



DATE: June 26, 2019

TO: Paula Rivera, Chief Audit Officer

FROM: Teresa Draeger, Audit Manager

CC:

SUBJECT: Internal Quality Assurance FY 2018-2019

We have completed the internal assessment of audits performed by the California High Speed Rail Authority Audit Office (Audit Office). The purpose of the internal assessment was to determine whether audits performed by the Audit Office complied with the International Standards for the Professional Practice of Internal Auditing (ISPPIA), and the Audit Office Audit Manual (Audit Manual). Our internal assessment covered the period from July 1, 2018 to June 17, 2019.

Audit Manual 2.1.5 Quality Assurance Program states “The Audit Office maintains quality assurance through effective assignment, planning, and performance, supervision, administration, and management review. An important part of the process is the review of all final and draft reports, memos, and correspondence prior to issuance. Management ensures through the review process that all work is competent, relevant, complete and supported”.

The applicable ISPPIA Standards are:

2210-A1 Internal Auditors must conduct a preliminary assessment of the risks relevant to the activity under review.

2240 Internal Auditors must develop and document work programs that achieve the engagement objectives.

2340 Engagements must be properly supervised to ensure objectives are achieved, quality is assured, and staff is developed.

The Audit Office completed one audit during the fiscal year ending June 30, 2019. We examined the following completed audit: HSR 16-03 Right of Way Critical Parcel Acquisition. Based on our review, we found all tested areas complied with the Audit Manual. For specific details please see Attachment A.



WP No.
Date
Auditor
Review

Internal Quality Assurance Review

OBJECTIVE

To determine whether the California High Speed Rail Authority Audit Office (Audit Office) complies with the policies, procedures and audit standards of the International Standards for the Professional Practice of Internal Audits (Red Book) and the Generally Accepted Government Auditing Standards (Yellow Book) by performing a quality assurance review of completed audits for fiscal year ending June 30, 2019.

SOURCE

- Audit Office Audit Manual (revised January, 2018)
- Audit Office Audit completed audit/review files

METHODOLOGY

- Determine criteria.
- Select sample from completed & issued audit reports for the period of July 1, 2018 through June 30, 2019.
- Review selected files for attributes for compliance with the Audit Office Audit Manual.

CRITERIA

Audit Manual 2.1.5 Quality Assurance Program states "The Audit Office maintains quality assurance through effective assignment, planning, and performance, supervision, administration, and management review. An important part of the process is the review of all final and draft reports, memos and correspondence prior to issuance. Management ensures through the review process that all work is competent, relevant, complete, and supported."

Attachment A



WP No.
Date
Auditor
Review

Internal Quality Assurance Review

AUDIT: RIGHT OF WAY CRITICAL PARCEL ACQUISITION (Audit Number 16-03)

Item	Criteria Audit Manual Section	ATTRIBUTE	Y/N	IQA Reviewers Comments
1	3.4.3	Final audit report	Y	No Comments
2	3.4.3	Recommendations	Y	
3	3.4.3	Response	Y	
4	3.4.3	Draft audit report	Y	
5	3.1.7	Engagement letter	Y	
6	3.1.8	Entrance conference	Y	
7	3.2.10	Pre-Exit/Exit conference	Y	
8	3.1.2	Audit planning memo (APM)	Y	
9	↓	APM signed by auditor(s)	Y	
10	↓	APM approved by audit manager/chief	Y	
11	3.1.3	Statement of independence	Y	
12	3.1.9	Risk assessment/analysis	Y	
13	3.1.10	Audit program	Y	
14	3.1.10	Audit program approved by audit manager/chief	Y	
15	3.4.1	Supervisor review	Y	
16	3.4.1	Supervisor review notes addressed by auditor	Y	
17	3.4.1	Review notes cleared by audit manager/chief	Y	
18	3.2.6	Work papers initialed and dated by auditor	Y	
19	3.2.5	Work papers include PSAC, where applicable	Y	
20	3.2.9	5 Elements of findings	Y	
21	3.3.2	Work papers support findings/exceptions/discussion items/observations	Y	
22	3.3.2	Work papers address audit objectives and support findings, exceptions, conclusions, recommendations of audit report	Y	
23	3.2.6	Work papers indexed and referenced to source data/documents	Y	
24	3.1.10	Work papers referenced in audit program	Y	↓

CONCLUSION

For the fiscal year ending June 30, 2019, the Audit Office complies in all material aspects with Audit Office policies, procedures and audit standards of the International Standards for the Professional Practice of Internal Audits (Red Book) and the Generally Accepted Government Auditing Standards (Yellow Book).