INTRODUCTION TO HOPEX INTERNAL AUDIT

HOPEX Internal Audit offers small and medium audit structures an integrated solution for their audit activities.

Based on a proven methodology, **HOPEX Internal Audit** helps auditors to optimize processes, establish findings, increase action plan follow-up capacity, standardize best practices and improve transparency of results and information traceability.

✓ "The Audit Process", page 4
✓ "Accessing HOPEX Internal Audit", page 6
✓ "Interface Presentation", page 9

☛ *For more details on **HOPEX** features, see the **HOPEX Common Features** guide which presents features common to all **HOPEX** products.*

THE AUDIT PROCESS

The audit process is broken down into three main parts:

- preparation
- execution
- follow-up

Audit Preparation

Audit preparation

The audit director collects information from organization managers by means of interviews. He creates a list of potential audits.

The audit plan is validated by the workflow.

Planning the audit and managing teams

The audit director:

- plans audits
- assigns auditors to audits

Preparing the audit

The audit director informs auditees of the start of the audit. He specifies the calendar and nominates the lead auditor.

He defines audit scope (main theme) and communicates this to the audit team.

Audit Execution

Specifying and reviewing the audit program

The lead auditor meets the main auditees during the first days of the audit, collects documents and proceeds with evaluation of risks, leading to definition of the work program.

The work program consists of definition of audit tasks so as to cover identified risks, workload distribution and definition of those responsible for audits.

The work program is validated by the audit director.

Executing audit tasks

Auditors execute audit tasks ("activities"):

- tests on samples
- interviews
- information collection
- editing and review of findings
- recommendation proposal

Audit supervision

The lead auditor proceeds with review of findings edited by auditors He checks that:

- style is respected (form and content)
- the process is correctly analyzed (clear and precise indications)
- audit evidence is attached
- causes, risks and impacts are clearly identified

Circulating audit reports

When audit tasks have been executed, the lead auditor can assemble findings in a first report, called audit report.

Findings are validated with responsible auditees. Modifications may be required.

A validation meeting is organized to validate the findings orally.

The final audit report is sent for comments.

After approval, the final version is sent to auditees.

Audit Follow-Up

Recommendations can be sent:

- directly to auditees
- or to a correspondent, who subsequently ensures that recommendations are applied.

Auditees progress recommendations using action plans (set of actions).

The audit director assures action follow-up.

ACCESSING HOPEX INTERNAL AUDIT

The menus and commands available in **HOPEX Internal Audit** depend on the profile with which you are connected.

Connecting to the solution

Pour connect to HOPEX, see **HOPEX Common Features**, "HOPEX desktop", "Accessing HOPEX (Web Front-End)".

Profiles of HOPEX Internal Audit

In **HOPEX Internal Audit**, there are by default, user roles with which specific rights and accesses are associated. The roles used are:

- Functional Administrator
- Audit Director
- Lead Auditor
- Auditor
- Recommendation Owner
- Action Owner

The content presented to each user in terms of menu trees and functions depends on user connection role, that is the profile selected by the user to use the application.

Functional Administrator

The functional administrator has rights on all objects and workflows.

He prepares the work environment and creates elements required for preparation of audits.

Manages:

- periods and calendars
- environment description
  - organizational units
  - process

> ☛ *Environment description is detailed in the **HOPEX Common Features** guide, chapter "Defining the Environment for HOPEX Solutions".*

See also "Functional administrator space", page 9.

Audit Director

The audit director intervenes in the preparation of audits. He:

- creates audit plans
- creates audits
- validates audit plans
- plans audits
- assigns auditors to audits
- edits and sends notification letters
- validates or rejects work programs
- validates or rejects:
  - pre-closing reports prior to the closing meeting
  - closing reports
- sends audit reports
- sends recommendations to auditees and follows up action plan progress

Lead Auditor

The lead auditor is responsible for progress of audits. He:

- manages an audit team
- establishes the work program
  - themes
  - activities
  - workpapers
  - tests by questionnaires
- assigns tasks (activities)
- specifies and validates/rejects audit activities:
  - findings
  - recommendations
- supervises auditors
- submits:
  - audit pre-closing reports
  - the audit closing report

Auditor

The auditor is responsible for execution of audits. He:

- executes audit activities
- completes workpapers (edits comments)
- replies to questionnaires
- manages findings and recommendations
- submits activities (workpapers, findings, recommendations)

See "Auditor space", page 10.

Recommendation Owner

Recommendation owner:

- specifies actions to be undertaken to follow up recommendations
- ensures that actions are implemented

Action Owner

The action owner is responsible for implementing actions.

See "Action owner space", page 10.

