

Gap analysis tool – worked example

Key principles and application guidance within ISSAI 40 <i>Column A</i>	Assessment of the position of the SAI relative to ISSAI 40 <i>Column B</i>	Gap identified <i>Column C [(A) – (B)]</i>	Significance of the gap <i>Column D</i>	Recommended action to address the gap <i>Column E</i>	Follow up/monitoring <i>Column F</i>
Element 1: Leadership responsibilities for quality within the SAI					
<p>Key principle: An SAI should establish policies and procedures designed to promote an internal culture recognising that quality is essential in performing all of its work. Such policies and procedures should be set by the Head of the SAI, who retains overall responsibility for the system of quality control.</p> <p>Application guidance:</p> <ul style="list-style-type: none"> ➤ The Head of the SAI may be an individual or a group depending on the mandate and circumstances of the SAI. ➤ The Head of the SAI should take overall responsibility for the quality of all work performed by the SAI. ➤ The Head of the SAI may delegate authority for managing the SAI's system of quality control to a person or persons with sufficient and appropriate experience to assume that role. ➤ SAIs should strive to achieve a culture that recognises and rewards high quality work throughout the SAI. To achieve that culture the Head of the SAI should set the right "tone at the top" which emphasises the importance of quality in all of the work of the SAI, including work which is contracted out. Such a culture also depends on clear, consistent and frequent actions from all levels of the SAI's management that emphasise the importance of quality. ➤ The strategy of each SAI should recognise an overriding requirement for the SAI to achieve quality in all of its work so that political, economic or other considerations do not compromise the quality of work performed. 	<p>Partially fulfilled.</p> <p>Fulfilled</p> <p>Fulfilled</p> <p>Fulfilled</p> <p>Partially fulfilled: The SAI has a strategic plan (2010-2014) that stresses quality in all goals. This emphasis is communicated and operationalized in the organization by means of the annual activity plan, which is prepared on the basis of a risk analysis that is updated every year. Further on, the SAI has auditing standards and guidelines which set out requirements for quality in all work performed including communication (information in writing and orally) with the organization being audited and other users.</p> <p>Fulfilled</p>	<p>Three gaps have been identified.</p> <p>No special training programme has been established for senior managers to ensure that they are familiar with the organization and the quality assurance system for which they have a special responsibility.</p> <p>The recruitment process for senior managers described in the Handbook on recruitment is the same as for other employees. There are no special measures in place to ensure that competent senior managers are recruited.</p>	<p>The SAI consider all the three gaps to be significant.</p> <p>Senior managers have a special responsibility for quality within the audit organization. Senior managers have to be familiar with the quality control system established within the SAI, and their roles in achieving high quality.</p> <p>There is a risk that the recruitment process for senior managers is not thorough enough, with the consequence that senior managers do not have the necessary skills and competence required.</p>	<p>All actions recommended and the responsibilities for carrying them out are described in the annual plan for 2012/2013.</p> <p>The Human resource function is asked to consider the need senior managers have for a special training program on the quality assurance system within the organization.</p> <p>The new recruitment strategy will include more thorough procedures for recruiting senior managers.</p>	<p>To be followed up as a part of the annual plan and other evaluations.</p> <p>Possible actions/training programmes will be considered when developing the next annual plan.</p> <p>The SAI has procedures for evaluating its personnel policies and the new procedures for recruiting senior managers will be included in the next evaluation.</p>

