



IV. AUDIT PREPARATION

II.A

**OUR PLANS MISCARRY BECAUSE
THEY HAVE NO AIM. WHEN A MAN
DOES NOT KNOW WHAT HARBOR HE
IS MAKING FOR, NO WIND IS THE
RIGHT WIND.**

SENECA (4BC - AD65)



**IV. AUDIT PREPARATION
AUDIT PLANNING ELEMENTS**

II.A.1

Audit Preparation and Planning

Audit Preparation and Planning will be reviewed in the following major topic areas:

- **Audit Planning Elements**
- **Audit Selection**
- **Document Review**
- **Audit Logistics**
- **Auditing Tools**
- **Auditing Strategies**
- **Audit Plan Communication**



**IV. AUDIT PREPARATION
AUDIT PLANNING ELEMENTS**

II.A.1

Audit Planning Elements

Audits should be well planned, documented, formal and systematic. Audits should follow prescribed guidelines and have a clear definition of objectives and purpose.

The audit plan should include:

- **The audit objectives**
- **The audit criteria and reference documents**
- **The audit scope**
- **The audit dates and places**
- **The expected times and durations**
- **The responsibilities of audit team members**
- **The allocation of resources to critical audit areas**

The audit plan should be reviewed by the audit client and presented to the auditee before audit activities begin.



IV. AUDIT PREPARATION
AUDIT PLANNING ELEMENTS

II.A.1

Audit Authority

The internal or external entity that has the authority to initiate an audit must be identified.

- **Positional or Organizational Authorities**
- **Policy Authority**
- **Contracts**
- **Regulatory Mandates**
- **Specifications and Document References**
- **Client**
- **Hierarchy**



**IV. AUDIT PREPARATION
AUDIT PLANNING ELEMENTS**

II.A.1

Audit Purpose

Management must be able to rely on the skills of the auditor and the audit results in order to make decisions.

Before an audit can be effectively planned and performed, the purpose of that audit must be established. The client or audit authority is responsible for defining the scope of the audit.

Audit Types

Knowledge of the applicable audit type is important in audit preparation.



**IV. AUDIT PREPARATION
AUDIT PLANNING ELEMENTS**

II.A.1

Audit Scope

The scope helps to define the type of audit to be performed as well as the depth of the investigation. The scope should be established in a statement which will be communicated to the auditee, to the audit team, and be used in the audit report.

Establishing the scope is necessary for the audit planning. The auditors will tailor the checklist to cover those areas which are within the scope of the audit.

The resources committed to the audit should be sufficient to meet its intended scope and depth.

Audit Frequency

The client determines the need to perform an audit. Within an organization, internal audits may be organized on a regular basis for management or business purposes.

Audit frequencies should be developed based on the importance of the activity to the audit organization.



**IV. AUDIT PREPARATION
AUDIT PLANNING ELEMENTS**

II.A.1

Audit Resources

Third party auditors and some large companies have a permanent auditing staff on hand. Many companies have audit teams which form during the audit planning stage and disband upon audit completion.

The lead auditor must plan the audit such that the dates are agreeable to the auditee.

It is not uncommon for personnel outside of the quality function to be used in audits.

The lead auditor has the responsibility to balance the auditor's skills and experience against the audit requirements.

When audit noncompliance is detected, time, commitment, and financial investment are all required from the auditee.

The number and qualifications of auditors needed for an audit, is dependent upon the subject, purpose, scope and depth of the audit. From one to four auditors are typically used, and two or three auditors for a full system audit is generally considered effective.



**IV. AUDIT PREPARATION
AUDITOR SELECTION**

II.A.2

Audit Team Selection Criteria

ISO 19011 (2008) suggests 40 hours of audit training and 20 days of audit experience for fully qualified external auditors.

Audit team members should be considered as potential lead auditors and be developed as such.

Trained auditors can be rotated for the performance of both internal and external audits.

Auditor Credentials

While auditors and lead auditors are not required to be certified, certification is highly desirable. Certification allows greater assurance that this individual's training encompasses the principles and techniques necessary for good auditing practices.



