**INDIVIDUAL AUDIT PROGRAM**

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| **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**
 | XXYYXX........ | 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

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| **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)

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| **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**
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 **Prepared by Approved by**

 **Audit team leader Head of internal audit**