# Tool 12c. Monitoring tool for review of performance audit engagement

|  |  |  |
| --- | --- | --- |
| **Subject Matter** | **:** |  |
| **Audit Period** | **:** |  |
| **Audit Supervisor** | **:** |  |
| **Period of Inspection** | **:** |  |

**Note:** The criteria in this tool are based on ISSAI 3000 requirements. The tool should be updated when there are new changes in the standards, especially the changes that will be brought by the new quality management standards. Take note that since conforming amendments as a result of the revision of ISSAI 140 are not yet available, some references and terms in this tool are still referring to the old concept “quality control system” rather than the new System of Audit Quality Management.

| **Requirements** | **PA ISSAI Ref.** | **Implemented in the audit?****(YES/NO /NA)** | **REMARKS** |
| --- | --- | --- | --- |
| **GENERAL REQUIREMENTS FOR PERFORMANCE AUDITING** |
| **Independence and ethics** |
| 1. The auditor shall comply with the SAI’s procedures for independence and ethics, which in turn shall comply with the related ISSAIs on independence and ethics.
 | ISSAI 3000.21 |  |  |
| 1. The auditor shall take care to remain independent so that the audit findings and conclusions are impartial and will be seen as such by the intended users.
 | ISSAI 3000.23 |  |  |
| **Intended users and responsible parties** |
| 1. The auditor shall explicitly identify the intended users and the responsible parties of the audit and throughout the audit consider the implication of these roles in order to conduct the audit accordingly.
 | ISSAI 3000.25 |  |  |
| **Subject matter** |
| 1. The auditor shall identify the subject matter of a performance audit.
 | ISSAI 3000.29 |  |  |
| **Confidence and assurance in performance auditing** |
| 1. The auditor shall communicate assurance about the outcome of the audit of the subject matter against criteria in a transparent way.
 | ISSAI 3000.32 |  |  |
| **Audit objective(s)** |
| 1. The auditor shall set a clearly-defined audit objective(s) that relates to the principles of economy, efficiency and/or effectiveness.
 | ISSAI 3000.35 |  |  |
| 1. The auditor shall articulate the audit objective(s) in sufficient detail in order to be clear about the questions that will be answered and to allow logical development of the audit design.
 | ISSAI 3000.36 |  |  |
| 1. If the audit objective(s) is formulated as audit questions and broken down into sub-questions, then the auditor shall ensure that they are thematically related, complementary, not overlapping and collectively exhaustive in addressing the overall audit question.
 | ISSAI 3000.37 |  |  |
| **Audit approach** |
| 1. The auditor shall choose a result-, problem or system-oriented audit approach, or a combination thereof.
 | ISSAI 3000.40 |  |  |
| **Audit criteria** |
| 1. The auditor shall establish suitable audit criteria, which correspond to the audit objective(s) and audit questions and are related to the principles of economy, efficiency and/or effectiveness.
 | ISSAI 3000.45 |  |  |
| 1. The auditor shall, as part of planning and/or conducting the audit, discuss the audit criteria with the audited entity.
 | ISSAI 3000.49 |  |  |
| **Audit risk** |
| 1. The auditor shall actively manage audit risk to avoid the development of incorrect or incomplete audit findings, conclusions, and recommendations, providing unbalanced information or failing to add value.
 | ISSAI 3000.52 |  |  |
| **Communication** |
| 1. The auditor shall plan for and maintain effective and proper communication of key aspects of the audit with the audited entity and relevant stakeholders throughout the audit process.
 | ISSAI 3000.55 |  |  |
| 1. The auditor shall take care to ensure that communication with stakeholders does not compromise the independence and impartiality of the SAI.
 | ISSAI 3000.59 |  |  |
| 1. The SAI shall clearly communicate the standards that were followed to conduct the performance audit.
 | ISSAI 3000.61 |  |  |
| **Skills** |
| 1. The SAI shall ensure that the audit team collectively has the necessary professional competence to perform the audit.
 | ISSAI 3000.63 |  |  |
| **Supervision** |
| 1. The SAI shall ensure that the audit team collectively has the necessary professional competence to perform the audit.
 | ISSAI 3000.66 |  |  |
| **Professional judgment and scepticism** |
| 1. The auditor shall exercise professional judgment and skepticism and consider issues from different perspectives, maintaining an open and objective attitude to various views and arguments.
 | ISSAI 3000.68 |  |  |
| 1. The auditor shall assess the risk of fraud when planning the audit and be alert to the possibility of fraud throughout the audit process.
