



**Internal Audit Master Class**

**Supervision of Audit Engagement**

**Wednesday, 28th April 2021**

**Lake Naivasha Resort, Nakuru County**

## 2340 – Engagement Supervision

***Engagements must be properly supervised to ensure objectives are achieved, quality is assured, and staff is developed.***

- ❑ Each phase of the audit shall be supervised by HIA. He/she required to review and approve specific documents and working papers as indicated in the IAD policies and procedures and provide general guidance as necessary, based on the competency and experience of the auditors.
- ❑ In addition, the HIA should put measures in place to ensure that the milestone dates in the approved audit plan are met. The HIA should monitor the submission of the draft report for his/her review by the due date and take action on any delays.
- ❑ The HIA shall review the Planning Activities, audit plan and programme, fieldwork activities, records of control, summary of internal control weaknesses, exit meeting briefing and notes.

# ***Elements of Supervision***



- ☐ Ensuring that the Internal auditors assigned to the engagement possess the requisite knowledge, skills and other competencies to perform the audit;
- ☐ Providing appropriate instructions during the planning of the audit and approving the audit program;
- ☐ Ensuring that the approved audit program is carried out as approved unless changes are both justified and authorized;
- ☐ Determining that audit working papers adequately support the audit observations, conclusions, and recommendations;
- ☐ Ensuring that the audit report is accurate, objective, clear, concise, constructive and timely;
- ☐ Ensuring that audit objectives are met;
- ☐ Providing opportunities for developing auditors' knowledge, skills and other competencies.
- ☐ Appropriate evidence of supervision should be documented and retained. The extent of supervision required will depend on the proficiency and experience of the assigned auditors and the complexity of the audit.

## *Elements of Supervision*

- ❑ Appropriate supervision also allows for resolution of differences in professional judgment over significant issues relating to the audit. Further, it allows for the documentation and disposition of differing viewpoints in the audit working papers. The objectives of documenting the supervision work are to:
  - ❑ Provide evidence of supervisory review. This would consist of the reviewer initialing and dating each working paper after it is reviewed;
  - ❑ Ensure that working papers and conclusions properly support the audit report and that all necessary audit procedures have been performed;
  - ❑ Reflect any other review techniques that provide evidence of supervisory review including completing an **audit working paper review checklist** and/or preparing a memorandum specifying the nature, extent, and results of the review.
  - ❑ Reviewers may develop a written record (review notes) of questions arising from the review process.





## Questions & Answers