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| **Client:** | **${client}** | |
| **Period end date:** | **${start} - ${end}** | |
| **EGA title:** | **\***Use of Work of Internal Auditors | |
| **Ref. no.:** |  | |
| **Prepared by:** | ${user} | **Date:** |
| **Approved by Manager:** | **${manager}** | **Date:** |
| **Approved by Partner:** | **${partner}** | **Date:** |

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| **Procedures Performed** | **Links** | **Ref. no.** |
| 1. The engagement team determined whether to use the work of the internal audit function or obtain direct assistance from internal auditors. | [**Planning Memorandum.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/4%20Planning%20Process/Planning%20Memorandum.docx) |  |
| When the engagement team planned to use the work of internal audit function: | | |
| 1. The engagement team determined whether the work of the internal audit function can be used by evaluating the following:    1. The extent to which the internal audit function’s organizational status and relevant policies and procedures support the objectivity of the internal auditors;    2. The level of competence of the internal audit function; and    3. Whether the internal audit function applies a systematic and disciplined approach, including quality control. | [**Other Specific Considerations.docx**](Other%20Specific%20Considerations.docx) |  |
| 1. The engagement team determined the areas and the extent to which the work of the internal audit function can be used by considering the following: 2. The nature and scope of the work that has been performed, or is planned to be performed, by the internal audit function and its relevance to the overall audit strategy and audit plan. 3. The engagement team made all significant judgments and, to prevent undue use of the work of the internal audit function, planned to use less of the work of the function and planned to perform more of the work directly:    * 1. The more the judgment involved in planning and performing relevant audit procedures and evaluating the audit evidence gathered;      2. The higher the assessed risk of material misstatement at the assertion level, with special consideration given to significant risks;      3. The less the internal audit function’s organizational status and relevant policies and procedures adequately support the objectivity of the internal auditors; and      4. The lower the level of competence of the internal audit function. 4. Whether, in aggregate, using the work of the internal audit function to the extent planned would still result in the engagement team being sufficiently involved in the audit. | [**Other Specific Considerations.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/17-20%20Other%20Specific%20Considerations/Other%20Specific%20Considerations.docx) |  |
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| 1. The engagement team, in communicating with those charged with governance an overview of the planned scope and timing of the audit, communicated planned use of the work of the internal audit function. | Attach minutes/memos/written communication with those charged with governance. |  |
| 1. The engagement team discussed with the internal audit function the planned use of its work as a basis for coordinating their respective activities. | Attach minutes/memos/written communication with internal audit function. |  |
| 1. The engagement team read the reports of the internal audit function relating to the work of the function planned to be used to obtain an understanding of the nature and extent of audit procedures it performed and the related findings. | Attach internal audit reports. |  |
| 1. The engagement team performed sufficient audit procedures on the whole body of work of the internal audit function planned to be used to determine its adequacy, including evaluating whether: 2. The work of the function had been properly planned, performed, supervised, reviewed and documented; 3. Sufficient appropriate evidence had been obtained to enable the function to draw reasonable conclusions; and 4. Conclusions reached are appropriate in the circumstances and the reports prepared by the function are consistent with the results of the work performed. | [**Other Specific Considerations.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/17-20%20Other%20Specific%20Considerations/Other%20Specific%20Considerations.docx) |  |
| 1. The engagement team determined the nature and extent of the audit procedures, including reperformance, to be performed on the whole body of work of the internal audit function planned to be used, by considering the following: 2. The amount of judgment involved; 3. The assessed risk of material misstatement; 4. The extent to which the internal audit function’s organizational status and relevant policies and procedures support the objectivity of the internal auditors; and 5. The level of competence of the function; | [**Other Specific Considerations.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/17-20%20Other%20Specific%20Considerations/Other%20Specific%20Considerations.docx) |  |
| 1. The engagement team recognized that it shall remain alert throughout the audit and evaluate whether the conclusions regarding the internal audit function and the determination of the nature and extent of use of the work of the function remain appropriate. | [**Other Specific Considerations.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/17-20%20Other%20Specific%20Considerations/Other%20Specific%20Considerations.docx) |  |