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<ul style="list-style-type: none"> ➤ SAIs should ensure that quality control policies and procedures are clearly communicated to SAI personnel and to any parties contracted to carry out work for the SAI. ➤ SAIs should ensure that sufficient resources are available to maintain the system of quality control within the SAI. 	<p>Partially fulfilled: All existing documents with a bearing on quality have been published on the Intranet.</p> <p>Fulfilled</p>	<p>There is no overall documentation that outlines the whole quality assurance system, audit-related and administrative, its structure and a clear document structure. A gap was found in communication of the quality assurance system, in the sense that there is no documentation that outlines the whole system. This will hamper the communication of the overall quality system.</p>	<p>The SAI must document its quality control policies and procedures and communicate those policies and procedures to its personnel.</p>	<p>The SAI must develop a pilot that gives an overall picture of its quality assurance system. The system should be built around the main elements in ISSAI 40. Should this prove difficult the number of main elements may be adjusted to correspond with the situation and mandate of the SAI. In this process the SAI should also suggest how to document the overall picture of the quality system.</p> <p>The responsibility for this task is to be placed in the quality counsel subordinate to the Auditor General.</p>	<p>To be followed up as a part of the annual plan.</p>
Element 2: Relevant ethical requirements					
<p>Key principle: An SAI should establish policies and procedures designed to provide it with reasonable assurance that the SAI, including all personnel and any parties contracted to carry out work for the SAI, comply with relevant ethical requirements.</p> <p>Application guidance:</p> <ul style="list-style-type: none"> ➤ SAIs should emphasise the importance of meeting relevant ethical requirements in carrying out their work. ➤ All SAI personnel and any parties contracted to carry out work for the SAI should demonstrate appropriate ethical behaviour. ➤ The Head of the SAI and senior personnel within the SAI should serve as an example of appropriate ethical behaviour. ➤ The relevant ethical requirements should include any requirements 	<p>Partially fulfilled</p> <p>Fulfilled</p> <p>Fulfilled</p> <p>Fulfilled</p> <p>Fulfilled</p>	<p>Four gaps have been identified.</p>	<p>The SAI consider three of them to be significant.</p>	<p>The SAI will develop routines and procedures to close the three identified gaps</p>	<p>The SAI will monitor and evaluate the functioning of the new routines and procedures yearly.</p>

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<p>set out in the legal and regulatory framework governing the operations of the SAI.</p> <ul style="list-style-type: none"> ➤ Ethical requirements for SAIs may include or draw on the INTOSAI code of ethics (ISSAI 30) and the IFAC ethical requirements, as appropriate to its mandate and circumstances and to the circumstances of their professional staff. ➤ SAIs should ensure policies and procedures are in place that reinforce the fundamental principles of professional ethics as defined in ISSAI 30, i.e.: <ul style="list-style-type: none"> – integrity; – independence, objectivity and impartiality; – professional secrecy; and – competence. ➤ SAIs should ensure that any parties contracted to carry out work for the SAI are subject to appropriate confidentiality agreements. ➤ SAIs should consider the use of written declarations from personnel to confirm compliance with the SAI's ethical requirements. ➤ SAIs should ensure policies and procedures are in place to notify the Head of the SAI in a timely manner of breaches of ethical requirements and enable the Head of the SAI to take appropriate action to resolve such matters. ➤ SAIs should ensure appropriate policies and procedures are in place to maintain independence of the head of the SAI, all personnel and any parties contracted to carry out work for the SAI. <p>(For more guidance in independence of SAIs, refer to <i>ISSAI 10 Mexico Declaration on SAI Independence</i> and <i>ISSAI 11 Guidelines and Good Practices Related to SAI Independence</i>).</p>	<p>Partially fulfilled</p> <p>Fulfilled</p> <p>Fulfilled</p> <p>Not fulfilled</p> <p>Not fulfilled</p>	<p>The SAI's Ethical Guidelines need updating following adaptation to international standards with reference to IFAC's Ethical Requirements.</p> <p>No procedure (cyclical) has been established for obtaining written declaration from personnel to confirm compliance with the relevant ethical requirements.</p> <p>The guidelines for reporting of internal matters that warrant criticism have been introduced, but no ordinary procedures exist for reporting breaches of ethical requirements.</p>	<p>The gap is considered to be minor and will probably not harm the SAI's compliance with relevant ethical requirements.</p> <p>Declarations of impartiality and declarations of confidentiality are signed on appointment. It is considered important to have procedures to ensure that personnel update their confirmations on a regular basis.</p> <p>The routines for handling breach of ethical requirements are still deficient.</p>	<p>The next version of the SAI's Ethical Guidelines will be updated in line with international standards with reference to IFAC Ethical Requirements.</p> <p>The SAI will establish relevant procedures in order for personnel to confirm compliance with the ethical requirements.</p> <p>The SAI will establish relevant procedures for notifying the Head of the SAI of breaches and make sure to inform the organisation.</p>	<p>The task will be given a priority along with other development objectives.</p> <p>The SAI will include the monitoring of these routines in its annual quality control.</p> <p>The SAI will include the monitoring of these routines in its annual quality control.</p>

