditor should have maximum flexibility to explore different themes of interest that have not been considered so far.
4. In practice, most interviews contain a mixture of the two interview types. For example, the interviewer can allow for the interviewee to steer the dialogue, following the flow of the conversation, and use the questions/themes as a checklist to make sure all topics are covered. This is generally called a semi-structured interview.

### 3.4.1. Preparing the interview

1. Preparing the interview will start from the purpose of the interview and from the information to be obtained or confirmed. First of all, all the basic facts necessary in the planning phase have to be identified and gathered. Then other relevant information related to the purpose on interview. This might include opinions on the subject gathered from different sources with different views.
2. The auditor should examine the existing information about the area of interest for interview. Being updated will make the interview more effective.
3. Before drafting the list of questions, the auditor should identify who to interview. Sometimes the person is obvious, but in some cases the auditor should identify the most appropriate person to discuss with. This implies a selection that will be made by auditor during preparation phase of the interview, using criteria to be sure that relevant areas of interest will be covered.
4. Once the interviewee is selected, the internal auditor should find out information about the person and about his/her work. This will facilitate communication during the interview.

### 3.4.2. Formulating questions

1. Drafting questions implies minimum knowledge about their typology. There are open questions, closed questions and “other styles” questions.
2. **Open questions** allow the interviewees to express themselves in their own words, producing qualitative information for auditing purposes. Keywords: “Why?”, “How?”, “What do you think of…?”. This type of questions works fine with unstructured interviews.
3. The objective of **closed questions** is to obtain precise and limited answer form the interviewee. The answers to these questions will often be more restricted, like a simple “Yes” or “No”, or they can take the form of short facts or a choice of defined alternatives. Keywords: “When?”, “Where?”, “How many?” and “What?”. Closed questions limit the expression of the interviewee, and sometimes induce the answer. But they are often suitable for more structured interviews where one seeks to confirm and corroborate facts.
4. **Other style** questions are related to establishing the chronology of events or their timeframe. When quality of work is examined, the auditor is looking for the opinion of interviewee and the questions are accordingly defined.

|  |  |
| --- | --- |
| **Style of question** | **Example** |
| Knowledge-based question | *- When was the grant awarded?* |
| Time-frame-based question | *- How were these grants awarded last year?* |
| Opinion-based question | *- Do you think the grant scheme is fair?* |
| Feeling-based question | *- Do you feel comfortable about the administrative arrangements for the grant scheme?* |
| Sensory-based question | *- What do you see when you visit the sites where grant money is used?* |
| Experience-based question | *- How long have you been awarding grants?*  *- What is your background?* |
| Behavior-based questions | *- Do the grant recipients treat the attached conditions seriously?* |

### 3.4.3. Drafting interview guide

1. All the questions or area of interest that the auditor intends to approach during the interview should be organized in an interview guide. This is actually a list of questions, a questionnaire where the questions are structured upon the auditor interest. A more structured interview demands the drawing up of a detailed interview guide, while a more unstructured interview entails a sort of checklist of essential topics/questions to cover in conversations with key informants.
2. For an interview in the planning phase, the guide should normally contain elements for both confirmation and orientation. The decision as to whether it should be divided into two such sections, or divided in another way, based on different subjects, is up to the interviewer.

### 3.4.4. Organizing and conducting the interview

1. It is also important to organize the interview properly both in terms of the teamwork between the interviewers and in terms of practical arrangements. The size of the team can vary, but teams of two persons are frequently used. Single interviewing should be avoided as well as a team of too many people, which can be intimidating for the interviewee.
2. It is also necessary to discuss the interaction between the interviewers and the division of tasks. As a rule, it can be useful that one of the team gives attention to the interviewee, asking the questions, while another person focus on taking notes, keeping an eye on the interview guide to make sure all major topics are covered, and where necessary contribute with follow-up questions.
3. It is important to notify the interviewees in good time and give a brief overview of the topics that will be covered in the interview and give an estimation of time needed for the interview. It can often be constructive to send the questions in advance, so they have time to prepare for the interview.
4. For the interview to be successful, it is important to make an effort to establish and maintain a good climate for communication. Cooperation and a positive attitude from the auditee significantly increase the prospect of getting the required information in the interview.
5. Always open the interview session by thanking the interviewee for the reception and introduce each team member and their responsibilities. Take the opportunity at this stage to exchange business cards with the interviewee. Knowing and using names correctly will facilitate communication. Also guarantee confidential treatment of the answers where necessary or possible, or else explain how the data will be used.
6. During the interview there can be a change of leader with one of the other team members present taking on the role. Good team work and communication within the interview team are also fundamental for keeping control and ensuring the best possible result. Before as well as during the interview, all team members should know their task and responsibilities.
7. The one who is responsible for taking notes must give notice to the team member if he/she needs extra time to note down the minutes. The interview leader may also need support to ensure that all questions are covered.
8. Before closing the interview, it is recommended to check that all questions have been answered. The interviewer may sometimes find it useful to return to the main questions to get confirmation of the answers given. It is good practice to round off the interview with a short summary of the main conclusions from the interview.

