Planning an Audit from Scratch

☑ The Checklist

1 Initial Audit Planning
- ☐ Why was the audit project approved to be on the internal audit plan?
- ☐ How does the process support the organization in achieving its goals?
- ☐ What enterprise risk(s) does the audit address?
- ☐ Was this process audited in the past, and if so, what were the results of the previous audit(s)?
- ☐ Have there been significant changes in the process recently or since the previous audit?

2 Risk and Process Subject Matter Expertise
Evaluate the design of the process audited using at least one of:
- ☐ Subject Matter Expert (SME) from a Big 4 or other consulting firm
- ☐ Recent articles from WSJ.com, HBR.org, or other leading business periodicals
- ☐ Relevant blog posts from The Protiviti View, RSM's blog, or the IIA's blogs

3 COSO's 2013 Internal Control Integrated Framework
- ☐ Review COSO's 2013 Internal Control components, principles, and points of focus: https://www.coso.org/Pages/ic.aspx

4 Initial Document Request List
- ☐ All policies, procedure documents, and organization charts
- ☐ Key reports used to manage process effectiveness, efficiency, and success
- ☐ Access to key applications used in the process
- ☐ Description and inventory of master data for the processes being audited, incl. all data fields and attributes

5 Preparing for a Planning Meeting
- ☐ Outline (by narrative, flowchart, or both) key process steps
- ☐ Validate draft narratives and flowcharts with subject matter expert used (if any)
- ☐ Create an initial pre-planning questionnaire with IA's draft answers

6 Preparing the Audit Program
- ☐ Process Objectives
- ☐ Process Risks
- ☐ Controls Mitigating Process Risks
- ☐ Control Attributes, including:
  - ○ Is the control preventing, or detecting, a risk event?
  - ○ Control frequency (e.g. daily, weekly, monthly, quarterly, etc.)
  - ○ Does the control mitigate a fraud risk?
  - ○ Is the control manually-performed, performed by an application, or both?
  - ○ An initial assessment of the risk event (e.g. high, medium, or low)
- ☐ Testing Procedures for Controls to be Tested During the Audit, including:
  - ○ Inquiry, or asking how the control is performed
  - ○ Observation, or physically seeing the control performed
  - ○ Inspection, or reviewing documentation evidencing the control was performed
  - ○ Re-performance, or independently performing the control to validate outcomes

7 Audit Program and Planning Review
Received approval from:
- ☐ Internal Audit Manager or Senior Manager
- ☐ Subject Matter Expert
- ☐ Chief Audit Executive
- ☐ Management's Main Point of Contact for the Audit (i.e. Audit Customer)

◎ AUDITBOARD