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<p>➤ SAIs should ensure policies and procedures are in place that reinforce the importance of rotating key audit personnel, where relevant, to reduce the risk of familiarity with the organisation being audited. SAIs may also consider other measures to reduce the familiarity risk.</p>	<p>Not fulfilled</p>	<p>There are no guidelines and procedures for rotating key audit personnel.</p>	<p>This is considered essential in order to prevent familiarity with the organisation audited.</p>	<p>A working group has been established to develop principals and procedures for rotating key audit personnel. This includes both the identification of key audit personnel and the system for rotating.</p>	<p>The system will be implemented and followed up continually.</p>
<p>Element 3: Acceptance and continuance</p>					
<p>Key principle: An SAI should establish policies and procedures designed to provide the SAI with reasonable assurance that it will only carry out audits and other work where the SAI:</p> <ul style="list-style-type: none"> a) is competent to perform the work and has the capabilities; including time and resources, to do so; b) can comply with relevant ethical requirements; and c) has considered the integrity of the organisation being audited and has considered how to treat the risk to quality that arises. <p>The policies and procedures should reflect the range of work carried out by each SAI. In many cases SAIs have little discretion about the work they carry out. SAIs carry out work in three broad categories:</p> <ul style="list-style-type: none"> • Work that is required of them by their mandate and statute and which they have no option but to carry out; • Work that is required by their mandate, but where they have discretion as to the timing, scope and/or nature of work; • Work that they can choose to 	<p>Partially fulfilled</p>	<p>Two partial gaps have been identified.</p>	<p>Although considered partial gaps, the SAI considers them to be significant.</p>	<p>The SAI will develop policies and procedures to close the partial gaps.</p>	<p>The SAI will monitor and evaluate the functioning of the new policies and procedures yearly.</p>

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<p>carry out.</p> <p>Application guidance:</p> <ul style="list-style-type: none"> ➤ For all audits and other work carried out, SAIs should establish systems to consider the risks to quality which arise from carrying out the work. These will vary, depending on the type of work being considered. ➤ SAIs normally operate with limited resources. SAIs should consider their work programme and whether they have the resources to deliver the range of work to the desired level of quality. To achieve this, SAIs should have a system to prioritise their work in a way that takes into account the need to maintain quality. If resources are not sufficient and pose a risk to quality, the SAI should have procedures to ensure that the lack of resource is brought to the attention of the Head of the SAI and, where appropriate, the legislature or budgetary authority. ➤ SAIs should assess if a material risk to their independence exists in accordance with ISSAI 10. Where such a risk is identified, the SAI should determine and document how it plans to address this risk and ensure an approval process is in place and is adequately documented. ➤ Where the integrity of the audited organisation is in doubt, the SAI should consider and address the risks arising from the capability of staff, the level of resources, and any ethical issues which might arise in the audited organisation. ➤ SAIs should consider procedures for acceptance and continuance of discretionary work, including work which is contracted out. If the SAI decides to carry out the work, the SAI should ensure the decision is approved at the appropriate level within the SAI, and that the risks involved are assessed and managed. 	<p>Fulfilled</p> <p>Fulfilled</p> <p>Fulfilled</p> <p>Fulfilled</p> <p>Partially fulfilled</p>	<p>The majority of the SAI's engagements are legislated and therefore acceptance of the audit is mandatory. However, this SAI also conducts discretionary audits pursuant to its mandate. As well, the SAI can waive the right to perform an audit. While acceptance of an audit is discussed with senior members of the SAI, there is no formal process for acceptance of discretionary audits.</p> <p>Also note, the SAI does not have a</p>	<p>Understanding the risks inherent in both legislated and discretionary audits is important to the SAI and understanding the risks and documenting this risk-related information should take place before the SAI accepts audit engagements.</p> <p>The SAI should also consider documenting the decisions related to withdrawal from engagements.</p>	<p>The SAI should develop and document the process to approve discretionary audits prior to acceptance of such engagements and withdrawals.</p> <p>The SAI should develop a policy and procedures to document withdrawals.</p>	<p>To be followed-up as part of the annual plan and evaluation.</p>