### 3.4.5. Documenting the results

1. Initially, the interviewer should note down who participated in the interview (interviewers, interviewees), location, date and time of the interview. The interviewees contact details could also be useful to note, in case there is a need to get back to the interviewee to clarify specific points from the interview.
2. It is also wise to note down, on a separate list, documents or other evidence that the interviewee, during the session, agrees to supply at a later stage. The auditor should carefully note down key words and important facts and avoid being stressed. The interviewee should understand the importance of this.
3. When the minute of the interview is issued, the auditor should send it to interviewee for comments. Having the possibility to correct and approve the minutes afterwards may also make the interviewee feel less restrained during the interview.

## 3.5. Information gathering

1. IIA Standard 2310 - Identifying Information defines the criteria of the information that must be identified by the auditor. *“Internal auditors must identify sufficient, reliable, relevant, and useful information to achieve the engagement’s objectives. Sufficient information is factual, adequate, and convincing so that a prudent, informed person would reach the same conclusions as the auditor. Reliable information is the best attainable information through the use of appropriate engagement techniques. Relevant information supports engagement observations and recommendations and is consistent with the objectives for the engagement. Useful information helps the organization meet its goals.”*
2. The sufficiency and reliability of information increase when the information is current, corroborated, and/or obtained directly by an internal auditor (e.g., observing a process or reviewing documentation) or from an independent third party.
3. Perhaps one of the most important characteristics of sufficient and reliable information is that it should be gathered and documented such that a prudent, informed person (e.g., an internal audit supervisor or external assessor) would be able to repeat the steps and tests described in the workpapers, achieve the same results, and logically reach the same conclusions as the original internal auditors who performed the work.
4. Therefore, it is important that the chief audit executive (CAE) establishes a system of documentation, including preferred terminology and standardized notations (e.g., symbols and tick marks), and that internal auditors use this system consistently.

## 3.6. Documenting the work

1. IIA Standard 2330 - Documenting Information provides that engagement workpapers are used to document the information generated throughout the engagement process, including planning. Workpapers may be maintained on paper, electronically, or both.
2. Because the chief audit executive (CAE) is responsible for developing the internal audit activity’s policies and procedures, it is logical for the CAE to develop guidelines and procedures for completing workpapers.
3. Commonly standardized workpaper elements include the general layout, a system of cross-referencing to other workpapers and designated information that should be saved permanently or carried forward into other engagements. Workpapers should contain sufficient and relevant information that would enable a prudent, informed person, such as another internal auditor or an external auditor, to reach the same conclusions as those reached by the internal auditors who conducted the engagement.

## 3.7. Audit resources

1. The CAE may carefully consider the number of internal audit staff, productive work hours available for the mission and internal audit activity’s collective knowledge, skills and other competencies. The CAE may also want to reflect on the approved budget and consider the funds available for training, technology, or additional staffing in order to perform the engagement.
2. When allocating specific resources, the CAE may consider how the available resources correspond with the specific skills and timing required to perform the engagements. During this process, the CAE typically works to fill any gaps that may have been identified.
3. To fill gaps related to the internal audit staff’s knowledge, skills, and competencies, the CAE could provide training for existing staff, request an expert from within the organization to serve as a guest auditor, hire additional staff, or hire an external service provider. If the quantity of resources is insufficient to cover the engagement efficiently and effectively, the CAE may hire additional staff, co-source or outsource engagements, use one or more guest auditors, or develop a rotational auditing program.
4. Documentation that evidences conformance with Standard 2030 could include the internal audit plan, which contains the estimated schedule of audit engagements and resources allocated. Additionally, a post-audit comparison of budgeted hours to actual hours may be documented to validate that resources were deployed effectively.

\*\*\*

1. All the information under chapter 3.4., including its subchapters, is collected from *“Guidelines on Audit Interview”* issued by Audit Methodology and Support Unit, European Court of Auditors [↑](#footnote-ref-1)