INTERFACE PRESENTATION

☛ *For more details on **HOPEX** features, see the **HOPEX Common Features** guide which presents functionalities common to all **HOPEX** products.*

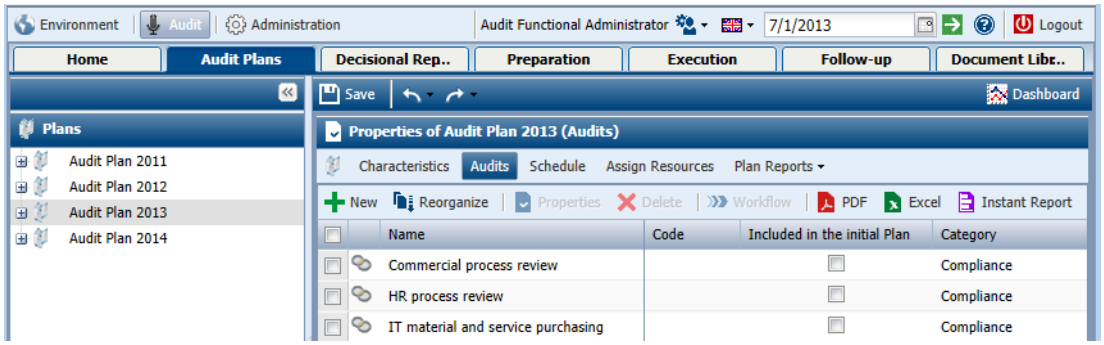
Functional administrator space

The functional administrator has three desktops:

- **Administration** desktop: reserved for the Functional Administrator and Audit Director, enables definition of users, their roles and skills.
- **Environment** desktop: reserved for the Functional Administrator, enables definition of the audit work environment.

  ☛ *The **Environment** desktop is common to **HOPEX Enterprise Risk Management**, **HOPEX Internal Audit**, **HOPEX Internal Control** and **HOPEX IT Portfolio Management** solutions.*

- **Audit** desktop: visible to the Functional Administrator and Audit Director, it presents several navigation tabs corresponding to different audit process steps:
  - **Home**: this tab displays objects for which the user is responsible (work program, tasks to be executed, etc.).
  - **Audit Plans**: this tab gives access to all audit plans and their audits.
  - **Decisional Reports**: reports on past audits and audited objects offer the Audit Director and Administrator a view on future audits. See "Selecting Audits To Be Executed", page 37.
  - **Preparation**: tab on preparation of the audit from which the Administrator or Audit Director can create audit plans and audits and define calendars.
  - **Execution**: this tab classifies audits according to their status (published, in progress, past, etc.).
  - **Follow-Up**: the follow-up tab concerns follow-up of recommendations following execution of audits by auditees.
  - **Document Library**: displays audit deliverables (notification letters, detailed reports, etc.).



Audit director space

The audit director has two desktops:

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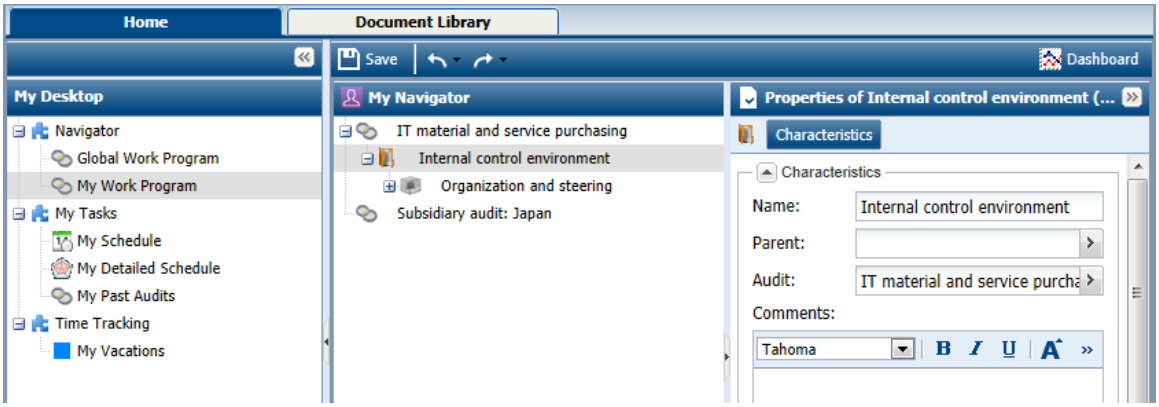
  - **Decisional Reports**
  - **Preparation**
  - **Execution**
  - **Follow-Up**
  - **Document Library**

  For more details see Audit desktop in "Functional administrator space", page 9.

