

**UNC Internal Audit
(area audited)
(audit period)
WORKING PAPER INDEX**

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UNC Internal Audit
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COMMUNICATING RESULTS CHECKLIST

Audit Procedures	W/P Ref.	Auditor/Date
1. If necessary, issue interim report to provide information about unexpected delays in completing the project or to notify them of critical control weaknesses.		
2. Discuss progress and results throughout the project. Possible control weaknesses and exceptions should be discussed before Point Sheets are written to give management an opportunity to provide information that may clear potential findings or to begin corrective action. Document results of discussion in supporting work papers.		
3. Prepare Point Sheets for all findings or explain why a point sheet was not necessary.		
4. Hold an exit conference to discuss findings and recommendations; provide management with copies of Point Sheets in advance of the meeting.		
5. Document results of exit conference using the Exit Conference Form and individual point sheets. Show whether auditee agreed with finding and any significant discussion about findings and recommendations.		
6. Prepare draft report; report should follow standard format and should be referenced to supporting work papers. Issue report (stamped "DRAFT") to management for review.		
7. If necessary, contact auditee to arrange a meeting to discuss report and process of responding. Once report wording has been agreed on, ask management for written responses (give specific due date for responses).		

COMMUNICATING RESULTS CHECKLIST (CONTINUED)

AUDIT PROCEDURES	W/P REF.	AUDITOR/DATE
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8. Obtain and evaluate auditee responses. Determine whether responses address the issues described in the findings, promise action that will correct the weakness reported, and Include reasonable completion date.

9. If auditee disagrees with a findings or provides an inadequate response, take action to resolve such as:
 - a) discussing issues with auditee.
 - b) trying to resolve conflict with next level(s) of management.
 - c) including auditee's views in report (give auditee opportunity to review revisions before issuing report).
 - d) documenting that senior management has been informed of the risk of not taking necessary corrective action and has accepted that risk.

10. Incorporate auditee's responses in report and forward to next level of University management for review.

11. Prepare corrective action forms and cover memorandum to be sent to department head. Set tickler date for each comment based on date management has indicated corrective action will be complete; tracking number should match finding number for follow-up data-base.

12. File final report in project binders and cross-referenced to supporting working papers; provide explanations for comments deleted or changed significantly since original draft.

13. Obtain signatures on final report and distribute copies to appropriate recipients. Include corrective action forms with copy sent to department head.

Approval of Adequate Completion of Communicating Results Procedures:

Name _____

Date _____

Initials **Date**
Reviewer **Date**

UNC Internal Audit
(area audited)
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EXIT CONFERENCE FORM

DATE:	LOCATION:
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Attendees:

To Discuss: Point Sheets Draft Report

General Comments by Management Regarding Findings (document specific comments on point sheets or copy of draft report):
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Action to be Taken Based on Discussion at Exit Meeting:
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Initials **Date**
Reviewer **Date**

UNC Internal Audit
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POTENTIAL AUDIT COMMENT

Area:
W/P Ref:

Finding (Condition, Cause, Effect):

Recommendation:

Discussed With: _____ **Date:** _____

Management agrees with finding? Yes No

Comments: _____

Include in report? Yes No

Initials **Date**
Reviewer **Date**

UNC Internal Audit
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ADMINISTRATIVE DOCUMENTATION INDEX

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Correspondence with Auditees: C-1

Time Summary & Budget Analysis C-2

Notes to Future Auditors C-3

Revised Risk Assessment Documentation C-4

UNC Internal Audit
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PLANNING & PRELIMINARY SURVEY CHECKLIST

Audit Procedures	W/P Ref.	Auditor/Date
1. Contact auditee to notify them of upcoming audit and arrange for entrance meeting. When making arrangements, identify any documents or information that will be needed early in the audit process. Ask management to consider items that they would like to be included in audit.		
2. Confirm discussion with a written memorandum that identifies the: a) Audit Period. b) Estimated start date and duration of the audit. c) Staff assigned. d) Physical facilities required.		
3. Hold entrance conference; document results using Entrance Conference Form.		
4. Become familiar with area being audited by reviewing various types of information. Summarize results of reviews, highlighting key points, patterns, and trends. Draw conclusions about possible audit objectives suggested by: a) Information about structure and activities of area audited such as: i) Organization chart. ii) Key personnel and their major areas of responsibility. iii) Approximate number of employees and, for academic departments, students. iv) Mission statement and any goals and objectives. b) Financial information to identify: i) Source of funding. ii) Types and amount of revenue. iii) Nature and amount of expenditures. iv) Amount/location of any petty cash or change funds, or other liquid assets.		

