

# APPENDIX A, USAAAR 36-62

## INTERNAL QUALITY CONTROL REVIEW CHECKLIST (ABBREVIATED)

**Project Title:**

**Assignment Number:**

**Auditor-in-Charge (AIC) :**

**AIC's Supervisor (SPV) :**

INSTRUCTIONS FOR USE

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[Go to Section B - AUDIT EXECUTION](#)

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<u>QUALITY CONTROL REVIEW STEP</u>	<u>AIC</u>	<u>SPV</u>	<u>COMMENTS/ WORKPAPER REFERENCE</u>
<p><b>A - PLANNING</b></p> <p><b>1. General</b></p> <p>a. Were audit background files, program guidance documents, USAAA audit circulars, and working papers from prior audits obtained and reviewed prior to the start of the audit, if they were available?</p> <p>b. Were USAAA followup reports, and DAIG investigation and inspection reports reviewed?</p> <p>c. Were prior GAO, DODIG, Internal Review, and USAAA audit reports reviewed?</p> <p>d. Were the audit objectives properly formulated?</p> <p><b>2. Planning Meeting</b></p> <p>a. Was a planning meeting held to discuss the audit at about two weeks prior to the entrance conference or work start date?</p> <p>b. Were the minutes of the planning meeting, and a list of the members present, documented in the working papers?</p> <p><b>3. Entrance Conference</b></p> <p>a. Was the entrance conference properly planned?</p> <p>b. Was an entrance conference memorandum prepared after the meeting?</p> <p><b>4. Coordination</b></p> <p>a. Were local internal review, provost marshal, IG, and CID personnel contacted to determine whether there were prior or ongoing audits, investigations, or crime prevention surveys?</p> <p>b. Was appropriate coordination established with GAO, DAIG and DODIG to prevent duplication?</p> <p><b>5. Followup on Prior Reports</b></p> <p>a. If prior reports had been issued, were appropriate tests designed and conducted to determine whether the problem areas had been</p>			

<p>corrected?</p> <p>b. If the same basic condition and cause existed as in the prior AAA report, was the area reported as a repeat finding?</p> <p><b>6. Gathering Background Data</b></p> <p>a. Was sufficient background data obtained early in the audit to identify significant audit areas and plan the rest of the audit?</p> <p>b. Was the data analyzed in sufficient detail to prepare the audit program?</p>			
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<u>QUALITY CONTROL REVIEW STEP</u>	<u>AIC</u>	<u>SPV</u>	<u>COMMENTS/ WORKPAPER REFERENCE</u>
<p><b>B - AUDIT EXECUTION</b></p> <p><b>1. Early Analyses</b></p> <p>a. Were preliminary audit programs written to cover the basic analyses and data needed to decide to pursue the audit objectives?</p> <p>b. Was a thorough examination made of internal control procedures in order to evaluate the effectiveness of key management controls as they relate to the program, function, or entity being audited?</p> <p>c. Did the audit team:</p> <ul style="list-style-type: none"> <li>- Identify key management controls for each area addressed by the objectives?</li> <li>- Perform limited tests of the controls and adequately document the tests?</li> <li>- Summarize the results and tentative conclusions on a management control evaluation worksheet?</li> </ul> <p>d. For those audits where auditors planned to use computerized data on the audit, was the validity of the data verified?</p> <p>e. Were compliance issues properly evaluated?</p> <p>f. Was appropriate consideration given to using advanced audit techniques?</p> <p>g. Was the use of technical experts given appropriate consideration for areas requiring specialized skills?</p> <p><b>2. Go/No-Go Decisions</b></p> <p>a. Were go/no-go decisions for each objective made in a timely manner as needed throughout the audit?</p> <p>b. Was the decision to continue or stop work on each objective adequately documented in the working papers, and did the AIC keep the client informed</p>			

