

*Revised*

# **AUDIT POLICIES AND PROCEDURES**



*City of Suva*

*Version 1.3*

**Prepared by:** Loi Mateiwai  
**Position:** Internal Auditor

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# **POLICIES**



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**SECTION A: POLICIES**

**SECTION A-1 FUNCTION OF INTERNAL AUDIT**

Internal Auditing shall not assume operating responsibilities. Internal Auditing shall have no direct responsibility for or authority over any of the activities audited. Internal Auditing shall have full access to all records, facilities, properties, and personnel of the City relevant to the subject under review, and is authorized to review and appraise policies, plans, procedures, controls and records.

Internal auditors shall not develop or install procedures, prepare records, perform internal control functions or engage in any other activity which they would normally review and appraise and which could reasonably be construed to compromise the independence of Internal Auditing. The independence of Internal Auditing shall not be deemed adversely affected by determining and recommending standards of control to be applied to the development of the systems and procedures being reviewed.

The review and appraisal of an area by Internal Auditing shall not in any way relieve management of its given responsibilities. The audits by Internal Auditing will be conducted in accordance with the Institute of Internal Auditors "Standards for the Professional Practice of Internal Auditing."

Internal Auditing will conduct financial related audits and operational audits.

- **Financial audits** include financial related audits.
  - (1) Financial statement audits determine:
    - whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements and fairly stated.
  - (2) Financial related audits include determining
    - whether financial reports and related items, such as elements, accounts, or funds are fairly presented,
    - whether financial information is presented in accordance with established or stated criteria, and
    - whether the entity has adhered to specific financial compliance requirements.
- **Operational audits** encompass the examination and evaluation of the adequacy and effectiveness of the system of internal control and the quality of performance in carrying out assigned responsibilities. Operational audits include:
  - Review of the reliability and integrity of operating information and the means used to identify, measure, classify, and report such information;
  - Review of compliance with policies, plans, procedures, standards, laws, and regulations;



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- Review of the means of safeguarding and accounting for assets;
  - Appraisal of the economical and efficient use of resources;
  - Review of operations or programs to ascertain whether results are consistent with established objectives and goals;
  - Review of the adequacy of existing and proposed data processing systems.

The functions of Internal Auditing shall include:

- Develop and execute a comprehensive audit program, as approved by the Audit Committee, to ensure the activities of the City are reviewed at appropriate intervals.
- Review and evaluate risk management, control and governance systems and the quality of ongoing operations to the extent allowed by Council policies and procedures, recommend action to correct any deficiencies, and obtain management's response of corrective action to be taken.
- Conduct control assessments and facilitate control self-assessments. The Institute of Internal Auditor's "Standards for the Professional Practice of Internal Auditing and Fiji Institute of Accountants" are applicable to all control assessments and control self-assessments conducted by City of Suva Internal Auditing.
- Appraise the quality of operations in terms of compliance with policies, plans, procedures, standards, laws and regulations.
- Perform financial audits of the assets, liabilities, fund balances, revenues and expenditures of the City as approved in the comprehensive annual audit plan.
- Verify, as approved in the comprehensive audit plan, the existence of City assets and appraise whether such assets are safeguarded, accounted for, and used efficiently and economically.
- Appraise the reliability and operation of the accounting, financial, and reporting systems.
- Participate, as necessary, in the review process of the control aspects of significant new data processing systems and systems revisions before they are implemented.
- Coordinate, as necessary, its audit efforts with those of the external auditors, participate in the planning, and coordination of the financial audit to be undertaken by external auditors.
- Perform special projects as requested or approved by the Audit Committee and/or City Council.
- Participate in special investigations of fraud, abuse or illegal acts as directed by the Internal Auditor, City Council, or when requested by the appropriate authorities and approved by the Internal Auditor. If deemed appropriate, situations or significant transactions that involve fraud, abuse or illegal acts will be referred to the Legal Department or other authorities for appropriate investigation.
- Report the results of audit work conducted audit findings implementations to the Audit Committee.
- Evaluate the adequacy of action taken by management to correct deficiencies reported by Internal Auditing.
- Perform the necessary follow-up procedures to ascertain whether appropriate action is taken on significant audit findings.



## **SECTION A2- INDEPENDENCE**

In all matters relating to the audit work, Internal Auditing and the individual auditors should be free from personal and external impairments to independence, be organizationally independent, and maintain an independent attitude and appearance.

Independence in fact as well as appearance is necessary. The credibility of the auditor might be impaired by the existence of circumstances, which may be reasonably perceived to influence independence.

Such independence will be established by adhering to the following criteria:

- The Internal Auditing function will be organizationally located outside the staff or line management functions;
- Auditors should be sufficiently removed from political pressures to ensure they can conduct their audit objectively and can report their findings, opinions, and conclusions objectively without fear of repercussion.
- Internal auditors should personal transactions or situations in which their personal interest will conflict, or appear to conflict of interest be disclosed in an annual conflict of interest statement.
- Internal auditors shall complete and sign an independence statement for each project to which they assigned responsibility for performance of audit work. The completed independence statements of all audit team members will be filed in the general section of the audit work papers.



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**SECTION A3 - INTERNAL AUDIT PROGRAM – AUDIT REPORT AND AUDIT PLAN**

**Annual Report**

Internal Auditing will prepare and publish an annual report of internal audit activities and performance relative to the audit plan. Consideration for contents of the annual report should include:

- a) Internal Audit's Mission Statement, Goals, and Methodologies:
  - Prior Period Audit Results
  - 1. Audit Projects Completed
  - 2. Audit Abstracts
  - 3. Significant Highlights of the Period
  
- b) Office of the Internal Audit Profile
  - 1. Internal Audit Process
  - 2. Audit Staff
  - 3. Professional Certification
  
- c) Current Period Internal Audit Program
  - 1. Process for Selection of Audits
  - 2. Summary of Audit Program
  - 3. Project Descriptions
  
- d) Feedback Forms
  - 1. Suggestions for Audits
  - 2. Comments on the Conduct of the Office of Internal Audit
  
- e) Significant Risk Exposures and Control Issues
  
- f) Governance Issues
  
- g) Other Matters Requested by Elected Officials and Management



**Audit Plan**

Periodically, an audit plan for the subsequent period will be developed, published, and distributed to the various City departments of the City. The audit plan will identify the proposed audit projects to be conducted during the next plan period. When appropriate, a block of audit hours may be projected and allocated for a given audit area, such as grants or special projects without identifying the grant or special project to be audited.

The audit plan will be based on the Department's Risk Assessment process to determine priorities of the internal audit activity. Internal Auditing will involve departmental management in the process of identifying audit projects. However, the elected Internal Auditor has the final determination as to which specific audit projects will be included on the audit plan.

Internal Auditing will contact the external auditors of the City for review of the audit plan to identify areas of common interest. For those areas identified to be of common interest to Internal Auditing and the external auditors, Internal Auditing will coordinate its work with the external auditors. However, the Audit Committee has the final approval as to the nature, timing and extent of internal audit work to be performed.





#### **SECTION A4 - COMMUNICATING AUDIT RESULTS**

Internal Auditing will issue reports communicating the results of each audit project. The form of the report should be appropriate for its intended use, but written reports are preferred. Written reports communicate results to officials and management, make the results less susceptible to misunderstanding, make the results available for public inspection, and facilitate follow-up to determine whether appropriate corrective action has been taken. A draft copy of written reports will be reviewed, in advance of the final release of the report, with management personnel for activities examined.

Communications should be accurate, objective, clear, concise, constructive, complete, and timely. Communications should include the engagement's objectives and scope as well as applicable conclusions, recommendations, and action plans. Final communication of engagement results should, where appropriate, contain the internal auditor's overall opinion and/or conclusions.

Internal auditors are encouraged to acknowledge satisfactory performance in communications.

Audit results should be communicated to appropriate parties. At a minimum, communication should be made to the Audit Committee, and other parties who can ensure the results are given due consideration.

