



## *Memorandum*

**DATE:** August 29, 2017  
**TO:** Paula Rivera, Audit Office  
**FROM:** Lawrence Tan, Audit Office  
**CC:**  
**SUBJECT:** Internal Assessments for FY2016-17

---

We have completed the internal assessments of audits performed by CHSRA Audit Office. The purpose of the internal assessments was to determine whether audits performed by CHSRA Audit Office comply with the International Standards for the Professional Practice of Internal Auditing (ISPPA), the General Accepted Government Auditing Standards (GAGAS), and the CHSRA Audit Office Audit Manual (Audit Manual). Our internal assessments covered the period from February 1, 2017 to June 30, 2017, which consisted of reviewing audits completed after the last CHSRA Audit Office external peer review.

Overall, based on the internal assessments, audits completed by the Audit Office during this period comply with the ISPPA, GAGAS and Audit Manual. We have identified issues with missing documents; however, these issues are not considered material and did not affect the results of each individual audit. For specific details per audit, please see Attachment A.

**Audit Office: Internal Assessment**

**PURPOSE**

To determine whether audits performed by CHSRA Audit Office comply with the International Standards for the Professional Practice of Internal Auditing (ISPPA), the Generally Accepted Government Auditing Standards (GAGAS), and the CHSRA Audit Office Audit Manual (Audit Manual).

**SCOPE**

The internal assessment's scope covered the period from February 1, 2017 to June 30, 2017, which consisted of reviewing audits completed after the CHSRA Audit Office last external peer review. During this period, two internal control audits and one contract compliance audit were completed, as follows:

- HSR15-03: Program Management Services - Agreement # HSR 06-0001
- HSR15-06: Design-Build Oversight
- HSR15-10: Third Party Agreements

**METHODOLOGY**

- Test the audit files using the Internal Assessment Checklist.
- Examine each audit file for the attributes listed on the checklist to determine whether they comply with ISPPA, GAGAS, and Audit Manual.

**ANALYSIS/REVIEW**

**Internal Assessment Checklist**

Item	Manual	ATTRIBUTES	REPORT NUMBER		
			CC 15-03	IC 15-06	IC 15-10
1	3.4.4	Final audit report	Y	Y	Y
2	3.4.3	Recommendations	Y	Y	Y
3	3.4.4	Response	Y	Y	Y
4	3.4.4	Draft audit report	Y	N	Y
5	3.2.5	Engagement letter	Y	Y	Y
6	3.2.6	Entrance conference	Y	Y	N
7	3.3.10	Pre-Exit/Exit conference	Y	N	Y
8	3.2.2	Audit planning memo (APM)	Y	Y	Y
9		APM signed by auditor(s)	Y	Y	Y
10		APM approved by audit manager/chief	Y	Y	Y
11	3.2.3	Statement of independence	Y	Y	Y
12	3.2.7	Risk assessment/analysis	Y	Y	Y
13	3.2.8	Audit program	Y	Y	Y
14	3.2.8	Audit program approved by audit manager/chief	Y	Y	Y
15	3.5.2	Supervisor review	Y	Y	Y
16	3.5.1	Supervisor review notes addressed by auditor	Y	Y	Y
17	3.5.1	Review notes cleared by audit manager/chief	Y	Y	Y
18	3.5.1	Work papers initialed and dated by auditor	Y	Y	Y
19	3.3.4	Work papers include PSAC, where applicable	Y	Y	Y
20	3.3.8	5 Elements of findings	Y	Y	Y
21	3.4.3	Work papers support findings/exceptions/discussion items/observations	Y	Y	Y
22		Work papers describe and address the audit objectives	Y	Y	Y
23	3.3.5	Work papers indexed by audit program step or objective and referenced in audit program	Y	Y	Y
24	3.3.4	Work papers reference the source information	Y	Y	Y
<b>Notes</b>				4, 7	6

**Audit Office: Internal Assessment**

---

- IC Internal control audit  
CC Contract compliance audit

Item	Notes
4	The final version of the Draft Audit Report was not included in the audit file.
6	The Entrance Conference was not documented.
7	The Exit Conference working paper was missing.

**CONCLUSION**

Overall, the audits completed by CHSRA Audit Office during the period February 1, 2017 through June 30, 2017 comply with the ISPPIA, GAGAS, and Audit Manual. We have identified issues with missing documents as noted above; however, these issues are not considered material and did not affect the results of each individual audit.