<p>when the decision was made?</p> <p>c. Were important audit related matters evaluated adequately at these decision points and documented in the working papers?</p> <p>d. Were key administrative matters evaluated at these decision points?</p> <p><b>3. Audit Programs</b></p> <p>a. Were audit programs written for each area and written in sufficient detail to evaluate the area under review and answer the audit objectives?</p> <p>b. Did the audit team pursue potential key management control weaknesses by incorporating steps in the audit program, and were resulting conclusions adequately supported and did they tie to findings and other reporting requirements as applicable?</p> <p>c. Were the audit programs revised as the auditors' learning curve progressed?</p> <p><b>4. Data Gathering and Analysis</b></p> <p>a. Was sufficient evidence obtained to support the conclusions drawn in the working papers and the report?</p> <p>b. Were sufficient tests and analyses made to ensure that data used on the audit was accurate and reliable?</p> <p><b>5. Working Papers</b></p> <p>a. Were the working paper files logically organized?</p> <p>b. Was each file numbered and indexed in accordance with Appendix C of USAAA Regulation 36-72, Audit Working Papers?</p> <p>c. Were the working papers properly prepared and cross-referenced?</p> <p>d. Were working paper files thoroughly reviewed, did they contain approved finding outlines, and were the working papers adequately explained and presented?</p> <p><b>6. Command Relations</b></p> <p>a. Was command kept informed during the audit?</p>			
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<p>b. Was command provided an information paper after the operating level was briefed on audit results?</p> <p>c. Was the audit completed and the draft report issued in a timely manner?</p> <p>d. Were reasonable attempts made to convince command of the merits of implementing the recommendations?</p> <p><b>7. Supervisory Controls</b></p> <p>a. Did the AIC provide adequate supervision to subordinates?</p> <p>b. Did the AIC identify, conduct, and document OJT for trainee auditors?</p> <p>c. Did the supervisor provide adequate supervision to subordinates?</p> <p>d. Was sufficient supervisory control maintained to ensure compliance with government auditing standards and to ensure the timely completion of the audit?</p> <p>e. Did the AIC and supervisor review and approve the TFAR outline before the auditor formally wrote the TFAR?</p> <p>f. Were the AIC and supervisor sufficiently involved with the writing and staffing of findings?</p> <p>g. Did the AIC and supervisor ensure that all agreements reached with command subsequent to the receipt of replies to the findings (prior to or at the exit conference) were adequately documented in the working papers?</p>			
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<u>QUALITY CONTROL REVIEW STEP</u>	<u>SPV</u>	<u>COMMENTS/ WORKPAPER REFERENCE</u>
<p><b>C - REPORT PROCESS</b></p> <p><b>1. Independent Report Referencing</b></p> <p>a. Was a copy of the draft audit report (and final report, if necessary) cross-referenced to the audit working papers and were the audit working papers properly assembled, indexed and reviewed before giving the draft (or final) report to the independent referencer?</p> <p>b. Was an independent referencer assigned in a timely manner?</p> <p>c. Was the editor's first review and the level 2 supervisor's or program director's technical review concurrent with the independent referencer's review?</p> <p>d. Did the independent referencer properly complete the referencing prior to issuing the draft audit report to include all substantive changes made to the draft report as a result of editor, level 2 supervisor or program director concurrent reviews? (Also, were significant changes to the final report independently referenced?)</p> <p>e. Was there evidence that the referencer checked all facts and figures in the draft audit report against the supporting working papers and not just to working paper summaries?</p> <p>f. Was there a Certification Document (USAAA Form 371) signed by the independent referencer and the level 2 supervisor assigned to the audit under review?</p> <p><b>2. Transmittal Letter</b></p> <p>a. Was the audit report transmittal letter prepared in accordance with USAAAR 36-53?</p> <p>b. Was it addressed to and signed by the appropriate person?</p> <p><b>3. Summary and General Information</b></p> <p>a. Were the objectives, scope, and methodology written in accordance with USAAAR 36-53?</p> <p>b. Were the observations and conclusions logical and consistent?</p> <p>c. Were mission and resources properly presented?</p>		

<p>d. Was command's reaction accurately presented?</p> <p><b>4. Findings, Recommendations, and Comments</b></p> <p>a. Were the findings and recommendations properly written, organized and supported?</p> <p>b. Did command comments include all the required information and did the synopsis of command's position accurately reflect their verbatim comments?</p> <p>c. Did the USAAA evaluation adequately counter the issues raised by command in their comments?</p> <p><b>5. Annexes, Graphs, and Charts</b></p> <p>a. Did the report distribution annex include all the required activities that would likely have an interest in the report?</p> <p>b. Were verbatim command comments included as an Annex in the report?</p> <p>c. Were all the other annexes, graphs and charts in the report necessary; clear, concise and accurate; appropriately labeled and footnoted; and properly referenced in the report?</p> <p><b>6. Potential Monetary Benefits</b></p> <p>a. Were the USAAA Forms 328 and 328A consistent with the report?</p> <p>b. Were potential monetary benefits properly computed and supported?</p> <p>c. Did the USAAA Form 328A adequately identify to the extent possible the source of funds (appropriation, management decision (MDEP), and budget activity/program element)?</p> <p><b>7. Timeliness of Reporting</b></p> <p>a. Was the final report issued within the time allowed after the draft report was issued to command? If not, was the delay justified?</p> <p>b. Were the transactions reviewed current at the time of the audit?</p> <p><b>8. Editorial Review</b></p> <p>a. Was the final report sent to and reviewed by the editor?</p> <p>b. Were the editor's comments included in the final report, where practical?</p>		
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**STATEMENT ON REVIEW OF CHECKLIST AND AUDIT REPORT:**

I have reviewed the completed checklist and the audit report and nothing has come to my attention which would indicate the auditors did not conduct the audit in accordance with generally accepted government auditing standards.

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Signature of Deputy Auditor General  
or Program Director

Date:

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