Prompt and timely audit reporting is important to enable effective improvement or corrective actions for internal audit recommendations. The following guidelines for timeliness of audit reporting should normally apply:

- Draft audit reports should be complete within three weeks from the date of the end of audit fieldwork;
- Any revisions to draft audit reports resolution from the exit meetings should be completed within one week following the final exit meeting date;
- Final audit reports should be completed and issued within one month of the final exit meeting date.



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**SECTION A5 – QUALITY CONTROL STANDARDS**

The quality control standards adhered to by Internal Auditing is as follows:

**Organization and Personnel:**

- (a) Internal Auditing is independent of the area being audited or appropriate disclosure has been made in the report;
- (b) Independence statements are required annually for all internal auditors and for each specific audit project for all auditors assigned to the project.
- (c) Written job descriptions are maintained which set forth the purpose, authority and responsibilities of each internal auditor position.
- (d) A schedule of personnel assignments will be maintained.
- (e) Personnel evaluations will be conducted as outlined in the Personnel Policies and Procedures manual. Also, the Staff Auditor Personnel Feedback form will be completed for each staff auditor assigned to an audit project for 80 hours or more.
- (f) An audit project reporting system is maintained to monitor the overall implementation of the general audit plan.

**Planning:**

- (a) A periodic written approved audit plan is prepared.
- (b) Scope and objective statements are written for each audit conducted.
- (c) Written audit programs are used.
- (d) An approved staff time budget is used.
- (e) A team leader is assigned for each audit.
- (f) Background information about the activities to be audited is obtained and where appropriate, on-site surveys are conducted.

**Documentation:**

- (a) A risk assessment is prepared and updated annually documenting the risk exposures, control environment, accounting information systems, and control evaluation of the City.
- (b) Standardized programs are used for:
  - 1. General Matters Program Form;
  - 2. General Matters - Supplement for Financial Audits,
  - 3. Audit Working Paper Approval Form.
- (c) Flowcharts, internal control questionnaires or written narratives are used to document the systems of internal control.
- (d) An internal control objectives and techniques working paper is used, when applicable, to evaluate the applicable internal controls for each audit.

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- (e) Written conclusions are required for each major audit area and such conclusions are reviewed for appropriateness.
  - (f) Audit finding sheets supported by working papers containing sufficient evidential matter are used to document all findings included in a report.
  - (g) A working paper retention schedule is used.
  - (h) Adequate written evidential matter is included in the audit working papers to support the audit conclusions.

**Review:**

- (a) Working papers are reviewed by Internal Auditor;
- (b) An internal quality assurance review is conducted annually;
- (c) An external quality assurance review is conducted every five years.



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**SECTION A6 - PERSONAL STANDARDS AND ETHICS**

The following personal standards apply to all auditors assigned to Internal Auditing. An internal auditor shall:

- (a) Have adequate technical training and proficiency;
- (b) Maintain a sufficiently independent state of mind to clearly demonstrate objectivity in matters affecting audit conclusions;
- (c) Respect the confidentiality of information acquired while performing the audit function;
- (d) Only engage in activities that do not conflict with the interests of the City;
- (e) Adhere to conduct that enhances the professional stature of internal auditing, and
- (f) Exercise due professional care in the performance of all duties and in the fulfillment of all responsibilities.

The following ethical standards which were derived from the Code of Ethics of the Institute of Internal Auditors shall be adhered to by Internal Auditing:

- 1. Internal auditors shall have an obligation to exercise honesty, objectivity, and diligence in the performance of their duties and responsibilities;
- 2. Internal auditors, in holding the trust of their employers, shall exhibit loyalty in all matters pertaining to the affairs of the City of Suva or to whomever they may be rendering a service. However, an internal auditor shall not knowingly be a party to any illegal or improper activity.
- 3. Internal auditors shall respect and contribute to legitimate and ethical objectives of the City of Suva.
- 4. Internal auditors shall refrain from entering into any activity which may be in conflict with the interest of the City of Suva or which would prejudice their ability to carry out objectively their duties and responsibilities.
- 5. Internal auditors shall not accept a fee or a gift from an employee, a customer, or a business associate of the City of Suva without the knowledge and consent of their senior management.
- 6. Internal auditors shall be prudent in the use of information acquired in the course of their duties. They shall not use confidential information for any personal gain nor in a manner, which would be detrimental to the welfare of the City of Suva.
- 7. Internal auditors, in expressing an opinion, shall use all reasonable care to obtain sufficient factual evidence to warrant such expression. In their reporting, an internal auditor shall reveal such material facts known to them which, if not revealed, could either distort the report of the results of operations under review or conceal unlawful practice.
- 8. Internal auditors shall continually strive for improvement in the proficiency and effectiveness of their service.
- 9. Internal auditors shall be provided a copy of the Institute of Internal Auditors Code of Ethics upon employment.



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**SECTION A7 - EDP SYSTEMS AND DEVELOPMENT**

Internal Auditing may review the control aspects of significant new data processing systems or significant system revisions before they are implemented.

**SECTION A8 - COMPUTER USAGE POLICY**

Internal Auditing will adhere to all City of Suva policies related to computer usage. Below, for your reference, is a listing of City of Suva computer usage policies documented in Human Resources Policies.

<b>HR Policy Title</b>
Internet Policy
E-Mail Policy
Information Systems Security Policy

**Use At Home**

Individually assigned computers may be taken home for use overnight, weekends, and holidays. The City does insure PCs, if one is lost, stolen or damaged while in your custody, however any loss or damage will be investigated first before surcharge is placed.



# PROCEDURES



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**SECTION B1 - INTERNAL AUDIT PROGRAM – ANNUAL REPORT AND AUDIT PLAN**

Periodically, an audit plan for the subsequent period should be developed, published, and distributed to the various City departments. Audit projects to be included in the plan should be identified using the risk assessment process. Procedures for this process are described in the Annual Risk Assessment Procedures form.

Factors to be considered in evaluating the risk of an audit area are described in the risk assessment form and include the following:

1. **Size** - Determined by considering the size of the most logical measure of the activity. (Examples of measures: assets, liabilities, revenues, expenditures);
2. **Security** - Determined by considering how safe the assets of the activity may be from conversion to private use'
3. **Trust** - Determined by considering the impact of the activity on "customers" (Usually customers are defined as citizens of Suva);
4. **Simplicity** - Determined by considering how complicated the business of the activity is (Examples: degree of regulation, number of services, transactions or processes done by the activity, degree of automation)
5. **Stability** - Determined by considering the degree of change of the activity's operations in the last 12 months (Examples: personnel turnover in critical positions, reorganizations, major systems changes)
6. **Responsibility** - Determined by considering the five components of internal control of the activity (The components are:
  - 1) employee competency, commitment and ethical values,
  - 2) established objectives,
  - 3) clearly defined procedures,
  - 4) good information and communication, and
  - 5) management monitoring)

In addition to the risk assessment evaluation, the following should also be considered when selecting projects for inclusion in the audit plan:

- a) The date since the area was last audited
- b) Requests for projects to be scheduled from management, elected officials and citizens

Certain projects shall be designated as ongoing projects and included in each annual plan. These projects include Report of Management Actions, Sensitive Payments, Internal Quality Assurance Review, Annual Planning/Risk Assessment, Information Systems Monitoring, and Auditing.

Miscellaneous. In addition, a pool of hours will be allocated in the audit plan to be available for external auditor support, unscheduled special projects, and client requests for projects.

It is the intent of Internal Auditing to involve departmental management in the process of identifying audit projects. However, the Internal Auditor has the final determination as to which specific audit projects will be conducted.



Internal Auditing will coordinate its work with the external auditors for the areas identified to be of common interest. However, the Internal Auditor has the final approval as to the nature, timing and extent of internal audit work to be performed.

**Coordination with the External Auditors**

Soon after being completed, the audit plan should be reviewed with the external auditors to identify areas of common interest. The internal auditor will arrange to meet with the external auditors to perform this review.