| 1. The engagement team documented the following: 2. Preliminary evaluations regarding whether the work of the internal audit function can be used. 3. The nature and extent of the work used and the basis for that decision. 4. Audit procedures performed on the work used to determine its adequacy. | [**Other Specific Considerations.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/17-20%20Other%20Specific%20Considerations/Other%20Specific%20Considerations.docx) |  |
| When the engagement team planned to obtain direct assistance from internal audit function: | | |
| 1. The engagement team determined whether direct assistance from internal audit function can be used by evaluating the following: 2. Whether there are any laws or regulations that prohibit obtaining direct assistance from internal auditors. 3. The existence and significance of threats to objectivity of the internal auditors providing such assistance through inquiry of the internal auditors regarding interests and relationships that may create a threat to their objectivity; and 4. The level of competence of the internal auditors providing such assistance. | [**Other Specific Considerations.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/17-20%20Other%20Specific%20Considerations/Other%20Specific%20Considerations.docx) |  |
| 1. The engagement team determined the nature and extent of work that may be assigned to internal auditors and the nature, timing and extent of direction, supervision and review that is appropriate in the circumstances by considering the following: 2. The amount of judgment involved in planning and performing relevant audit procedures and evaluating the audit evidence gathered and not obtaining direct assistance where significant judgements are involved; 3. The assessed risk of material misstatement and not obtaining direct assistance in areas related to higher assessed risks of material misstatement; 4. The engagement team’s evaluation of the existence and significance of threats to the objectivity and level of competence of the internal auditors providing such assistance. 5. Not obtaining direct assistance when it relates to work with which the internal auditors have been involved and which has already been, or will be, reported to management or those charged with governance by the internal audit function; 6. Not obtaining direct assistance when it relates to decisions regarding the internal audit function and the use of its work or direct assistance; and 7. Whether, in aggregate, obtaining direct assistance from the internal audit function to the extent planned would still result in the engagement team being sufficiently involved in the audit. | [**Other Specific Considerations.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/17-20%20Other%20Specific%20Considerations/Other%20Specific%20Considerations.docx) |  |
| 1. The engagement team in communicating with those charged with governance an overview of the planned scope and timing of the audit, communicated the nature and extent of the planned use of internal auditors to provide direct assistance so as to reach a mutual understanding that such use is not excessive in the circumstances of the engagement. | Attach minutes/memos/written communication with those charged with governance. |  |
| 1. The engagement team obtained a written agreement from: 2. An authorized representative of the entity that the internal auditors will be allowed to follow the external auditor’s instructions, and that the entity will not intervene in the work the internal auditor performs for the external auditor. 3. The internal auditors that they will keep confidential specific matters as instructed by the external auditor and inform the external auditor of any threat to their objectivity. | Attach the required written agreements. |  |
| 1. The engagement team sufficiently directed, supervised and reviewed the work performed by internal auditors providing direct assistance and in doing so: 2. The nature, timing and extent of direction, supervision, and review recognized that the internal auditors are not independent of the entity and were responsive to the outcome of the evaluation of the factors explained above; 3. The review procedures included checking back to the underlying audit evidence for some of the work performed by the internal auditors; and 4. The direction, supervision and review enabled the engagement team to be satisfied that the internal auditors have obtained sufficient appropriate audit evidence to support the conclusions based on that work. | Attach internal audit working papers. |  |
| 1. The engagement team recognized that it shall remain alert throughout the audit and evaluate whether the conclusions regarding the internal audit function and conclusions related to obtaining direct assistance from the function remain appropriate. | [**Other Specific Considerations.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/17-20%20Other%20Specific%20Considerations/Other%20Specific%20Considerations.docx) |  |
| 1. The engagement team documented the following: 2. Preliminary evaluations regarding whether direct assistance from internal audit function can be used. 3. The nature and extent of the work performed by the internal auditors and the basis for that decision. 4. Who reviewed the work performed and the date and extent of that review. 5. The written agreements obtained from an authorized representative of the entity and the internal auditors. 6. The working papers prepared by the internal auditors who provided direct assistance. | [**Other Specific Considerations.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/17-20%20Other%20Specific%20Considerations/Other%20Specific%20Considerations.docx)  Attach minutes/memos/written communication with those charged with governance.  Attach the required written agreements.  Attach internal audit working papers. |  |