 | ISSAI 3000.73 |  |  |
| 1. The auditor shall maintain a high standard of professional behavior.
 | ISSAI 3000.75 |  |  |
| 1. The auditor shall be willing to innovate throughout the audit process.
 | ISSAI 3000.77 |  |  |
| **Quality control** |
| 1. The SAI shall establish and maintain a system to safeguard quality, which the auditor shall comply with to ensure that all requirements are met, and place emphasis on appropriate, balanced, and fair audit reports that add value and answer the audit questions.
 | ISSAI 3000.79 |  |  |
| **Materiality** |
| 1. The auditor shall consider materiality at all stages of the audit process, including the financial, social and political aspects of the subject matter with the goal of delivering as much added value as possible.
 | ISSAI 3000.83 |  |  |
| **Documentation** |
| 1. The auditor shall document the audit in a sufficiently complete and detailed manner.
 | ISSAI 3000.86 |  |  |
| **REQUIREMENTS RELATED TO THE PERFORMANCE AUDITING PROCESS** |
| **Planning – selection of topics** |
| 1. The auditor shall select audit topics through the SAI’s strategic planning process by analyzing potential topics and conducting research to identify audit risks and problems.
 | ISSAI 3000.89 |  |  |
| 1. The auditor shall select audit topics that are significant and auditable, and consistent with the SAI’s mandate.
 | ISSAI 3000.90 |  |  |
| 1. The auditor shall conduct the process of selecting audit topics with the aim of maximizing the expected impact of the audit while taking account of audit capacities.
 | ISSAI 3000.91 |  |  |
| **Planning – designing the audit** |
| 1. The auditor shall plan the audit in a manner that contributes to a high-quality audit that will be carried out in an economical, efficient, effective and timely manner and in accordance with the principles of good project management.
 | ISSAI 3000.96 |  |  |
| 1. The auditor shall acquire substantive and methodological knowledge during the planning phase.
 | ISSAI 3000.98 |  |  |
| 1. During planning, the auditor shall design the audit procedures to be used for gathering sufficient and appropriate audit evidence that respond to the audit objective(s) and question(s).
 | ISSAI 3000.101 |  |  |
| 1. The auditor shall submit the audit plan to the audit supervisor and SAI’s senior management for approval.
 | ISSAI 3000.104 |  |  |
| **Conducting** |
| 1. The auditor shall obtain sufficient and appropriate audit evidence in order to establish audit findings, reach conclusions in response to the audit objective(s) and audit questions and issue recommendations when relevant and allowed by the SAI´s mandate.
 | ISSAI 3000.106 |  |  |
| 1. The auditor shall analyze the collected information and ensure that the audit findings are put in perspective and respond to the audit objective(s) and audit questions; reformulating the audit objective(s) and audit questions as needed.
 | ISSAI 3000.112 |  |  |
| **Reporting** |
| 1. The auditor shall provide audit reports, which are: a) comprehensive, b) convincing, c) timely, d) reader friendly, and e) balanced.
 | ISSAI 3000.116 |  |  |
| 1. The auditor shall identify the audit criteria and their sources in the audit report.
 | ISSAI 3000.122 |  |  |
| 1. The auditor shall ensure that the audit findings clearly conclude against the audit objective(s) and/or questions, or explain why this was not possible.
 | ISSAI 3000.124 |  |  |
| 1. The auditor shall provide constructive recommendations that are likely to contribute significantly to addressing the weaknesses or problems identified by the audit, whenever relevant and allowed by the SAI’s mandate.
 | ISSAI 3000.126 |  |  |
| 1. The auditor shall give the audited entity the opportunity to comment on the audit findings, conclusions and recommendations before the SAI issues its audit report.
 | ISSAI 3000.129 |  |  |
| 1. The auditor shall record the examination of the audited entity’s comments in working papers, including the reasons for making changes to the audit report or for rejecting comments received.
 | ISSAI 3000.130 |  |  |
| 1. The SAI shall make its audit reports widely accessible taking into consideration regulations on confidential information.
 | ISSAI 3000.133 |  |  |
| **Follow-up** |
| 1. The auditor shall follow up, as appropriate, on previous audit findings and recommendations and the SAI shall report to the legislature, if possible, on the conclusions and impacts of all relevant corrective actions.
 | ISSAI 3000.136 |  |  |
| 1. The auditor shall focus the follow-up on whether the audited entity has adequately addressed the problems and remedied the underlying situation after a reasonable period.
 | ISSAI 3000.139 |  |  |