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<ul style="list-style-type: none"> ➤ SAs should ensure that their risk management procedures are adequate to mitigate the risks of carrying out the work. The response to the risks may include: <ul style="list-style-type: none"> – carefully scoping the work to be performed; – assigning more senior/experienced staff than would ordinarily be the case; and – doing a more in depth engagement quality control review of the work before a report is issued. ➤ SAs should consider disclosing in their reports any specific matters that would ordinarily have led the SAI to not accept the audit or other work. 	<p>Fulfilled</p> <p>Fulfilled</p>	<p>policy and procedures to guide the documentation required in the event of a withdrawal from discretionary engagements.</p>			
<p>Element 4: Human Resources</p>					
<p>Key principle: An SAI should establish policies and procedures designed to provide it with reasonable assurance that it has sufficient resources (personnel and, where relevant, any parties contracted to carry out work for the SAI) with the competence, capabilities and commitment to ethical principles necessary to:</p> <ul style="list-style-type: none"> a) carry out its work in accordance with relevant standards and applicable legal and regulatory requirements; and b) enable the SAI to issue reports that are appropriate in the circumstances. <p>Application guidance:</p> <ul style="list-style-type: none"> ➤ SAs may draw on a number of different sources to ensure they 	<p>Partially fulfilled.</p> <p>Fulfilled.</p>	<p>3 gaps have been identified.</p>	<p>The SAI considers all of the gaps to be significant.</p>	<p>All actions recommended and the responsibilities for carrying them out are described in the annual plan for 2012/2013.</p>	<p>Actions will be followed up as part of the SAI annual plan and other evaluations.</p>

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<p>have the necessary skills and expertise to carry out the range of their work, whether carried out by SAI personnel or contracted out.</p> <p>➤ SAs should ensure that responsibility is clearly assigned for all work carried out by the SAI.</p> <p>➤ SAs should ensure that personnel, and parties contracted to carry out work for the SAI (e.g. from chartered accountancy or consulting firms), have the collective competencies required to carry out the work.</p> <p>➤ SAs should recognise that in certain circumstances personnel and, where relevant, any parties contracted to carry out work for the SAI, may have personal obligations to comply with the requirements of professional bodies in addition to the SAI's requirements.</p> <p>➤ SAs should ensure that Human Resources policies and procedures give appropriate emphasis to quality and commitment to the SAI's ethical principles. Such policies and procedures related to human resources include:</p> <ul style="list-style-type: none"> – recruitment (and the qualifications of recruited staff); – performance evaluation; – professional development; 	<p>Partially fulfilled. The SAI has a curriculum in place. There are a number of groups that share responsibilities for the content and delivery of the courses.</p> <p>Partially fulfilled.</p> <p>Fulfilled.</p> <p>Partially fulfilled.</p> <p>Partially fulfilled.</p> <p>Fulfilled.</p> <p>Fulfilled.</p>	<p>There are weaknesses in the identification and approval of courses and the responsibility for delivery of training. Moreover, while there is a training curriculum in place, the approval process for adding new courses and making changes in curriculum is not clearly documented or well understood.</p> <p>The SAI needs a variety of competencies and capabilities to form the engagement team that is responsible to deliver its audit products. Those team members can come from SAI personnel as well as from external sources. There is no policy or procedure to capture the assessment of all of the competencies found on the engagement team (collective competencies) to carry-out the work.</p> <p>The SAI recruits extensively and involves a number of management and staff. There are no policies related to training for recruiters or other communications or meetings with those involved in the recruiting process.