Those audits identified to be of common interest will be documented in Internal Audit Unit files. These files will be researched during the planning phases of each audit project throughout the year to determine if coordination with the external auditor will take place. For those audit projects which will be coordinated, the internal auditor assigned to the audit will contact the external audit manager for review and input regarding internal and external audit programs and work papers.





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**SECTION B2 - AUDIT PROCESS**

The **audit process** is a formalized method of performing each audit project. The process should be followed in each project unless authorized by the Internal Auditor.

Each of the following phases are completed when an audit is conducted:

Planning – Applicable permanent file, prior year working paper file and regulatory resource material are reviewed. The scopes of the audit objectives are established and the planning memo is completed with all pertinent information. A job start memo is prepared for a pre-audit conference (see procedures B4);

Control and Risk Evaluation - Internal control objectives and techniques for the audit area are identified and evaluated. This phases identifies the internal control strengths and weaknesses (see procedures B9);

Audit Program - An audit program is designed and includes compliance and substantive tests, as necessary. The Town Clerk/Chief Executive Officer and the Audit Committee approves the audit program (see procedures B8);

Fieldwork – Perform applicable compliance and substantive program steps. The Internal Auditor reviews the working papers and prepares a draft report;

Review – The working papers and report are reviewed by the Internal Auditor;

Exit Conference - A draft report is provided to the auditee at least 24 hours prior to scheduled exit conference.

The report is reviewed in the conference/exit meeting.

Reponses – After the auditee response is received, review the adequacy of the responses and incorporate the responses into the final report.

Permanent File – Update the permanent file if necessary.

Filing – Prior to filing of working papers, the internal auditor to review and initial approval for filing.



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**SECTION B3 - AUDIT PROJECT REPORTING**

The Internal Auditing time reporting system provides a method of collecting and monitoring the amount of time spent on each audit project and to determine and monitor the time utilization of auditors.

The Time Report should be completed using the assigned audit project numbers and activity codes in increments of not less than fifteen minutes per objectives per day. Each Time Report is due on the first working day following the close of the reporting period. If an employee is schedule to be away from the office when Time Reports are due, the Time Report is to be completed and submitted before departure. The auditor should estimate how the remaining hours in the time period will be spent and complete the Time Reports accordingly. Any corrections necessary to adjust the estimated hours to actual hours incurred will be made on a subsequent Time Report.

The Internal Auditor shall record the Time Report data as follows:

From the Time Reports, the Internal Auditor will input information into the Cumulative Hours for Open Projects, Cumulative Hours for Completed Projects and Indirect Time Cumulative History of Hours electronics files. An explanation of these three files is below:

A. Cumulative History for Open Projects

This spreadsheets records hour charged to open projects. The Internal Auditor inputs data provided from Time Reports into this spreadsheet which is only used for processing. See page 50.

B. Cumulative Hours for Completed Projects

This spreadsheets records hour charged to closed projects. The Internal Auditor inputs data provided from Time Reports into this file which is only used for processing and to maintain history. See page 50.

C. Indirect Time of Cumulative History Hours

This spreadsheets records hour charged to indirect categories. The Internal Auditor input data provided from Time Reports into this spreadsheet which is only used for processing and to maintain history. See page 50.

Status and Summary of Audit Projects

This report is used to keep track of audit projects. The report lists the estimated hours to complete, actual hours incurred by project, estimated project hours, planned project hours, estimated report date, days beyond estimate, and h ours beyond planned. The projects are separated into Open Direct Audit Time Scheduled projects, Indirect Time, Direct Time Completed projects and Scheduled Not Started projects. Estimated hours to complete and completion due dates for each project are determined by management after input by the in charge auditor of each project.



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### Direct Time Status Report

This report is used to keep track of direct audit time. This report lists for each auditor: direct time, indirect administrative time; total direct time percentage, total actual hours worked and total available hours worked for the current period and the fiscal year to date. Total variance of time is also shown on this report for each auditor. Totals for each period for each category are shown at the bottom of this report.

### Detailed Time Sheets

Each auditor is responsible for turning in Detailed Time Sheets to the In-Charge Auditor for each audit project he/she is assigned. In-Charge Auditors are responsible for recording time from Detailed Time Sheets to the audit project's BUDGET TO ACTUAL COMPARISON (see procedure \_\_\_\_). In-Charge Auditors are responsible for reconciling accumulated audit project time recorded on the BUDGET TO ACTUAL COMPARISON to the time recorded to the Status and Summary of Audit Projects.

### **SECTION B4 - JOB START LETTER**

A letter identifying the beginning of an audit should be sent to the head of the department(s) being audited. The letter should review and approved by the Chief Executive Officer. Job start letters should indicate the following:

- The scope and objectives of the audit;
- The timing and anticipated duration of the audit;
- Anticipated reporting dates;
- The audit manager and in-charge auditor responsible for the audit project.

### **SECTION B5 - WORKING PAPER PREPARATION**

A record of the work performed by an auditor shall be retained in the form of working papers. The working papers will serve as a record of the results of the audit and the basis of the opinions, findings and recommendations of the auditor.

The working papers should be prepared should contain only that information which is materially important and relevant to the objectives of the audit. Such working papers should contain evidence of supervisory reviews of the work conducted.

Each working paper should be signed and dated by the auditor preparing the working paper. The working paper should indicate the purpose of the working paper and the source of the information from which it was prepared. The auditor should reflect in the working papers a written audit conclusion for each major audit area.



Audit working papers are classified as follows:

Current Audit Working Papers:

The current audit project working papers are used to document the audit work, results, findings and recommendations of the audit project being conducted. All such working papers are subject to the requirements of the International Accounting Standard (IAS 230.A2).

Confidential Audit Working Papers:

Confidential audit working papers are those working papers that contain confidential data, which should not be released under the provisions of the IAS 230.A2. Such working papers should be organized and bound in a separate binder clearly marked as not subject to the Standard. Items that are generally not subject to the Standard include proprietary information, allegations of wrongdoing or items related to pending or possible legal actions.

Permanent Files

Some documents, schedules or analyses or completed during a project may have lasting importance and usefulness. The auditor should take this into consideration when filing completed projects files. Such files should be placed in a permanent file. Consideration should be given to whether the file should be scanned and retained electronically.



**Audit Name**

**Audit Working Paper Approval Form**

**As of**

**DETAILED REVIEW** (to be completed by the Audit Team Leader)

		Initials	Date
1.	I have reviewed all work papers prepared by the personnel in my charge on this engagement.		
2.	I have compared the work performed as evidenced by our working papers with the procedures called for by the audit program and find that our examination complies with the requirements of the audit program.		
3.	I have reviewed the completed audit program and am satisfied that our examination has accomplished the audit objectives.		
4.	I have reviewed the completed audit program and am satisfied that our examination, as evidenced by the work papers reviewed by me, was performed with proficiency and due professional care and the work papers adequately support the findings and recommendations.		

Completed by: \_\_\_\_\_

Date: \_\_\_\_\_

**AUDIT TEAM LEADER REVIEW**

		Initials	Date
1.	I have reviewed all work papers prepared by the personnel in my charge on this audit, which were not reviewed as a part of the detailed review described above.		
2.	I have made a review of sufficient additional work papers to be satisfied with the adequacy of our examination.		
3.	I have reviewed the completed audit program and am satisfied that our examination, as evidenced by the work papers reviewed by me, was performed with proficiency and due professional care and the work papers adequately support findings and recommendations.		
4.	I have reviewed the audit report and am satisfied that it properly reports the results of the audit.		
5.	I approve issuance of our report of the results of this audit.		

Completed by: \_\_\_\_\_

Date: \_\_\_\_\_

The Staff In charge for a given audit project will review all working papers prepared by other staff auditors assigned to the audit. The internal auditor will review all working papers prepared by the in-charge auditor and other staff auditors. Such reviews are documented by initialing and dating the applicable working papers.



The Staff In Charge will review and initial and date those working papers of all significant audit areas.

The working paper review is also documented of the Audit Working Paper Approval Form.

