



Quality Assurance Review (QAR) Program Guidelines

Overview

The System Audit Office maintains an ongoing QAR program. The purpose of the program is to provide reasonable assurance that internal auditing work conforms with The Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)*, the System Audit Office Charter and departmental policies and procedures. The program's key elements are engagement supervision, external reviews and internal reviews.

Supervision

Auditors with supervisory responsibilities are responsible for providing the level of supervision necessary to ensure that engagement work conforms to The IIA *Standards* and internal policies and procedures. Supervision includes providing appropriate guidance in planning and performing engagement work and in communicating engagement results to the client.

External QAR Program

The University of Texas System Audit Office Director of Audits engages an external reviewer to perform an independent review of the internal audit program every three years. The University of Texas System Administration Internal Audit and Executive Compliance Committee approves the selection of the external reviewer.

Internal QAR Program

The Director of Audits has established an internal QAR program to evaluate the quality of engagement work performed. The quality reviews are generally conducted by a member of the Management team assigned by the Director of Audits or Engagement Manager.

The focus of the internal QARs is to verify that engagement fieldwork and workpapers conform to The IIA *Standards*, generally accepted governmental auditing standards ("Yellow Book") and departmental policies and procedures for conducting engagements, which address administrative matters, including performing auditor performance evaluations, securing paper and electronic engagement files, and obtaining client feedback about the engagement process.

The general process for an internal QAR is as follows:

1. The QAR is conducted as assigned by the Director of Audits or Engagement Manager as his designee.
2. The assigned reviewer will attend understanding, planning, and other significant meetings to stay apprised of pertinent issues.
3. In many cases, it will be necessary and/or appropriate to conduct the review at the time the draft report is ready to be transmitted to the client. A brief follow-up review is to be



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performed after the *final* report is provided to the client to verify that administrative matters have been completed.

4. By following the QAR steps, the assigned reviewer verifies engagement workpapers are in conformity with The IIA *Standards* and departmental policies and procedures.
5. The reviewer informs the Engagement Manager or designee of the results and suggests actions to improve workpaper clarity or completeness, or other points noted in the review.
6. The Engagement Manager or designee addresses the review notes and presents changes to the reviewer.
7. If it is determined that review notes are not addressed to the reviewer's satisfaction, the Engagement Manager and the Director of Audits discuss and determine the appropriate course of action to take in clearing outstanding review notes.
8. Once complete, the reviewer signs off on the completion of the QAR to signify an internal review has occurred and the workpapers conform to The IIA *Standards*, generally accepted governmental auditing standards ("yellow book") and departmental policies and procedures.