**IV. AUDIT PREPARATION
AUDITOR SELECTION**

II.A.2

Lead Auditor Credentials

The lead auditor (audit team leader) must have extensive training covering the principles, applications, and conduct of auditing practices.

Building blocks necessary to develop a lead auditor are:

- **Oral and written communication skills**
- **Interpersonal skills**
- **Honesty and integrity**
- **Organization and management skills**

Audit Team Accountability

Auditors must be independent of the function which is to be audited.

The lead auditor is responsible and accountable for the conduct of the audit team during the performance of the audit, and for the validity of the audit report.

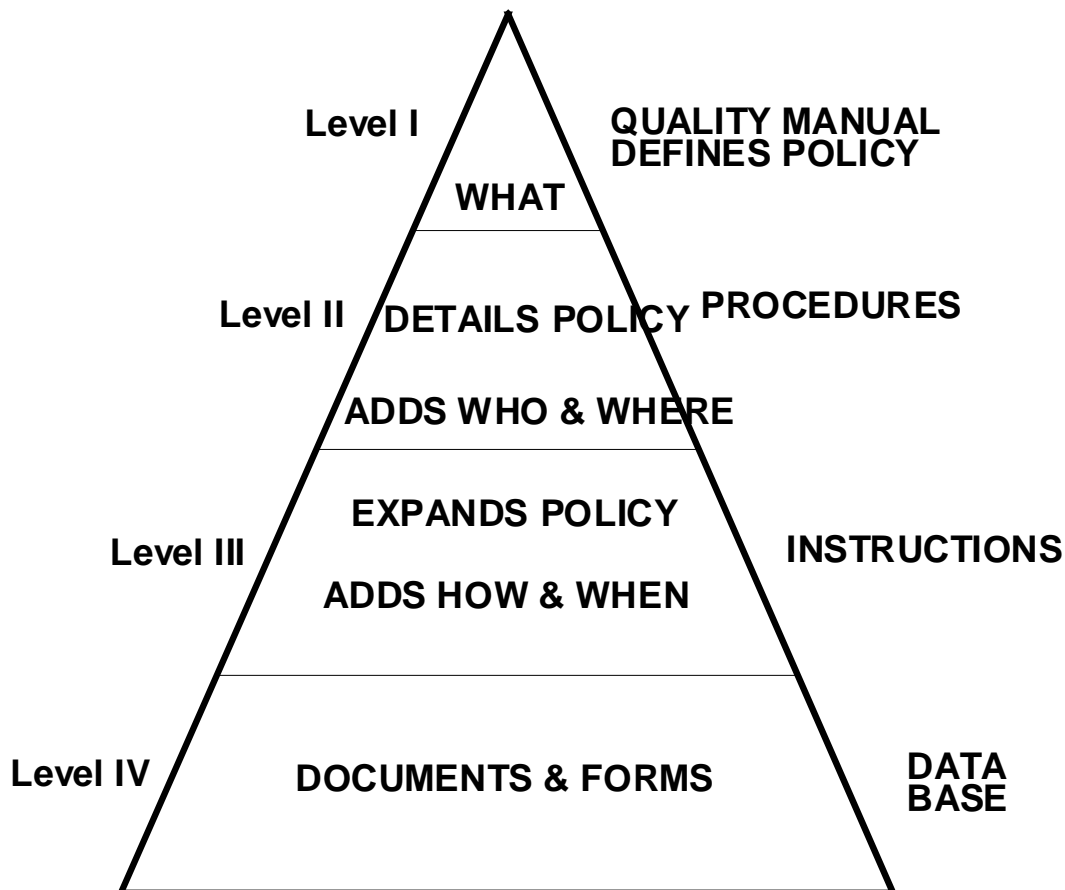
IV. AUDIT PREPARATION
AUDIT DOCUMENT REVIEW

II.A.3

Authoritative Documents

Audit checklist questions are prepared based on authoritative documents. Authoritative documents are the standards and audit guidelines against which adherence and compliance is compared.

The audit team leader may request from the auditee any quality manuals, standards, documents, or methods, which apply to the scope of the audit.



The Documentation Hierarchy