The purpose of Audit Working Paper Approval Form is to provide an aid to the final review of the adequacy of working paper documentation and to document that such a review has been done.

This form may be found in the Internal Auditing Electronic Files located at: (See Section B22)

#### **SECTION B6 - INTERNAL CONTROL DOCUMENTATION**

The review of internal controls should be documented in the working papers. Any one or combination of the following can accomplish the documentation:

- Flowcharting
- Narrative descriptions
- Questionnaires



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**SECTION B7 - STANDARD WORKING PAPERS**

The working papers prepared for an audit are generally unique to the particular audit being conducted. However, certain working papers, which document the administrative and control aspects of an audit, are not unique. Such working papers are applicable to any audit and can be standardized. Standard working papers consist of the following:

<u>DESCRIPTION</u>	<u>ELECTRONIC FILE LOCATION</u>
Auditing Program	<i>documents/template/audit/auditprogram</i>
Correspondence	<i>documents/correspondence/audit</i>
Budget Vs Actual	<i>documents/audit/administration/budget</i>
Condensed Report Template	<i>documents/template/audit/condenserpt</i>
Control Objectives & Techniques	<i>documents/template/audit/O&amp;T</i>
Corrective Action Plan (CAP)	<i>documents/template/audit/CAP</i>
Detailed Program Form	<i>documents/template/audit/detailedprg</i>
Draft Audit Report Control	<i>documents/template/audit/report control</i>
Engagement Risk Analysis	<i>documents/template/audit/risk analysis</i>
Full-length Report Template	<i>documents/template/audit/full report</i>
Summary of Internal Control	<i>documents/template/audit/summary internal control</i>
Work paper Approval Form	<i>documents/template/audit/approval form</i>

The content of such standardized working papers will be revised, when applicable, to reflect any applicable changes in the accounting or auditing standards.



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**INDEXING AUDIT WORKPAPERS**

All working papers should be indexed in a consistent logical manner using a standard indexing system. The internal auditor may authorize deviations from the standard system as deemed necessary.

**GENERAL BINDER**

The general binder working papers should be indexed as follows:

GBX – X

**GB X-X:**

The letters GB stand for the General Binder. Each working paper is then sequentially indexed (i.e. GB 1, GB 2, etc.)

**OTHER BINDER**

Working papers in other than the general binder should be indexed as follows:

DEPT X-X

**DEPT (Department)**

An abbreviation for the applicable department may be used if the audit involves more than one department and the separation or organization of working papers by department is deemed necessary. (i.e HEALTH for Health Department). The use of the department designation is optional. If the audit only involves one department, the dept should not be used.

**X-X:**

The X-X represents a sequential indexing of working papers. The first digit is the same number as the audit program step which the working paper supports. The second digit represents a sequentially assigned index identifying the first and subsequent working paper for the same audit program step.

If one working paper consists of more than one page, the same index is used on all pages and each page is numbered i.e., 1x2, 2x2, etc. The working paper page numbering is separate from and does not affect the working paper indexing.





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## **SECTION B8 - AUDIT PROGRAM**

Written audit program will be used on all audit projects. The audit program lists the specific procedures to be done in each audit area.

The audit procedures listed in the program are derived from a review of the internal control system, completion of the Control Objectives and Techniques Working Paper (see procedure \_\_\_\_\_), and other planning or system documentation. The audit procedures are designed to accomplish the relative written audit objectives.

Audit program steps are cross-referenced, where appropriate, to the applicable working paper where the steps are performed. Each step should be initialed by the auditor(s) who actually performed the audit procedure.

The internal auditor should approve all written audit programs prior to the audit procedures being done.

Revisions to the audit program are often necessary, due to the actual information obtained during the course of the audit field work being different from that known during the planning phase or unknown at the planning phase. The internal auditor should approve all changes to the written audit plan. Changes, which significantly affect the scope or objectives of the audit, are to be approved by the Internal Auditor.

## **SECTION B9 - CONTROL OBJECTIVES**

Internal Auditing uses the control objectives and techniques (O&T) methodology as one means for the preliminary review and evaluation of risks and internal control relevant to the activity under review. This methodology involves evaluation of control techniques and management of risk planning compliance and substantive testing to be performed for the audit. The Control O&T and Engagement Risk Analysis forms are used to document the analysis.

Evaluation of control objectives and techniques involves the following procedures:

1. Determine and list all control objectives applicable to the audit scope. Control objectives specify what should be achieved by the internal controls exercised in the audit area and provide specific guidelines against which existing control techniques can be compared. Control objectives are determined from various sources including published audit reference material, published industry standards, discussion with auditee management and professional auditor judgment based upon the nature of the activities to be controlled. The auditor should note the source(s) from which the control objectives listed, unless the sources (s) are obvious or generally understood under the audit circumstances.
2. Identify and list the risks relevant to the control objectives. Discussion with management is the key starting point in the risk identification and evaluation. References to authoritative documents are also valuable.
3. Measure risks by measuring the severity of consequences and likelihood of occurrence. Severity of consequences measures the magnitude of the negative event. Likelihood of occurrence measures the probability or frequency of the risk event happening. Management input on these measurements is crucial to obtaining accurate results.
4. Identify and list the control techniques in place within the system of internal controls as applicable to



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the control objectives. Control techniques are the specific methods and measures designed to control an activity and manage risks. Control techniques include organization structure and task assignments, performance standards and criteria, policies and procedures, checks and balances and forms and physical devices. Control techniques are identified by various information – gathering methods such as review of written documentation, interviews and auditor observations.

5. Evaluate the control techniques identified, both individually and taken as whole assuming the techniques are functioning as intended and write a conclusion as to whether the techniques are functioning as intended and write a conclusion as to whether the techniques are adequate to reasonably assure the related control objective is achieved. Any control deficiencies (missing controls) and/or control weaknesses (ineffective controls) determined from his evaluation should be noted as part of the written conclusion and cross-referenced to an audit finding sheet for reporting to management. The auditor should also be alert for possible excessive controls, which could be reported in order to increase efficiency and reduce costs.
6. Select the individual control technique(s) to be compliance tested based upon the evaluation performed and cross-reference to the audit program step used to test the control technique. This selection should consider and be concentrated on the individual techniques or combinations of techniques that are most effective in assuring achievement of the related control objective. Ineffective control techniques should not be tested.
7. Reference any audit program steps for substantive testing applicable to the control technique. Substantive testing is necessary in some circumstances depending on the nature of the audit (i.e. findings audits) and for instances where the control techniques have been determined ineffective in achieving a control objective. Also, substantive testing may be required or planned according to the audit scope regardless of the condition of the internal control system. In such the auditor should consider the planned substantive testing in relation to selection of the control techniques to be compliance tested. The auditor may decide not to perform compliance under these conditions to maximize efficiency in performing the audit.



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**SECTION B10 - WORKING PAPER TICKMARKS**

Audit working papers must indicate all procedures performed. Symbols or "tick marks" are used to indicate the procedures performed.

The following conventions apply to the use of tick marks:

- Tick marks can be electronic or completed using a red pencil to distinguish them from penciled figures and notations:
- A different tick mark symbol is used for different work performed. The same symbol but different colored tick mark should not be used since working papers are often photocopied and all writing will appear.
- Tick marks should be used to indicate a procedure was performed.
- Tick marks of intricate design should not be used. Such tick marks are difficult to distinguish and confusing.

To facilitate the use of tick marks to indicate or explain audit procedures that are common and frequently used, Internal Auditing uses certain standard tick marks. A working paper indicating the standard tick marks to be used.



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**SECTION B11 - STANDARD TICK MARKS**

The following standard tick marks are designated to provide uniformity within the Internal Audit Division. Unless otherwise stated on the audit working papers, the use of these standard tick marks indicates certain, specific procedures have been applied.

Electronic          Pencil

F                      Footed and Cross-Footed

A horizontal series of figures has been cross-footed by the auditor and agreed with the subtotal or total at the end of the line. In the case of a subtotal or total at the end of the line that is also a subtotal or total for a column of figures, the use of the tick mark indicates the footing of the column has also been checked by the auditor.