Auditor space

The auditor, like the recommendation owner, has the **Home** tab, which presents objects for which he/she is responsible.



Action owner space

The action owner has the **Action Plan** tab, which displays actions for which he/she is responsible.

THE HOPEX INTERNAL AUDIT DESKTOP

The aim of this chapter is to familiarize you with **HOPEX Internal Audit**: it presents the connection dialog box of the solution and its interface.

☛ *For more details on **HOPEX** functionalities, see the **HOPEX Common Features** guide, which presents functions common to all **HOPEX** products.*

The following points are covered here:

✓ "Connecting to HOPEX Internal Audit", page 14
✓ "Interface Presentation", page 16

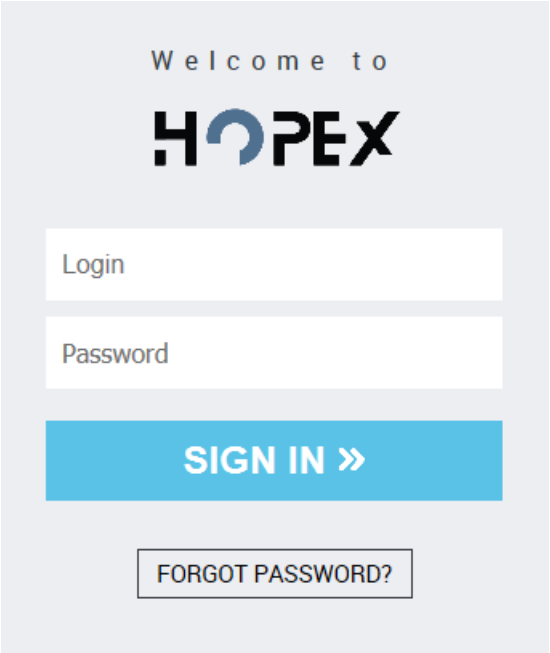
CONNECTING TO HOPEX INTERNAL AUDIT

To connect to a **HOPEX** application on the Web:

1. Start the **HOPEX** application using its HTTP address.

   ☛ *If you do not know this address, contact your administrator.*

   The connection page appears.



2. In the **Login** field, enter your identifier.
3. (If you have a password) In the **Password** field, enter your password.

   ☛ *If you lose your password, click **FORGOT PASSWORD**.*

4. In the environment pop-up window, select your work environment.

   ☛ *If you can access one environment only, this is automatically taken into account and the environment selection field does not appear.*

5. Click **SIGN IN**

   When you have been authenticated, a new dialog box appears.

6. In the repository pop-up menu, select your work repository.

   ☛ *If you can access only one repository, this is automatically taken into account.*

7. In the profile pop-up menu, select the profile with which you want to work.

   ☛ *If you can access only one profile, this is automatically taken into account.*

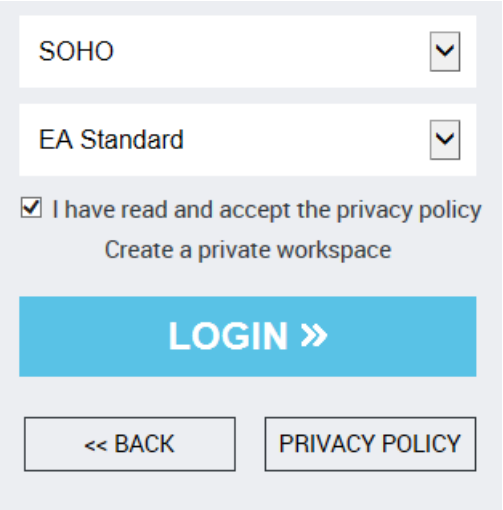
   ☛ *The profile or you select defines the applications you can access.*

8. In the application pop-up menu, select the application to which you want to connect.

   ☛ *If you can access only one application with the selected profile, this is automatically taken into account and the application selection field does not appear.*

9. Click **Privacy Policy**, read the confidentiality policy, then select **I have read and accept the privacy policy**.
   The **LOGIN** button is active.

   ☛ *When you have read and accepted the confidentiality policy, a certificate is automatically linked to your person and this step is not required again.*



10. Click **LOGIN**.

    ☛ *Click **BACK** if you want to return to the authentication dialog box.*

    The Web application home page appears and a session is opened.

☛ *For more details on definition of users and roles, see **HOPEX Power Supervisor**, chapter "Managing Users".*

Interface Presentation

The menus and commands available in **HOPEX Internal Audit** depend on the profile with which you are connected.

