**INDIVIDUAL AUDIT PROGRAM**

|  |  |  |  |
| --- | --- | --- | --- |
| **AUDIT**  **PHASE** | **ACTIVITIES WITHIN ONE PHASE** | **RESPONSIBLE**  **INDIVIDUALS** | **IMPLEMENTATION**  **DEADLINE** |
| **I Audit planning and preliminary activities** | * **Review of legislation and by-laws, as well as internal acts** – Planning sector, Budget sector, Treasury sector, IT Department * Preparing and signing the **Independence Declaration** * Preliminary risk assessment * List of audit questions * Preparing the Individual Audit Plan **OB-3** * Preparing the Individual Audit Program **OB-3A (phases 2-5)** * Preparing the Introduction Statement **OB-3B (audit objectives, audit scope, main risks...)** * Prepare and submit the **audit announcement letter** | XX  YY  XX  ........ | dd/mm/yy |
| **II Establishing and recording the system** | * Conduct the **initial meeting and interview** with the management and responsible individuals: * Based on the conducted interview with responsible individuals and review of the legislation, internal regulations, business process map, describe the activities and procedures in the **“*Planning, budgeting and reporting process*”,** * Determine the individuals involved in the processes, their responsibilities, authority, reporting lines, deadlines, etc. * Determine the established internal control and management opinion on risks and risk management. * **Draw up a flowchart or narrative description of the process / audit trail** * **Agree on the Introduction Statement with the management OB-3B** * Determine the contact person during the audit process. * Possibly amend the audit plan and program, as well as the audit objectives and scope **(Update the Audit Plan and Program)** | …… | …….. |
| **III**  **Evaluation of the internal control system** | * **Identifying detailed risks and expected controls** * **Determining existing controls** * **Initial assessment of existing internal controls (OB-4)–** * “Assessment of internal control adequacy, i.e. are the existing controls there to prevent potential risk activation and do they help in the achievement of set goals – top to bottom evaluation (high level controls – low level controls)” * Based on interviews, questionnaires and documentation review * **Updating the flowchart!?** * Amending the flowchart and positioning the existing and missing internal controls |  |  |
| **IV**  **Testing the implementation and efficiency of internal control** | * Based on the performed initial control assessment **OB-4:** * **Perform testing on how controls function / control effectiveness OB-5 (testing results):** * ***Compliance tests*** * ***Evidence tests (performance tests)***   – testing results are the baseline for **OB-6** (findings – causes – weakness – consequences  - |  |  |
| **V**  **Internal control**  **assessment** | Upon completed control testing OB-5:   * Give final assessment of internal controls **OB-6** through the **findings** (**causes-weakness-consequences**), **opinions (expert audit opinion)** and **recommendations and OB-4** (final assessment and/or opinion) * Assessment/findings on whether internal controls in a specific process are: * **adequate (the right type of control at the right location,** * **consistently applied (whether they are conducted by all employees on a regular basis),** * **effective (whether they meet their initially set objective)**   **or**   * efficient (cost-effective – control costs that do not exceed profit), * comprehensive, reasonable and integrated with other organisation goals **or** * control assessment (adequate, applied and effective) and business commentary (variations in relation to the accepted standards of business performance that support control assessment) |  |  |
| **VI Reporting** | * Develop a **report draft** * Prepare and conduct the **final meeting** in order to agree on the findings and recommendations **OB- 7.1.** * Agree on the measures/controls which will be implemented as per the recommendations **OB-7.2. – Activity plan based on the recommendations** * Develop the **final audit report** |  |  |

**Prepared by Approved by**

**Audit team leader Head of internal audit**