RR                    Confirmation Requested

An audit confirmation was requested with an outside source. Whether the request was positive or negative should be indicated on the working paper.

CC                    Confirmed Without Exception

For positive confirmations, this tick mark indicates the reply to the confirmation request stated the data confirmed was in agreement with the outside source's records. For negative confirmations, this tick mark indicates a reply was not received and the data confirmed is considered in agreement with the outside source's records.

CxC                  Confirmed With Exception

This tick mark indicates that a confirmation (either positive or negative) was requested with an outside source and the reply to the request stated the data confirmed was not in agreement with the outside source's records.

|| ||                 Traced

When placed by an item or figure, this indicates tracing from/to the source/destination of the item or figure. Additional notation on the working paper of the description of the supporting documentation or data used may be appropriate.

VV                    Vouched

This indicates the nature, propriety and amount of an item that has been ascertained by the examination or testing of outside supporting documentation or data. Additional notation on the working paper of the description of the supporting documentation or data used may be appropriate.

CCx CCx          Canceled Cheque Examined

When placed by a figure representing an issued cheque, this indicates the cheque paid by the bank was examined by the auditor and compared with the related transaction for check number, account number, date, amount, payee, and endorsement and authorized signature.



DxDx                    Deposit Slip Examined

When placed by a figure representing a deposit of funds with a depository institution, this indicates the auditor examined the deposit slip and compared with the related transaction for account number, date and amount.

RcRc                    Re-calculated, Calculation Checked

When a figure has been derived by mathematical calculation, the auditor has re-performed the calculation and the results agree with the figure being checked.

G/L G/L Figure Agrees With General Ledger

This indicates the figure was compared by the auditor and determined to agree with the applicable general ledger balance or amount.

### **Budget to Actual Comparison**

For each audit conducted, a Budget to Actual Comparison is prepared. The budgetary portion represents the estimated hours by audit areas necessary to complete the audit. The budget is prepared during the initial planning phase of the audit. The general audit areas are determined by the Internal Auditor and the number and description of such areas will vary with each audit. As time is incurred on the audit project, the detailed time sheet (see page 50) is used to post the hours worked by an individual, by audit area, to the budget to actual comparison.

On a periodic basis, the number of hours by audit area should be totaled to facilitate comparison to the applicable budgetary amounts. Also, the internal auditor provides the in-charge auditor with the total hours incurred on the audit project as accumulated on the Cumulative History of Project Hours (see page 50). The internal auditor should reconcile the total hours per the Cumulative History of Project hours to the totals on the budget to actual comparison and document in the working papers an explanation of all significant time variances (i.e. overages/underage).

### **Audit Findings**

During all phases of the audit, potential audit findings can be encountered. At the time the potential finding is encountered, an Audit Finding Form should be prepared. Audit findings should be prepared as the audit progresses and not just during the reporting phase of the audit.

All audit findings should be discussed with the auditee prior to developing the written report comment or corrective action plan. The purpose of the discussion is to determine:

- (1) the conditions noted are factually correct;
- (2) to acquaint the auditee of the possible report finding, and
- (3) to obtain the auditee's input on corrective action.

After discussion with the auditee, the audit finding may be summarized on a Corrective Action Plan form. This form should be sent to the auditee for providing a written response.



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### **Control Assessment Process**

The control assessment process uses a high-level approach based on the tools in the Internal Control - Integrated Framework publication. The focus of these assessments is the five critical components necessary for good internal control, which are the control environment, risk assessment, control procedures, information/communication, and monitoring. Control assessment methodology involves interviewing personnel in the area being reviewed and examining relevant documentation. The process is detailed in the Control Assessment Program form.

The process involves the following steps:

1. Planning – The project's preliminary scope and objectives are defined and a pre-audit conference is conducted.
2. Evaluation of control framework - Relevant points of focus are identified from the Control Assessment Control Objective & Techniques form. Interviews of auditee personnel are conducted to identify control techniques that address the points of focus. Example interview questions are provided in the Control Assessment Interview Questions form. Control techniques that address each point of focus are identified through the interviews and documented on the Control Assessment Control Objective & Technique form. Control strengths and weaknesses are identified and documented on the form. An evaluation is made of each point of focus and of the overall internal control framework. The overall evaluation is documented on the Control Framework Evaluation form.
3. Report – A report of the project results is drafted.
4. Review - The working papers and report are reviewed by the Internal Auditor.
5. Exit Conference - A draft report is provided to the auditee at least 24 hours prior to scheduled exit conference. The report is reviewed in the conference.
6. Response - After the auditee response is received, review the adequacy of the responses and incorporate the responses into the final report.

#### **Step 1 – Prepare draft report**

Prepare first draft of report. Consideration should be given to whether a full-length or condensed report is better suited for the report. Some factors to consider include: users of the report and their level of familiarity with the audited area, sensitivity of report information, and significance of the audit findings. If a full-length report is selected, the Full-Length Audit Report form will be used. If a condensed report is selected, the Condensed Audit Report and Corrective Action Plan (CAP) forms will be used.

#### **Step 2 – Obtain management review of draft report**

Obtain reviews by Audit Team Leader and Internal Auditor. Include review comments in first draft. Provide copy of first draft to Chief Executive Office for review. Include any changes recommended by the CEO.

#### **Step 3 – Schedule and conduct exit conference**

A copy of the first draft should be delivered to the auditee at least 48 hours in advance of exit conference. Hold



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exit conference with auditee and discuss preliminary draft. Who will participate in the exit conference depends on the nature of the report and on the interest or concern of management.

The draft report may be reviewed with:

- a) Management personnel directly responsible for audit area.
- b) Management required to take action.
- c) Management responsible for the area or condition needing corrective action - whether or not they personally would take action or would be affected by the action.

At a minimum, the draft report should be reviewed with the individual responsible for the activity and, if appropriate, with his/her immediate superior. A copy of the draft report will be furnished to all personnel attending the exit conference. The report will be marked Preliminary Draft for Discussion Purposes Only.

The draft should be reviewed to the extent necessary to:

- a) Resolve conflicts.
- b) Reach agreement on the facts.
- c) Prevent incomplete or erroneous replies.
- d) Permit the auditee to see in advance the written report, which sometimes may appear different from the previous oral discussion of audit findings.

The purpose of the review is to obtain agreement on the facts and to make sure management understands the key statements in the report. The report is the responsibility of the auditor, not the auditee; hence, the review process is designed to ensure a proper interpretation of what the auditor has written, not what the auditee would like to see written.

If there is a disagreement concerning the facts stated in the report, the auditor should make an earnest effort to resolve such disagreements. If the differences cannot be reconciled, the report should clearly set forth the positions of both the auditor and the auditee.



## **SECTION B12 - AUDIT REPORT PROCESS**

At the close of the exit conference, the auditor should inform the auditee of the procedures followed for: issuing the final report, who will get copies of the final report, and agree on a written response completion date normally within ten working days. The auditor should provide the auditee a copy of the Internal Auditing's Guidelines for Responding.

### **Step 4 – Prepare second draft**

Incorporate any changes resulting from the exit conference in a second draft for review by Internal Auditor and his/her superior.

### **Step 5 – Obtain and evaluate auditee response**

When a written response from management is received, the response is reviewed to determine that it addresses all recommendations in the report and includes all required elements. The individual responses should clearly indicate concurrence or non-concurrence with the finding and recommendation presented and identify what corrective action, if applicable, is planned and an estimate of when such action will be completed. If the response expresses opposition with the findings or recommendations of the report, the auditor should evaluate the basis for the opposition. If the response is incomplete or includes an invalid reason for disagreement, a second response should be requested from the auditee.

When the auditor and management cannot reach agreement on a valid response, the auditor may choose to state in the audit report under the caption Auditors' Comments the reasons for rejecting the response. Such reasons should be documented in the audit working papers.

Responses are usually included in the report verbatim. If the response is extremely lengthy, the auditor should summarize the response of the auditee to each finding, including the corrective action to be taken, and include a copy of the full response as an attachment to the audit report.

