

CIAG Internal Review and Audit Projects

Guidelines and Standard Procedures

Guidelines

The following guidelines will be strictly followed when conducting an internal review or audit:

1. Costs and benefits of internal control must be balanced.
2. Conflict of Interests must be disclosed.
3. Due diligence review, safeguarding and proper appropriation of District funds and assets must be present in the audit program.
4. The review/audit must be a fair, equitable, comprehensive and non-discriminatory process.

Standard Procedures

Subject to customization to meet the needs of each case, the CIAG internal review and audit standard procedure consists of four phases:

1. Planning and Preparation
2. Field Work – audit program execution
3. Reporting
4. Follow up

Blueprint of a CIAG Standard Review and Audit Program

1. Planning and Preparation Phase

- i. Define nature of review/audit – special purpose or comprehensive.
- ii. Research and review of external governing documents including-
 - a) Laws and Codes & Regulations (Federal, State and Local)
 - b) Government Accounting Standards
 - c) also include Industry Best Practices and Benchmarks Information if necessary
- iii. Review of internal governing documents-
 - a) District Policies, Rules and Regulations
 - b) Business Procedures, executive instructions and forms
- iv. Review of Accounting System and Records (paper and electronic)
 - a) Accounting system and database
 - b) Forms, ledgers, reports and supporting documents
- v. Define objectives and scope of the review/audit
- vi. Write up Audit Plan and obtain approval of Audit Program from CFO

2. Field Work and Audit Program Execution Phase

- i. Before audit
 - a) Review and customize Standard Audit Checklist as needed
 - b) Audit sampling - Selection of Auditees and Audit Samples
 - c) Send notifications to auditees and auditee's supervisor
- ii. Auditing field work
 - a) Pulling and testing of audit samples
 - b) Compiling and Audit Working paper folder (Document Management)

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- iii. Review of issues and concerns – notify CFO, auditees and auditee’s supervisor on significant findings and seek corrective actions as soon as possible.
- iv. Summarize unresolved issues and findings for the preliminary report upon completion of field work.

3. Reporting Phase –

- i. Draft matrix of issues and findings
- ii. Compile auditees and managements responses
- iii. Draft Executive Summary, Preliminary Report and Recommendations to CFO
- iv. Consider post audit actions before issuance of final audit report to include
 - a) Management recommendations on-
 - immaterial non-compliances items
 - procedural improvements
 - b) Audit Findings on material non-compliance items, and or significant issues such as fraud, abuses and waste
- v. Conduct Exit interviews with auditees if necessary
- vi. Issue Final Report to CFO and the Board

4. Follow up Phase –

- i. Conduct periodic update on open issues
- ii. Report progress on periodic update to CFO
- iii. Repeat i & ii until all issues are resolved