</p>	<p>The SAI is responsible to have policies and procedures continuing training to enable personnel to develop and maintain required competencies for their job. Previous internal audit reports have indicated that the roles and responsibilities for professional development be clearly defined. Although progress had been made, the recommendation had not been fully addressed.</p> <p>There is a risk that potential weaknesses in the collective competencies of the engagement team members are not clarified and that corrective action is not taken prior to carrying-out the audit work. This in turn could put the SAI's reputation at risk.</p> <p>The SAI is at risk with respect to the consistency of the quality of its recruits. Also the SAI may not have adequate assurance as to the integrity of the individual selected and their capacity to develop competencies required to perform the work of the SAI.</p>	<p>Human Resources/Professional development is asked to consider, clarify and document the roles and responsibilities for each party involved in the development of training, including the approval process for adding new courses and making changes to the course curriculum for each product line.</p> <p>Human Resources is asked to consider developing a document to be prepared by the engagement leader that assesses the complexity of the work, resources available, the collective competencies of the engagement team members and, if gaps, strategies to mitigate the risks. This document can be pilot tested over the next audit cycle.</p> <p>Human Resources is asked to consider, document and communicate the expectations of those involved in the overall recruiting process. Training should be offered if deemed necessary.</p>	<p>To be followed-up as part of the annual plan and other evaluations.</p> <p>To be followed-up as part of the annual plan and other evaluations.</p> <p>Possible actions/training program will be considered when developing the next plan.</p>

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<ul style="list-style-type: none"> – capabilities (including sufficient time to perform assignments to the required quality standard); – competence (including both ethical and technical competence); – career development; – promotion; – compensation; and – the estimation of personnel needs. ➤ SAs should promote learning and training for all staff to encourage their professional development and to help ensure that personnel are trained in current developments in the profession. ➤ SAs should ensure that personnel and any parties contracted to carry out work for the SAI have an appropriate understanding of the public sector environment in which the SAI operates, and a good understanding of the work they are required to carry out. ➤ SAs should ensure that quality and the SAI's ethical principles are key drivers of performance assessment of personnel and any parties contracted to carry out work for the SAI. 	<p>Fulfilled.</p> <p>Fulfilled.</p> <p>Fulfilled.</p> <p>Fulfilled.</p> <p>Fulfilled.</p> <p>Fulfilled.</p> <p>Fulfilled.</p> <p>Fulfilled.</p>				
<p>Element 5: Performance of audits and other work</p>					
<p>Key principle: An SAI should establish policies and procedures designed to provide it with reasonable assurance that its audits and other work are carried out in accordance with relevant standards and applicable legal and regulatory requirements, and that the SAI issues reports that are appropriate in the circumstances. Such policies and procedures should include:</p>	<p>Partially fulfilled.</p>	<p>8 gaps have been identified.</p>	<p>The SAI considers all of the 8 gaps to be significant.</p>	<p>All actions recommended and the responsibilities for carrying them out are described in the annual plan for 2012/2013.</p>	<p>Actions will be followed up as part of the SAI annual plan and other evaluations.</p>

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<p>a) matters relevant to promoting consistency in the quality of the work performed;</p> <p>b) supervision responsibilities; and</p> <p>c) review responsibilities.</p> <p>Application guidance:</p> <p>➤ SAls should ensure appropriate policies, procedures and tools, such as audit methodologies are in place for carrying out the range of work that is the responsibility of the SAI, including work that is contracted out.</p> <p>➤ SAls should establish policies and procedures that encourage high quality and discourage or prevent low quality. This includes creating an environment that is stimulating, encourages proper use of professional judgement and promotes quality improvements. All work carried out should be subject to review as a means of contributing to quality and promoting learning and personnel development.</p> <p>➤ Where difficult or contentious</p>	<p>Partially fulfilled. To date, the SAI has approached audit methodology separately for each of its 2 product lines. Audit guides, practice advisories, checklists, and the electronic audit software tool exist for each audit product.