### **Step 6 – Prepare final draft**

Incorporate departmental responses and other changes into report and prepare a final draft for review by Internal Auditor, Chief Executive Officer and Auditee. Incorporate any changes from the review into the final report. Present report with the Draft Audit Report Control form for signature of Internal Auditor and Internal auditor. Prepare Distribution List form and provide to Chief Executive Officer for approval.

### **Step 7 – Distribute and present report**

Distribute final report using Distribution List form. Present final report to the Council or Full Council and the Audit Committee.





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**SECTION B13 - SPECIAL PROJECTS / CLIENT REQUESTED PROJECTS**

A pool of hours is allocated in the audit plan to be available for special projects and client requests for projects.

**Approval:**

Special projects are generated from within the Office of the Internal Auditor and may be directed by the Audit Committee. Other special projects suggested by Internal Audit Team Leaders and Staff may be conducted upon approval by the Audit Committee or Chief Executive Officer.

Requested projects are generated from outside the Office of the Internal Auditor by the Council, Mayor, City employees, citizens or other interested parties. Requested projects may be conducted upon approval by the Internal Auditor. Other duties and services the Council may require by ordinance or resolution shall be conducted according to the Audit Charter.

**Request Procedures:**

Special projects may be initiated with or without a written request at the discretion of the Audit Committee and/or Internal Auditor. Client requests for projects should be submitted in writing for consideration by the Internal Auditor.

**Engagement memos:**

Special projects may or may not require an engagement memo as determined by the Internal Auditor. All departments requested projects shall require an engagement memo setting forth the nature of the project requested and the specific audit work to be performed in order to assure an adequate understanding between the requestor and Internal Auditing. The engagement memo shall be reviewed and approved by the requestor and Internal Auditor.

**Budget Hours:**

All special projects and client requested projects to be conducted with hours allocated in the pool specified in the audit plan shall require establishment of project budgeted hours and approval by the Audit Committee and/or Internal Auditor. Budgeted and actual hours applied to the project shall be documented in the project work papers.



**SECTION B14 - AUDIT FINDING / CORRECTIVE ACTION - MONITORING**

Internal Auditing will perform an annual process to monitor and ensure that corrective actions resulting from audit recommendations have been implemented. A database of audit findings will be maintained to facilitate monitoring of corrective action.

The purpose of the database is to provide a means of:

- a) Controlling, updating and reporting the proposed corrective actions to audit findings.
- b) Reporting the number, type and description of corrective actions taken.
- c) Reporting to management which finding recommendations have not been implemented and therefore remain a risk exposure.
- d) Identifying which audit findings require additional follow-up action by Internal Auditing based on risk exposure.
- e) Establishing a reporting system to obtain information concerning the current implementation status of proposed corrective actions from the responsible departmental heads.

The database will contain the following information:

Audit number	The format is FY-NN. The first two digits represent the fiscal year the project was conducted. The last two digits represent the sequential assigned project number used in the Internal Auditing time reporting system.
Audit title	Title assigned by Internal Auditing to the audit project..
Report date	Date the audit report was issued.
Department	Name of the department where the audit was performed.
Contact person	Name of the person who was the audit contact or other person who is most likely to know the status of corrective action.
Audit finding number	The number assigned to the findings in the audit report and/or audit work papers.
Finding Description	Brief summary of the original audit finding.
Recommendation	Brief summary or the recommendation in the original audit finding.
Response	Initially, the original response is entered. As updates are received on status of corrective action, new information is entered in this field.
Status Code	Choose one of the following to indicate status of corrective action: 1. In-Process - Corrective Action is being implemented 2. Pending - Corrective action agreed to but no action taken yet 3. Completed per report response 4. Complete per status inquiry response 5. Complete per follow-up report response 6. Complete - verified by follow-up procedures 7. Recommendation declined - Corrective action will not be taken. 8. Will not be implemented due to changed conditions 9. Complete, will not be verified by Internal Audit
Date of corrective action	Enter the date, in an YY/MM/DD format, when the corrective action was completed.
Date of Implementation	

An annual project is scheduled for input to all findings issued during the previous fiscal year into the database and to follow-up on open findings with expired completion dates. A work program setting forth the steps to be completed for this annual project is maintained in the Report of Management Actions permanent electronic files.

After updating the status, the Internal Auditor will provide reports to elected officials and management. Such reports could include, but not be limited to, the following:

- a) Findings with completed corrective actions;
- b) Findings with corrective action in progress and the status of such corrective action;
- c) Audit recommendations that will not be implemented;
- d) Findings with corrective action not completed.



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**SECTION B15 - AUDIT FINDING / DATABASE DEFINITIONS OF DATA FILES**

**Audit Number**

The audit number is the numerical designation made by Internal Auditing to identify each audit project. The format is FY-NN. The first two digits (FY) represent the fiscal year the project was conducted. The last two digits (NN) represent the sequential assigned project number used in the Internal Auditing time reporting system.

**Audit Title**

Enter the audit title (summarized if necessary) assigned by Internal Auditing to the audit project.

**Report Date**

Enter the date the audit report was issued.

**Department**

Enter the name of the department where audit was performed.

**Contact Person**

Enter the name of the person in the auditee department who is most likely to know the current status of the audit finding. This will generally be the contact person designated by the department head for the original audit.

**Audit Finding Number**

Enter the number assigned to the finding in the audit report.

**Finding Description**

The field should contain a brief summary of the original audit report findings.

**Recommendation**

The field should contain a brief summary of the recommendation contained in the original audit report.

**Response**

Initially, the original response of the auditee should be summarized and entered in this field. When a status update is received, the new status is entered in this field.



**Status Code**

Enter the two-digit code, which indicates the current status of corrective action. Codes to be used are as follows:

1. In-Process – Corrective Action is being implemented;
2. Pending – Corrective action agreed to but no action taken yet;
3. Completed per report response;
4. Completed per status inquiry response;
5. Completed per follow-up response;
6. Complete – verified by follow-up procedures;
7. Recommendation declined – Corrective action will not be taken;
8. Will not be implemented due to changed conditions;
9. Complete, will not be verified by Internal Audit.

**Date of Corrective Action**

Enter the date, in a YY/MM/DD format, when the corrective action was completed.

**Conflict of Interest**

In all matters relating to audit work, the audit organisation and the individual auditors should be free from personal and external impairments. Such independence is necessary is so that opinions. Conclusions. Judgments and recommendations will be impartial and will be viewed as impartial by knowledgeable third parties. It is essential not only those auditors are, in fact, independent and impartial, but also that knowledgeable third parties consider them so.

There are circumstances in which auditors may not be impartial, or may not be perceived to be impartial. In order to assist auditors in identifying any personal impairment, an annual independence statement (*see page 38*) should be completed. Also, to assist audit team members with review of their independence as it relates to specific audit projects to which they are assigned, an independence statement should be completed and documented in the audit project work papers as a step in the general matters – planning section of the audit program.

To the best of my knowledge and belief, I have answered the following questions correctly:

	<u>YES</u>	<u>NO</u>
1. Do you have any officials, professional, personal or financial relationships that might cause you to limit the extent of any inquiry, to limit disclosure or, to weaken or slant audit findings in any way?	_____	_____
2. Do you have any preconceived ideas towards individuals, groups, organizations or objectives of a particular program that could bias the audit?	_____	_____
3. Did you have any previous responsibility for decision making or managing an entity that would affect current operations of any entity or program being audited?	_____	_____
4. Did you previously perform any duties for the City involving the approval of invoices, payrolls, claims or other proposed payments?	_____	_____
5. Are you currently or have you previously maintained the official accounting records of a fund or program of the City of Suva?	_____	_____
6. Do you have any financial interests, direct or substantial indirect, in the City of Suva or in any of the related entities, funds or programs of the City except for compensation and benefits provided by the City policy?	_____	_____
7. Do you have a financial interest, direct or substantial indirect, in any related party transaction (vendor, customers, contractors, leases or other financial transaction etc) with the City governing body, or affiliated government units that are not part of the report entity?	_____	_____

**SUVA CITY COUNCIL  
AUDIT POLICIES AND PROCEDURES**



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8. I acknowledge receipt of a copy and affirm adherence to the Institute of Internal Auditors and Fiji Institute of Accountants Code of Ethics.