UNC Internal Audit
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PLANNING & PRELIMINARY SURVEY CHECKLIST

Audit Procedures	W/P Ref.	Auditor/Date
c) Department files and prior working papers and reports for information about area's past activities, results of past audits, problems noted related areas, etc.		
d) Audit library materials to identify laws, regulations, policies, procedures, or recent developments related to area.		
e) Information about nature and purpose of any separate EDP systems used in the area.		
5. Review any departmental policies and procedures manuals, flowcharts, or control narratives that may exist.		
6. Review reports or management letters issued by State Auditors Office or other auditors, consultants, or program review groups to identify possibilities to coordinate work or problem areas that may need to be included in the audit. If work performed by other auditors will be relied on, make arrangements to review the supporting work papers.		
7. Select final audit objectives based on issues identified during the preliminary survey. Preference should be given to management's requests for items to be included in audit (to the extent possible), activities or functions that relate to the area's mission, and any patterns identified during review of background information.		
8. Prepare and obtain approval of a Planning Memorandum which documents:		
a) Planned scope, objectives, and audit period.		
b) Auditee areas which will be excluded from the audit and reasons these will not be reviewed.		
c) Resources necessary to complete audit.		
d) Target completion dates.		

Initials **Date**
Reviewer **Date**

UNC Internal Audit
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PLANNING & PRELIMINARY SURVEY CHECKLIST

Audit Procedures	W/P Ref.	Auditor/Date
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9. Prepare an engagement memorandum for auditee that communicates final objectives and any changes to planned completion of audit.

Approval of Adequate Completion of Preliminary Survey Procedures:

Name _____ **Date** _____

Initials
Reviewer

Date
Date

UNC Internal Audit
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PLANNING MEMORANDUM

- 1. Give a brief description of the purpose or function of the activity being audited.**

- 2. Audit Scope and Objectives**
 - a) Scope of Audit (organizational/functional areas of audit emphasis):**

 - b) Explain any significant areas excluded from the audit and note why.**

 - c) List of Specific Audit Objectives:**

 - d) Audit Period:**

 - e) External Limitations (explain cause and effect):**

- 3. Resources Necessary to Complete the Audit:**

- 4. Estimated Audit Hours (explain any significant deviations from audit plan hours):**

- 5. Target Completion Dates:**

Planning	###
Review of Internal Controls	###
Audit Program Development	###
Audit Fieldwork	###
Draft Report	###
Final Report	<u>###</u>

- 6. Other:**

7. Audit Staff Assignments, Budgeted Hours, and Target Completion Dates:

8. Approval of Audit Planning Memorandum:

Name _____

Date _____

**UNC Internal Audit
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 PLANNING MEMORANDUM**

Initials Date

Area Audited:	Reports To:
Contact Person:	Location:
Audit Staff Assigned:	Target Dates:
Hours Budgeted:	Start Preliminary Internal Control Review Fieldwork Initial Report Issue Draft Report Issue Final
Assignment Overview:	
Potential Objectives:	
Other:	

Initials **Date**
Reviewer **Date**

UNC Internal Audit
(area audited)
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ENTRANCE CONFERENCE FORM

DATE:	LOCATION:
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Attendees:
Audit Objectives Discussed:
Potential Objectives/Concerns Identified by Management:
Other Items Discussed with Management (timeframe, audit process, major functions of audit area, etc.)

Initials **Date**
Reviewer **Date**

UNC Internal Audit
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INTERNAL CONTROL REVIEW INDEX

Internal Control Review Checklist	E-0
Summary and Opinion on Internal Controls	E-1
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_____	E-
_____	E-

UNC Internal Audit
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INTERNAL CONTROL REVIEW CHECKLIST

Audit Procedures

Auditor/Date

1. Based on the nature of and risks associated with activities being audited, determine what controls should be in place and what weaknesses may exist. Develop interview notes or Internal Control Questionnaires (ICQ) to use as a tool in conducting control interviews.