</p> <p>Partially fulfilled.</p> <p>Partially fulfilled.</p>	<p>These audit manuals are out of date. Although practice advisories were issued in an effort to provide guidance on changes in SAI policies and for new standards, they are not used consistently across the product lines. Further there is there is no process to incorporate them into the audit manuals on a timely basis.</p> <p>The system of quality control policies and procedures common to the audit products on such matters as leadership, ethics and independence, acceptance and continuance, engagement documentation and monitoring are treated differently in the 2 manuals.</p> <p>The responsibilities for updating and approving the SAI methodology and guidance are not clearly documented.</p> <p>The SAI has not clarified the role and</p>	<p>The policies and procedures are not up to date. Further there is little consistency in content and structure. The SAI risks not complying with ISSAI guidance and principles supporting audit quality.</p> <p>ISSAI principles require the SAI, through its policies and procedures, to seek to establish consistency in the quality of engagement performance, including developing processes to keep all policies and procedures current. The approval process is key to maintaining audit methodology.</p> <p>There is a risk that advice sought from</p>	<p>The SAI should update the audit manuals for the 2 product lines to comply with current ISSAI principles.</p> <p>Should the SAI continue to use multiple tools, the purpose of the tools should be clarified and communicated.</p> <p>The SAI should consolidate into one set of policies and procedures common elements of the quality management system for the 2 audit products, such as leadership, ethics and independence, acceptance and continuance, engagement documentation, and monitoring.</p> <p>The SAI needs to ensure that resources are available going forward to continue to update the manuals in a timely manner.</p> <p>Once the roles and responsibilities for audit quality have been clearly defined, including specifying who is responsible for updating and approving changes in the audit methodology, the SAI should ensure that proper approvals are obtained and documented.</p> <p>The SAI should develop a policy on consultation and disposal of comments</p>	<p>A plan with estimates of required resources and timelines to update the manuals and tools should be prepared.</p> <p>This will be followed-up as part of the annual plan.</p> <p>Possible actions/training program will be considered when developing the next plan.</p> <p>The SAI has processes in place to update roles and responsibilities. This will be reviewed as part of the next annual evaluation.</p> <p>To be followed-up as part of the annual plan and other evaluations.</p>

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<p>matters arise, SAIs should ensure that appropriate resources (such as technical experts) are used to deal with such matters.</p> <p>➤ SAIs should ensure that applicable standards are followed in all work carried out, and if any requirement in a standard is not followed, SAIs should ensure the reasons are appropriately documented and approved.</p> <p>➤ SAIs should ensure that any differences of opinion within the SAI are clearly documented and resolved before a report is issued by the SAI.</p> <p>➤ SAIs should ensure appropriate quality control policies and procedures are in place (such as supervision and review responsibilities and engagement quality control reviews) for all work carried out (including financial audits, performance audits, and compliance audits). SAIs should recognise the importance of engagement quality control reviews for their work and, where an engagement quality control review is carried out, matters raised should</p>	<p>Partially fulfilled.</p> <p>Not fulfilled.</p> <p>Partially fulfilled.</p>	<p>the competencies required of the specialist/ technical expert.</p> <p>The manuals do not provide guidance on engagements where mandatory consultation with specialist/ technical expert (for example, IT personnel and actuaries) is required. There is no guidance on how such consultation should be documented or validated by the specialist/ technical expert. Moreover where consultation has been obtained, there is no requirement for the specialist/ technical expert to review and sign-off on the conclusion to ensure their input is adequately reflected.</p> <p>The system of quality control policies and procedures common to the audit products on such matters as leadership, ethics and independence, acceptance and continuance, engagement documentation and monitoring are treated differently in the 2 manuals.</p> <p>Documented escalation procedures related to differences of opinion do not exist.</p> <p>Firm level policies and procedures for <u>Supervision and Review</u> do not exist.