EXCEPTIONS (State "none" if there are no exceptions):

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SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_



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**AUDIT PROJECT INDEPENDENCE STATEMENT**  
**Audit Name**  
**As of**

To the best my knowledge and belief, the following statements are true:

1. I have no official, professional, personal, or financial relationships that might cause me to limit extend of any injury, to limit disclosure, or to weaken or slant audit findings in any way.
2. I have no preconceived ideas toward individuals, groups, organizations or objectives of a particular program that could bias the audit.
3. I have no previous responsibility for decision-making or managing an entity that would affect current operations of any entity or program being audited.
4. I have not performed any duties for Suva City within the last five (5) years that involved the approval of invoices, payrolls, claims or other proposed payments related to this audit.
5. At no time within the past five (5) years have I maintained the official accounting records of a funds or program of the City of Suva related to this audit.
6. I have no financial interest, indirect or substantial indirect, in the City of Suva or in any funds, programs or related entities of the City of Suva, except for compensation and benefits provided by the City policy.

Title	Signature	Date
Internal Auditor		
Audit Team Leader		
Staff Auditor		

Auditors should disclose, in writing, any exception (s) to these statements. Written exceptions should be filed as supplements following this page.



#### **SECTION B16 - PROFESSIONAL DEVELOPMENT**

Continued professional development is necessary to refine and maintain employee skills, introduce progressive auditing and analytical techniques and prepare individuals for greater levels of responsibility. Such development can be accomplished by on-the-job training and by attending formal training programs.

Auditors should complete continuing education as follows:

1. At least 20 hours should be completed each fiscal year;
2. A total of 80 hours should be completed every two fiscal years;
3. At least 24 of the 80 hours should be in subjects directly related to the government environment and to government auditing.

Each auditor is responsible for planning appropriate continuing education to meet these objectives. Such planning should be coordinated with the manager in charge. Such education can be in the areas of auditing, accounting, data processing, management, or other related fields that enable the individuals to increase the skills necessary to perform the duties specified as an internal auditor. Training may be done by Internal Auditing or be provided by recognized external organizations such as Institute of Internal Auditors, Fiji Institute of Accountants, colleges or universities or private training companies.

Proof of completion of continuing education should be furnished to the Assistant Staff Auditor. Such proof may take the form of certificates of completion, transcripts, letters of confirmation, etc. To monitor the training received by the various internal auditors, the "Training Summary" will be used. The training summary will be maintained by the Assistant Staff Auditor for Internal Auditing and will be updated as necessary as but no less than quarterly.

Authorised time off will be provided to auditors who are taking an examination which will result in professional certification as per the Council's policies and procedures. Registration fees or travel expenses will not be reimbursed.



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**INTERNAL AUDITING TRAINING SUMMARY ACCUMULATED CONTINUING  
EDUCATION NAME/TITLE/  
Audit Name  
As of 00/00/0000**

DATE	DESCRIPTION	LOCATION	SPONSOR	HOURS
00/00/0000	Name of Conference or Course	Organisation		00





**SECTION B17 - PERSONNEL FEEDBACK / EVALUATION**

The Internal Auditor and Chief Executive Officer are responsible for the evaluation of staff personnel assigned to an audit project. The evaluation includes preparation of the applicable written evaluation form for a staff auditor or internal auditor and discussion of the completed form with the auditor being evaluated. The written evaluation should be prepared for projects on which the assigned auditor works more than 80 hours. The parameters for using the performance evaluation/feedback forms are as follows:

1. The evaluator may use either the standardized forms or any other format preferred. Normally, there will be only one team leader designated for an audit project.
2. The evaluation form is to be completed by the audit team leader on all other staff assigned to the project. The internal auditor will complete an evaluation on the audit team leader.
3. The completed form should be discussed with the individual being evaluated.
4. The evaluation should be signed by both the person being evaluated and the evaluator and then given to the internal auditor of the project for review and signature.
5. Copies of the evaluation may be provided to the person being evaluated. The evaluator should not retain copies.
6. Additional comment pages may be attached by either the person being evaluated or by the evaluator.
7. The Internal Auditor will maintain the original copy of the evaluation. Copies of the evaluation will not be forwarded to the individual's personnel file.
8. The forms are not intended to supersede the Performance Planning and Review Form. The intent of the form is to provide timely feedback for improvement of performance.



**STAFF AUDITOR PERSONNEL FEEDBACK / EVALUATION FORM**

**CITY OF SUVA  
INTERNAL AUDITING  
PROJECT FEEDBACK/EVALUATION FORM  
STAFF AUDITOR**

**NAME OF PERSON EVALUATED:** \_\_\_\_\_

**AUDIT TITLE:** \_\_\_\_\_

**DUTIES ON AUDIT:** \_\_\_\_\_

	<b>Above Averag e</b>	<b>Competent</b>	<b>Needs Improvem ent</b>	<b>Not Rated</b>
<b>Planning</b>				
1. Obtains an understanding of the procedures and problems of the auditee.				
2. Remains alert for improvements in planning documentation, audit programs, and budget.				
<b>Technical Competence</b>				
1. Demonstrates basic documentation skills, including indexing, referencing, organisation, and neatness.				
2. Prepares work papers with procedures performed, nature, scope, and results of examination clearly and concisely stated.				
3. Demonstrates basic documentation skills, including indexing, referencing, organization, and neatness.				
4. Develops audit findings clearly presenting relevant facts, practical solutions and discussions with the auditee.				
<b>Time Management</b>				
1. Demonstrates the ability to meet time budget. Actual results on the assigned areas.				
2. Monitors own progress, keeps in-charge advised of progress and potential problems.				
<b>Communication</b>				
1. Demonstrates effective written communication.				
2. Demonstrates effective oral communication, ability to sell ideas.				
3. Listens to others and notes important information.				




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**STAFF AUDITOR PERSONNEL FEEDBACK / EVALUATION FORM, *continued***

<b>Personal Attributes</b>				
1. Maintains an effective interpersonal relationship with auditees, staff and supervisors.				
2. Accepts responsibility, shows initiative, self motivation, and constructive attitude.				
3. Maintains a professional bearing and appearance, independence from auditees.				
4. Can be relied upon to meet requests from others, goals set for self.				

Additional Comments:

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SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

PREPARED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

REVIEWED BY: \_\_\_\_\_

DATE: \_\_\_\_\_



**AUDIT TEAM LEADER FEEDBACK / EVALUATION FORM**

**CITY OF SUVA  
INTERNAL AUDITING  
PROJECT FEEDBACK/EVALUATION FORM  
STAFF AUDITOR**

**NAME OF PERSON EVALUATED:** \_\_\_\_\_

**AUDIT TITLE:** \_\_\_\_\_

**DUTIES ON AUDIT:** \_\_\_\_\_

	<b>Above Average</b>	<b>Competent</b>	<b>Needs Improvement</b>	<b>Not Rated</b>
<b>Planning</b>				
1. Obtains an understanding of the procedures and problems of the auditee.				
2. Prepares effective and efficient audit programs and budgets.				
3. Coordinates planning completion with staff availability.				
4. Effectively coordinates planned audit procedures with auditee.				

<b>Technical Competence</b>				
1. Demonstrates basic documentation skills, including indexing, referencing, organisation, and neatness.				
2. Prepares work papers with procedures performed nature, scope, and results of examination clearly and concisely stated.				
3. Develops audit findings clearly presenting relevant facts, practical solutions and discussions with the auditee.				
4. Monitors progress of the audit, keeps manager advised of progress and potential problems. Conducts team meetings periodically.				
5. Exhibits the ability to prepare the audit reports, knowledge of the reporting progress.				
6. Effectively wraps up the audit, including agreeing the workpapers to the report, ensuring work papers receive all levels of review and all review comments are cleared.				
7. Demonstrates the ability to meet time budgets. Actual results for the projects.				

