

# Audit Process at a Glance

## 1. Audit Letter

*After receiving the audit letter, the institution should do the following:*

- Appoint a lead individual
- Glean particulars of audit: scope, start/end dates, etc.
- Establish central file
- Prepare for entrance conference

## 2. Entrance Conference

*During the entrance conference the institution should do the following:*

- Understand scope
- Discuss overview of audit process
- Establish audit timetable
- Establish audit reporting process
- Begin to respond to data requests

*After the entrance conference, in preparation for the audit fieldwork, the institution should do the following:*

- Assign auditor work space
- Hold staff meeting
- Inform all potentially involved parties/offices

## 3. Audit Fieldwork

*During the audit fieldwork phase, the institution should do the following:*

- Initially meet with on-site audit team; introduce lead institutional official
- Respond to request for assistance package
- Respond to data requests during sample selection and testing phase
- Identify, analyze, and maintain copies of all relevant documentation
- Document all communications
- Involve internal audit, as appropriate
- Prepare staff, PIs, others for interviews with auditors
- Monitor and respond to any possible questioned observations
- Keep audit on schedule and hold update meetings

## 4. Draft Audit Report

*After receiving the draft audit report, the institution should do the following:*

- Carefully review the document
- Meet with auditors and inquire about report's contents (observations, opinions, findings, recommendations, etc.)
- Prepare management response, including any necessary corrective action plan(s)

## 5. Exit Conference

*During the exit conference the institution should do the following:*

- Engage in an open discussion with auditors about the entire audit process
- Provide institutional feedback

## **6. Final Audit Report**

*After receiving the final audit report, the institution should do the following:*

- Carefully review the document
- Review the report with staff members
- Discuss observations/findings/recommendations with affected parties
- Distribute to management
- Review management response and corrective action plan
- Appoint someone to oversee corrective action plan and proceed with implementation
- Periodically monitor corrective action plan progress

## **7. Follow-Up**

*Approximately 6 months after receiving the final audit report, the institution should do the following:*

- Meet with the person appointed for oversight for follow-up review to verify implementation of correction action plan
- Prepare for the possibility of additional testing or interviews as appropriate
- Communicate with auditors indicating corrective action plan has been completed
- Check all record retention periods
- Update files as needed
- Review corrective plan for necessary updates to policies, procedures, etc.