</p> <p>The process and criteria considered when assigning quality reviewers need to be reviewed and streamlined.</p> <p>The nature of work carried out by quality reviewers varies across the 2 product lines. There is no policy outlining the responsibility of a quality reviewer and no audit steps defined to be carried out. Guidance, tools,</p>	<p>specialists/technical experts is not documented and not adequately reflected in the overall conclusions of the audit.</p> <p>The policies and procedures are not up to date. Further there is little consistency in content and structure. The SAI risks not complying with ISSAI guidance and principles supporting audit quality.</p> <p>There is a risk that independent arbitration for all disagreements may not occur.</p> <p>There is a risk to audit quality without policies and procedures.</p> <p>There is a risk that the quality reviewer's responsibilities are not being carried out consistently.</p>	<p>with specialists/technical experts. The policy should be approved by those responsible and reflected in audit manuals.</p> <p>The SAI should consolidate into one set of policies and procedures common elements of the quality management system for the 2 audit products, such as leadership, ethics and independence, acceptance and continuance, engagement documentation, and monitoring.</p> <p>Develop and implement an escalation policy and procedures.</p> <p>The SAI should develop SAI-level policies and procedures for Supervision and Review.</p> <p>The SAI should develop policies and procedures to outline the process and criteria for quality reviewers to be assigned to audit products. This process should be risk-based for both product lines.</p> <p>The SAI should develop policies and procedures to guide the performance of engagement quality control review.</p>	<p>To be followed-up as part of the annual plan and evaluation.</p> <p>To be followed-up as part of the annual plan and evaluation.</p> <p>To be followed-up as part of the annual plan and evaluation.</p> <p>Possible actions/training program will be considered when developing the next plan.</p>

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<p>be satisfactorily resolved before a report is issued by the SAI.</p> <ul style="list-style-type: none"> ➤ SAs should ensure that procedures are in place for authorising reports to be issued. Some work of SAs may have a high level of complexity and importance that requires intensive quality control before a report is issued. ➤ If SAs are subject to specific procedures relating to rules of evidence (such as SAs with a judicial role), they should ensure that those procedures are consistently followed. ➤ SAs should aim for timely completion of audits and all other work, recognising that the value from the work of SAs diminishes if the work is not timely. ➤ SAs should ensure timely documentation (such as audit work papers) of all work performed. ➤ SAs should ensure that all documentation (such as audit work papers) is the property of the SAI, regardless of whether the work has been carried out by SAI personnel or contracted out. ➤ SAs should ensure appropriate procedures are followed for verifying findings to ensure those parties directly affected by the SAI's work have an opportunity to provide comments prior to the work being finalised, regardless of whether or not a report is made publicly available by the SAI. ➤ SAs should ensure that they retain all documentation for the periods specified in laws, regulations, professional standards and guidelines. 	<p>Partially fulfilled.</p> <p>Fulfilled.</p> <p>Fulfilled.</p> <p>Fulfilled.</p> <p>Partially fulfilled.</p> <p>Fulfilled.</p> <p>Fulfilled.</p>	<p>templates and training for EQCR to support the policy do not exist.</p> <p>See other gaps identified above.</p> <p>The current contracts used to engage external consultants do not include information that documentation is the property of the SAI.</p>	<p>There is a risk to audit quality.</p> <p>There is a risk that external contractors may use the information that is the property of the SAI for other purposes.</p>	<p>The role should be made consistent for both product lines and be clearly documented.</p> <p>The SAI should complete the action items noted above.</p> <p>The SAI should update all contracts to include the SAI's ownership of audit work papers.</p>	<p>To be followed-up as part of the annual plan and evaluation.</p> <p>Possible actions/training program will be considered when developing the next plan.</p> <p>To be followed-up as part of the annual plan and evaluation.</p>

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<ul style="list-style-type: none"> ➤ SAs should balance the confidentiality of documentation with the need for transparency and accountability. SAs should establish transparent procedures for dealing with information requests that are consistent with legislation in their jurisdiction. 	Fulfilled.				
