

AUDIT PROCESS

OPENING CONFERENCE

The opening conference should be held to gather information about the mission, critical processes, and control procedures of the unit. The auditor uses this information in the risk assessment process to determine an appropriate objective and scope for the audit. Under some conditions, the objective and scope may be predetermined. The auditor should prepare an opening conference e-mail confirming the appointment. The e-mail should briefly state the announcement of the audit; the date, time, and place of the opening conference; the purpose of the opening conference; and the desire to resolve any questions regarding the tentative draft objective and scope.

Audits with a surprise component, such as investigative audits, cash counts, etc., may not have an opening conference.

The opening conference is an important step in a regular audit. It is an opportunity to establish the proper tone and to begin building good relationships. Explain the "who, what, where, when, why, and how" for those who have not been exposed to the audit process.

During the opening conference:

1. Provide and discuss the Office brochure (first-time auditee, optional afterward).
2. Explain the audit focus.
3. Emphasize that the purpose of an audit is to help improve University of Illinois controls and operations.
4. Review the objective(s) and scope of the audit, encouraging management to discuss any aspect of the audit.
5. Ask for suggestions of potential auditee problem areas within the audit scope. This communicates an intention of being helpful rather than critical.
6. Determine what assistance from personnel other than those attending the opening conference is needed to answer detailed questions concerning the functions to be performed. Contact should be made via the "Chain of Command" until an understanding with the appropriate manager is established.
7. Explain how audit concerns (observations) are handled. Explain that concerns will be reviewed with the designated auditee at the time they arise and identify who will be responsible for reviewing the audit concerns. Explain the purpose of discussing each audit concern is to verify that both the facts defined in the concern and the impact of the concern is accurate. Some findings may be resolved verbally.
8. Establish how frequently the department head/director wants to be updated on audit progress and findings.
9. Explain we will review the draft audit report in detail at the exit conference.
10. Explain that a copy of the final audit report will be sent to their reporting line up to and including the Chief Financial Officer and the President.
11. Inquire about working hours, working area, access to records, and any other information that details the office routines. This information may have considerable influence on the cooperation extended to the audit staff.
12. Identify information needed to complete the audit procedures.
13. Establish a tentative schedule for the audit process.
14. Ask if there are any questions concerning anything discussed at the opening conference or any questions in general about the auditor or audit approach that will assist the auditees in their understanding of the audit project.
15. Inquire as to any areas within their operations that they feel are more susceptible to fraud or over which they have concerns.
16. Ask about any fraudulent activity that has occurred in the unit within the last two years.

Effective communication at the beginning of the audit can materially influence the tone in which the entire audit is conducted.

Opening Conference Minutes

The Opening Conference's date, attendees, and substantive items discussed which are directly related to audit scope, objectives, timing, or confidentiality should be documented in the workpapers and DocLinked to the Key Activities document. Such items may include possible reorganizations of the unit, auditee requests for delaying the audit due to poor timing or unusual circumstances, special concerns of the auditee, etc. If such items were not part of the opening conference, nothing more than the date and attendees is required.

The template of the Opening Conference Email and Opening Conference Discussion Items are in the Standard Library section of Auto Audit.

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