**SUVA CITY COUNCIL  
AUDIT POLICIES AND PROCEDURES**



<b>Supervision</b>				
1. Reviews work papers on timely basis.				
2. Delegates responsibility for effective project completion to foster staff development.				
3. Utilises staff to maximise productivity.				
4. Prepares thorough personnel evaluations on a timely basis, discuss performance with the individual evaluated.				

<b>Communication</b>				
1. Demonstrates effective written communication.				
2. Demonstrates effective oral communication, ability to sell ideas. Conducts effective pre-audit and exit meetings.				
3. Listens to others and notes important information.				

<b>Personal Attributes</b>				
1. Maintains an effective interpersonal relationship with auditees, staff and supervisors.				
2. Accepts responsibility, shows initiative, self motivation, and constructive attitude.				
3. Maintains a professional bearing and appearance, independence from auditees.				
4. Can be relied upon to meet requests from other, goals set for self.				

**Additional Comments:**

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DATE: \_\_\_\_\_

PREPARED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

REVIEWED BY: \_\_\_\_\_

DATE: \_\_\_\_\_



**SECTION B18 - STAFF SCHEDULING**

The Internal Auditor is responsible for assigning the various audit projects to the staff auditors and for determining when and which audit projects in the audit plan will be started. Such assignments will be based on the professional judgment of the Internal Auditor after considering the audit area, audit complexity, previous experience, existing work loads, and anticipated audit report due dates.

The audit scheduler is responsible for making and controlling all staff assignments. Audit Team Leaders are responsible for informing the audit scheduler of staff requirements for the audits for which they have management responsibility. The assignments are based on staff qualifications, experience and availability and upon the needs and complexity of the audit project.

Internal auditor will be designated as the in-charge auditor for each audit project. The internal auditor, in conjunction with the Chief Executive Officer, is responsible for the planning, implementing, controlling, and reporting functions of the assigned audit. Additional audit staff members will be assigned to the audit team based on the specific audit staffing requirements and the time budget for the audit. Scheduling of audit staff members for projects will follow development of the detailed audit program unless approved by the Staff Auditor assigned for the project.

The internal auditor shall be responsible for the direct supervision of staff auditors assigned to the project. Supervision will include involvement in all phases of the audit project, including planning, implementing, controlling, and reporting.

The audit scheduler will maintain a written schedule and provide, on a periodic basis, both audit staff and audit management with copies of the schedule.

Any conflicts in the schedule should be brought to the attention of the audit scheduler for a resolution mutually agreeable to all involved parties. If the conflict is a result of conflicting priorities which cannot be readily resolved, the Internal Auditor will be consulted and will make a determination of overall priorities and scheduling requirements.



**SECTION B19 - GENERAL OFFICE SECURITY**

Working papers and other internal audit files should be protected from unauthorized access. All staff will be provided with the applicable keys to the offices used by Internal Auditing. Working outside working hours to be approved by the Internal Auditor. All file cabinets and outer office doors should be locked at the end of the working day.

Each auditor has a responsibility to ensure that all working papers are secure at the end of the day. In addition, if an auditor must leave working papers in an area where there are no other auditors to guard them, the auditor should cover or lock up the working papers to deter unauthorized access to the working papers.



**SECTION B20 - NEWS MEDIA**

Within Internal Auditing, Chief Executive Officer, Public Relation Officer or designee is the single point of contact with the Public Relation Officer in relation to news media. All inquiries from the press should be referred to the Internal Auditor or designee.





**SECTION B21 - FRAUD ABUSE AND ILLEGAL ACTS**

If an auditor is notified of or determines during the performance of an audit that a situation or transaction involves possible fraud, abuse or illegal acts, the auditor should notify the Internal Auditor. Internal Auditing will review the matter to determine the validity and extent of the possible fraud, abuse or illegal act. After obtaining the necessary background information, the Internal Auditor after consultation, if appropriate, with the Chief Executive Officer will determine if the matter should be referred to the Legal Department or other authorities for appropriate investigation.



**SECTION B22 - ELECTRONIC FILE FORMS INDEX**

ALPHABETICAL SUBJECT INDEX

**Electronic Work papers**

**File Location**

Auditing Program	<i>documents/template/audit/auditprogram</i>
Correspondence	<i>documents/correspondence/audit</i>
Budget Vs Actual	<i>documents/audit/administration/budget</i>
Condensed Report Template	<i>documents/template/audit/condenserept</i>
Control Objectives & Techniques	<i>documents/template/audit/O&amp;T</i>
Corrective Action Plan (CAP)	<i>documents/template/audit/CAP</i>
Detailed Program Form	<i>documents/template/audit/detailedprg</i>
Draft Audit Report Control	<i>documents/template/audit/report control</i>
Engagement Risk Analysis	<i>documents/template/audit/risk analysis</i>
Full-length Report Template	<i>documents/template/audit/full report</i>
Summary of Internal Control	<i>documents/template/audit/summary internal control</i>
Work paper Approval Form	<i>documents/template/audit/approval form</i>

**Control Assessment Papers**

**File Location**

Agenda – Preassess Mtg	<i>documents/audit/asepapers/Agenda-PreassessMtg.doc</i>
CA Budget & Due Dates	<i>documents/audit/asepapers/CABudgetandDueDates.xls</i>
CA Budget vs. Actual	<i>documents/audit/asepapers/CABudgetvsActual.xls</i>
CA Control O&T	<i>documents/audit/asepapers/CAControlOandT.doc</i>
CA Index	<i>documents/audit/asepapers/CAIndex.xls</i>
CA Interview Questions	<i>documents/audit/asepapers/CAInterviewQuestions.doc</i>
CA Job Start Letter	<i>documents/audit/asepapers/CAJobStartLetter.doc</i>
CA Program	<i>documents/audit/asepapers/CAProgram.doc</i>
CA Report Template	<i>documents/audit/asepapers/CAReportTemplate.doc</i>
CA Scope & Objectives	<i>documents/audit/asepapers/CAScopeandObjectives.doc</i>
CA Workpaper Approval Form	<i>documents/audit/asepapers/CAWrkprApprovalForm.doc</i>
Control Framework Evaluation	<i>documents/audit/asepapers/ControlFrameWorkEval.doc</i>

**Practice Aids**

**File Location**

AIC Project Eval	<i>documents/audit/PA /AICProjectEval.doc</i>
Annual Risk Assessment Procedures	<i>documents/audit/PA/ARiskAnProcedures.doc</i>
Conflict of Interest Statement	<i>documents/audit/PA/ConflictofInterestStatement.xls</i>
COSO Template	<i>documents/audit/PA/COSOTemplate.doc</i>
Detailed Time Sheet	<i>documents/audit/PA/DetailedTimeSheet.xls</i>
Estimate to Complete	<i>documents/audit/PA/EstimatetoComplete.xls</i>
Exit Conference Agenda	<i>documents/audit/PA/ExitConferenceAgenda.doc</i>
FAX	<i>documents/audit/PA/FAX.doc</i>
General Matters – Co-sourced	<i>documents/audit/PA/GeneralMattersCoSourced.doc</i>
Guidelines for responding	<i>documents/audit/PA/GuidelinesforResponding.doc</i>
Interoffice Memo Form	<i>documents/audit/PA/InterOfficeMemoForm.doc</i>
Pre-audit Meeting Agenda	<i>documents/audit/PA/Pre-auditMeetingAgenda.doc</i>
Report Cover	<i>documents/audit/PA/ReportCover.doc</i>
Review Notes Form	<i>documents/audit/PA/ReviewNotesForm.xls</i>
Staff Project Evaluation	<i>documents/audit/PA/StfProjectEval.doc</i>
Time Report	<i>documents/audit/PA/TimeReport.xls</i>
Training Summary Form	<i>documents/audit/PA/TrainingSummaryI.doc</i>