Internal Audit – Part 4

Session Outline

• Report Writing
• Exit Meeting
• Final Report
• Follow – Up

Report Writing

TGRA
Gaming operation
Tribe
NIGC
Report Writing

Detailed Example

The purpose of this audit program is to conduct an internal control review of the Bingo Department, focusing on bingo card sales, statistical reports, bingo card inventory, cash controls, system software verification, logs, authorizations and signatures.

Broad Example:

Our objective was to perform such observations and testing to measure compliance with the Tribal Internal Control Standards (TICS) and the National Indian Gaming Commission (NIGC) Regulation 25 CFR Part 543 MICS for class II gaming.
Detailed Scope Example

The internal audit department will audit the Bingo Department of the gaming operation. Internal Audit will begin the audit on March 6th, 2017 and end March 24th, 2017. Internal Audit will review process for all three shifts, perform inquiries, observations, review and test relevant documents associated with the conduct of bingo for the period of February 1, 2016 – February 28, 2017.

Broad Scope Example

The audit was conducted as a full scope review for processes in place from February 2016 through February 2017. Audit procedures included interviews with management and staff, observations of implementation of controls and examination of current source documentation utilized to comply with the aforementioned requirements.

ELEMENTS OF FINDING EXERCISE
Reporting Phase

Exit Meeting:
- Schedule the meeting
- Who should attend
- Determine how you want to receive management response

Schedule

When should you send the draft report?

WHO SHOULD ATTEND?

• Schedule the meeting
• Who should attend
• Determine how you want to receive management response
Criteria:

(v) For manual payment of a voucher of $500 or more, require a supervisory employee to verify the validity of the voucher prior to payment.

Finding/ Exception:

Based on review of four days of bingo paperwork, we found that 10 manual payouts of over $500 are not being authorized by a supervisory employee.
Exit Meeting

“Have your say”

Please discuss

Exit Meeting

Management Responses

GUIDANCE

WHAT

WHERE

WHO

WHEN

WHICH

HOW

WHAT
Management Response

#RESPONSETIME

Final Report

Remove findings???

Final Report

Insert management responses into report and distribute final report
Follow-Up Audit

It is time for Internal Audit to follow-up with management to ascertain what improvements have been made.

Follow-Up Audit

How is a follow-up audit performed?

- Original finding(s)
- Conduct test procedures
- Determine if corrective action was taken

Follow-Up Audit

How do we test for a follow-up audit?
Follow-Up Audit Report

Include:
- Original criteria
- Original finding
- Follow-up finding
- Recommendations (if Applicable)

Follow-Up Audit

REPORT WRITING EXERCISE

Wrap-Up

Place everything into the permanent file
To summarize, to have a successful audit we need tools to help us achieve the objective.