



*Memorandum*

**DATE:** July 27, 2016

**TO:** Paula Rivera, Audits Office

**FROM:** Emilio Flores, Audit Office

A handwritten signature in blue ink, appearing to be 'EF'.

**CC:**

**SUBJECT:** Audit Internal Quality Review for FY 15-16

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At your request, I performed a quality review of audits performed between July 2015 and June 2016. Per the audit manual, I reviewed five of ten of the completed audits/reviews utilizing the Quality Assurance Review Checklist summarized on Attachment A.

Overall, the audit files meet Red for internal control audits or Yellow Book standards for pre-negotiation audits/reviews. However, each audit/review file reviewed had one or more missing documents or attributes (e.g., statement of independence, auditor's initials and date). The quality of the audit files need improvement and should adhere to the CHSRA audit manual.

**QUALITY REVIEW CHECKLIST  
FY15-16**

Item	Manual	ATTRIBUTE	AUDIT NUMBER				
			IC 15-02	PRE 15-01	IC 14-01	PRE 15-34	PRE 15-34
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	N
4	3.4.4	Draft audit report	Y	N	Y	Y	N
5	3.2.5	Engagement letter	Y	N	N	Y	N
6	3.2.6	Entrance conference	Y	N/A	Y	N	N/A
7	3.3.10	Pre-Exit/Exit conference	N/A	N/A	Y	N	N/A
8	3.2.2	Audit planning memo (APM)	Y	Y	Y	Y	Y
9		APM signed by auditor(s)	Y	Y	N	Y	N
10		APM approved by audit manager/chief	Y	N	Y	Y	N
11	3.2.3	Statement of independence	N	N	Y	Y	N
12	3.2.7	Risk assessment/analysis	N	N/A	Y	Y	N
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	N	Y	Y	N
17	3.5.1	Review notes cleared by audit manager/chief	N	N	Y	Y	N
18	3.5.1	Work papers initialed and dated by auditor	Y	N	Y	Y	N
19	3.3.4	Work papers include PSAC, where applicable	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	N	Y	Y	N
24		Work papers referenced in audit program	Y	Y	Y	Y	Y
<b>Notes</b>			16,23	5,6,16,23			5,6,7,16,23

**IC** Internal control audit  
**PRE** Pre-award review

**Item Notes**

- 5 It has become the practice of CHSRA Audits Office to notify the prime via e-mail that a review of their cost proposal is being conducted.
- 6,7 Pre-award audits/review do not require entrance/exit conferences.
- 16 Review notes not in file.
- 23 Not all work papers are indexed and/or referenced/x-referenced.