Element 6: Monitoring					
<p>Key principle: An SAI should establish a monitoring process designed to provide it with reasonable assurance that the policies and procedures relating to the system of quality control are relevant and adequate and are operating effectively. The monitoring process should:</p> <ul style="list-style-type: none"> a) include an ongoing consideration and evaluation of the SAI’s system of quality control, including a review of a sample of completed work across the range of work carried out by the SAI; b) require responsibility for the monitoring process to be assigned to an individual or individuals with sufficient and appropriate experience and authority in the SAI to assume that responsibility; and c) require that those carrying out the review are independent (i.e. they have not taken part in the work or any quality control review of the work). <p>Application guidance:</p> <ul style="list-style-type: none"> ➤ SAs should ensure that their quality control system includes independent monitoring of the range of controls within the SAI (using personnel not involved in carrying out the work). ➤ If work is contracted out, SAs should seek confirmation that the contracted firms have effective systems of quality control in place. 	Partially fulfilled.	Two gaps have been identified.	The SAI considers both of the gaps to be significant.	All actions recommended and the responsibilities for carrying them out are described in the annual plan for 20xx/20xx.	Actions will be followed up as part of the SAI annual plan and other evaluations.
<ul style="list-style-type: none"> ➤ SAs should ensure that their quality control system includes independent monitoring of the range of controls within the SAI (using personnel not involved in carrying out the work). ➤ If work is contracted out, SAs should seek confirmation that the contracted firms have effective systems of quality control in place. 	Partially fulfilled.	Audit engagements and the related quality assurance system are monitored through the quality control. No procedures have been established for monitoring whether the administrative and management functions support the core audit functions sufficiently.	There are risks that the administrative functions, such as ICT, Human Resources and information functions are not sufficient to support the core auditing functions.	The SAI has to adopt a plan for evaluation and reorganization of the quality control function in order to cover all the elements that are supposed to affect the quality of work carried out by the SAI.	To be followed up as part of the project and annual plan.
<ul style="list-style-type: none"> ➤ If work is contracted out, SAs should seek confirmation that the contracted firms have effective systems of quality control in place. 	Fulfilled.				

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<ul style="list-style-type: none"> ➤ SAs should ensure the results of the monitoring of the system of quality control are reported to the Head of the SAI in a timely manner, to enable the Head of the SAI to take appropriate action. ➤ Where appropriate, SAs should consider engaging another SAI, or other suitable body, to carry out an independent review of the overall system of quality control (such as a peer review). ➤ Where appropriate, SAs may consider other means of monitoring the quality of their work, which may include, but not be limited to: <ul style="list-style-type: none"> – independent academic review; – stakeholder surveys; – follow-up reviews of recommendations; or – feedback from audited organisations (e.g. client surveys). ➤ SAs should have procedures for dealing with complaints or allegations about the quality of work performed by the SAI. ➤ SAs should consider whether there are any legislative or other requirements to make monitoring reports public or to respond to public complaints or allegations related to the work carried out by the SAI. 	<p>Fulfilled.</p> <p>Fulfilled.</p> <p>Fulfilled.</p> <p>Not fulfilled.</p> <p>Fulfilled.</p>	<p>The SAI does not have any procedures for dealing with complaints or allegations about the quality of the work.</p>	<p>It is likely that the SAI from time to time will receive complaints or allegations related to the work carried out. The SAI needs to have adequate procedures prepared in time to make sure that such complaints and allegations are dealt with in an appropriate manner. Should such cases appear it must be an objective for the SAI to draw some relevant experiences.</p>	<p>Develop and implement procedures for dealing with complaints and allegations. Adopt the task in the annual plan.</p>	<p>To be followed up as part of the annual plan.</p>