



## *Memorandum*

**DATE:** August 29, 2016  
**TO:** Emilio Flores  
**FROM:** Paula Rivera  
**CC:**  
**SUBJECT:** Response to Internal Quality Assessment for Fiscal Year 2015/16

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Thank you for taking the time to perform the Internal Quality Assessment of completed audits for Fiscal Year 2015/16. I appreciate the thoroughness and professionalism with which you conducted the assessment.

The assessment identified that our audits complied with audit standards, however the assessment identified numerous areas for improvement to bring our workpaper files into compliance with our Audit Manual.

We have reviewed the results carefully and addressed each deficiency, as noted in the attached summary. I met with all audit staff and reinforced the importance of adequate workpaper documentation, as well as with individual staff responsible for each audit file reviewed in the assessment.

**Internal Quality Assurance Review**
**OBJECTIVE**

To provide a response to the Internal Quality Assessment of FY 15/16 audits performed.

**PURPOSE**

To document corrective actions implemented.

**SOURCE**

- Audit Office Internal Quality Assessment FY 15/16
- CHSRA Audit Division audit/review files

**METHODOLOGY**

- Review results of FY 15/16 Internal Quality Assessment.
- Include missing documentation
- Discuss specific corrective actions with staff responsible for each audit file reviewed.
- Discuss the importance of workpaper documentation with all staff.

**ANALYSIS**

Item	Manual	ATTRIBUTE	AUDIT NUMBER								
			IC 15-02	Revised	PRE 15-01	Revised	IC 14-01	IC 14-07	Revised	PRE 15-34	Revised
1	3.4.4	Final audit report	Y		Y		Y	Y		Y	
2	3.4.3	Recommendations	Y		Y		Y	Y		Y	
3	3.4.4	Response	Y		N	Y	Y	Y		N	Y
4	3.4.4	Draft audit report	Y		N	Y	Y	Y		N	Y
5	3.2.5	Engagement letter	Y		N	Y	Y	Y		N	N/A
6	3.2.6	Entrance conference	Y		N/A		Y	N	Y	N/A	
7	3.3.10	Pre-Exit/Exit conference	N/A		N/A		Y	N	Y	N/A	
8	3.2.2	Audit planning memo (APM)	Y		Y		Y	Y		Y	
9		APM signed by auditor(s)	Y		Y		Y	Y		N	Y
10		APM approved by audit manager/chief	Y		N	Y	Y	Y		N	Y
11	3.2.3	Statement of independence	N	Y	N	Y	Y	Y		N	Y
12	3.2.7	Risk assessment/analysis	N	Y	N/A		Y	Y		N	Y
13	3.2.8	Audit program	Y		Y		Y	Y		Y	
14	3.2.8	Audit program approved by audit manager/ chief	Y		Y		Y	Y		Y	
15	3.5.2	Supervisor review	Y		Y		Y	Y		Y	
16	3.5.1	Supervisor review notes addressed by auditor	N	Y	N	Y	Y	Y		N	Y
17	3.5.1	Review notes cleared by audit	N	Y	N	Y	Y	Y		N	Y
18	3.5.1	Work papers initialed and dated by auditor	Y		N	Y	Y	Y		N	Y
19	3.3.4	Work papers include PSAC, where	Y		Y		Y	Y		Y	
20	3.3.8	5 Elements of findings	Y		Y		Y	Y		Y	
21	3.4.3	Work papers support findings/exceptions/ discussion items/observations	Y		Y		Y	Y		Y	
22		Work papers address audit objectives and support findings/exceptions, conclusions, recommendations of audit report	Y		Y		Y	Y		Y	
23	3.3.5	Work papers indexed and referenced to source data/documents	N	Y	N	Y	Y	Y		N	Y
24		Work papers referenced in audit program	Y		Y		Y	Y		Y	

IC Internal control audit

PRE Pre-award review

**CONCLUSION**

Audit Office has resolved the deficiencies noted in the 2015/16 Internal Quality Assessment.