2. Obtain an understanding of tasks, work flow, procedures, and control techniques by conducting interviews with individuals responsible for activities being audited. If policy and procedure manuals or similar documentation exists, these can be used to supplement the control review.

3. Document your understanding of each activity using narratives, flowcharts, or other methods that reflect the process being audited and the strengths and weaknesses in the process.

4. Obtain copies of all significant auditee standard forms, reports, logs, etc. which are referenced within flowcharts, data flow diagrams, or narratives.

5. Verify the accuracy of the flowcharts, data flow diagrams, or narratives through examination of documentation, observation, or inquiry. Document the results of verification.

6. Identify and analyze control strengths. Determine if the controls identified in step #1 exist, how they work, and whether they are likely to achieve their intended purpose. Identify which controls will be tested and reference to applicable audit program step(s).

INTERNAL CONTROL REVIEW CHECKLIST (continued)

Audit Procedures

Auditor/Date

7. Identify and explain control weaknesses. Weaknesses may be inefficient or unnecessary steps as well as poor/missing fiscal controls. Indicate whether compensating controls exist or evaluate cause & significance of each weakness. Indicate if testing is needed to determine impact of a weakness. Prepare Point Sheets for significant weaknesses.

8. Based on the review of internal controls, conclude on the adequacy of the system of internal controls (i.e., the system, as designed, provides reasonable assurance that the activities being audited are functioning as intended.

Approval of Adequate Completion of Review of Internal Controls:

Name _____ **Date** _____

**UNC Internal Audit
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(audit period)
AUDIT PROGRAM**

Audit Procedure	W/P Ref.	Initials Date
<p><u>A. Communicating Results</u></p> <p>Follow steps described in the “Communicating Results Checklist to inform auditees about the status and results of the audit.</p>		
<p><u>B. Point Sheets</u></p> <p>Prepare point sheet describing audit findings and recommendations.</p> <p>Discuss issues with management and summarize their responses on the point sheet form.</p> <p>Complete point sheet index, indicate which point sheets will be included in the audit report, and reference these point sheets to the related finding in the audit report.</p>		
<p><u>C. Audit Administration</u></p> <p>Follow steps in “Administrative Documentation Index.</p> <p>Prepare time summary of total hours charged to the audit; it hours vary from approved budget by +/- 10%, provide explanation of cause of variance.</p> <p>Complete Revised Risk Assessment score sheet using information obtained and conclusions reached during the audit.</p>		
<p><u>D. Planning and Preliminary Survey</u></p> <p>Following steps listed in the Planning and Preliminary Survey Checklist, analyze background information about an area audited. Based on these analyses and reviews, select relevant objectives for the audit. Objectives should be based on the major functions of the area audited and, whenever possible, should include management’s suggestions for items to be addressed in the audit.</p>		

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AUDIT PROGRAM**

<p><u>E. Analysis of Internal Controls</u></p> <p>Following steps in the Internal Control Review Checklist, assess the adequacy of the systems of internal control relating to each audit objective.</p>		
<p><u>F. Audit Program</u></p> <p>Develop an audit program with tests designed to determine whether control strengths identified during the analysis of internal controls _____. If appropriate, tests to investigate the effect of serious weaknesses may also need to be included.</p>		
<p><u>G. Section related to first audit objective -- a general statement of the purpose of the tests should follow the title.</u></p> <p>1.</p>		
<p><u>H. 2nd Objective</u></p>		
<p><u>I. 3rd Objective</u></p>		
<p><u>J. 4th Objective</u></p>		
<p><u>K. 5th Objective</u></p>		
<p><u>L. 6th Objective</u></p>		
<p>Approval of Audit Program</p> <p>Signature _____ Date _____</p>		

Initials **Date**
Reviewer **Date**

UNC Internal Audit
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AUDIT PROGRAM

Initials **Date**
Reviewer **Date**

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