Functional administrator space

The functional administrator has three desktops:

- **Administration** desktop: reserved for the Functional Administrator and Audit Director, enables definition of users, their roles and skills.
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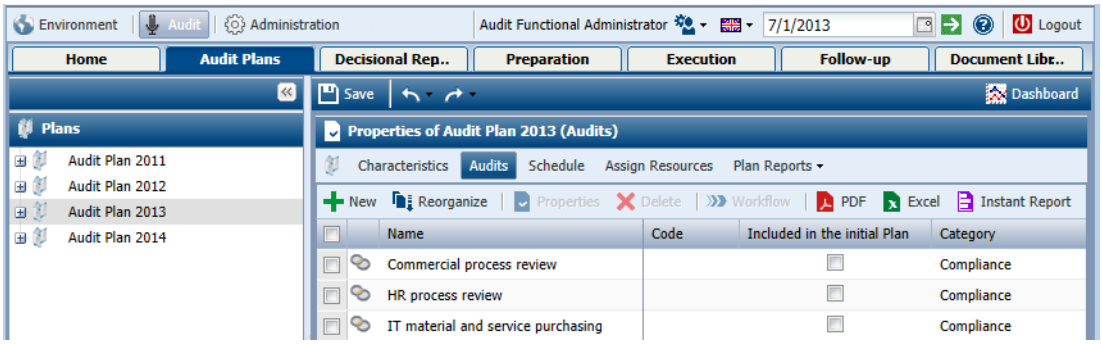

Audit director space

The audit director has two desktops:

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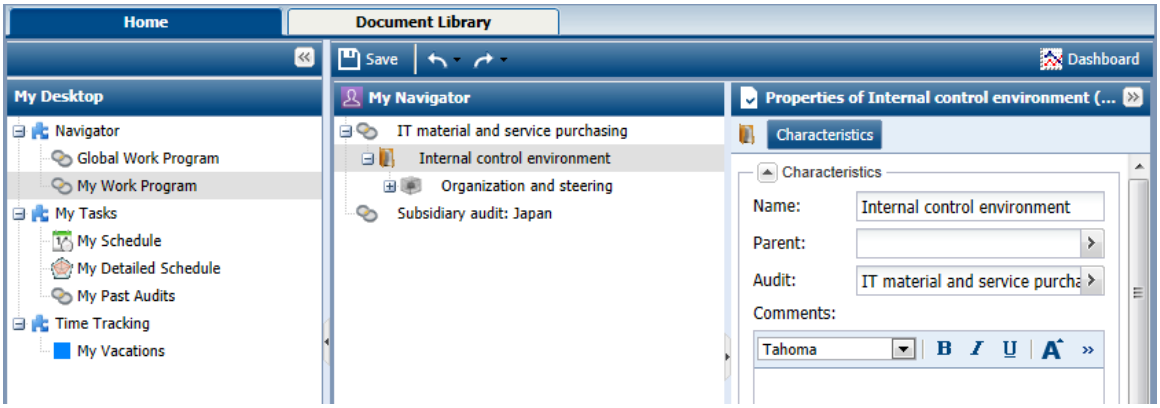
- **Audit** desktop: visible to the Functional Administrator and Audit Director, it presents several navigation tabs corresponding to different audit process steps:
  - **Audit plans**
  - **Decisional Reports**
  - **Preparation**
  - **Execution**
  - **Follow-Up**
  - **Document Library**

  For more details see Audit desktop in "Functional administrator space", page 16.

Auditor space

The auditor, like the recommendation owner, has the **Home** tab, which presents objects for which he/she is responsible.



Action owner space

The action owner has the **Action Plan** tab, which displays actions for which he/she is responsible.

FUNCTIONAL ADMINISTRATION

Before the audit director can prepare audits, the functional administrator must first create and generate the elements required for preparation of these audits.

This consists of:

- ✓ defining calendars
- ✓ managing users and skills
- ✓ managing currencies in the context of expense sheets
- ✓ configuring time sheets

These points are detailed in the following sections:

- ✓ "Calendars", page 20
- ✓ "The Audit Team", page 22
- ✓ "Managing Currencies", page 25
- ✓ "Configuring Time Sheets", page 28

CALENDARS

Audits are based on calendars and calendar periods.

Defining a Calendar

A calendar generally covers a period of one year, either a fiscal year or a calendar year.

A calendar is made up of calendar periods: a calendar period can for example correspond to a quarterly period. It can be useful to divide calendars into calendar periods to plan audits.

The calendar is used for information in reports. An audit plan must be connected to a calendar.

To create a calendar:

1. In **Audit > Preparation** > **Audit Plans**, select **Calendars**.
2. In the right pane of the window, click **New**.
3. Enter the **Name** of the calendar and its begin and end dates.
4. Click **OK**.

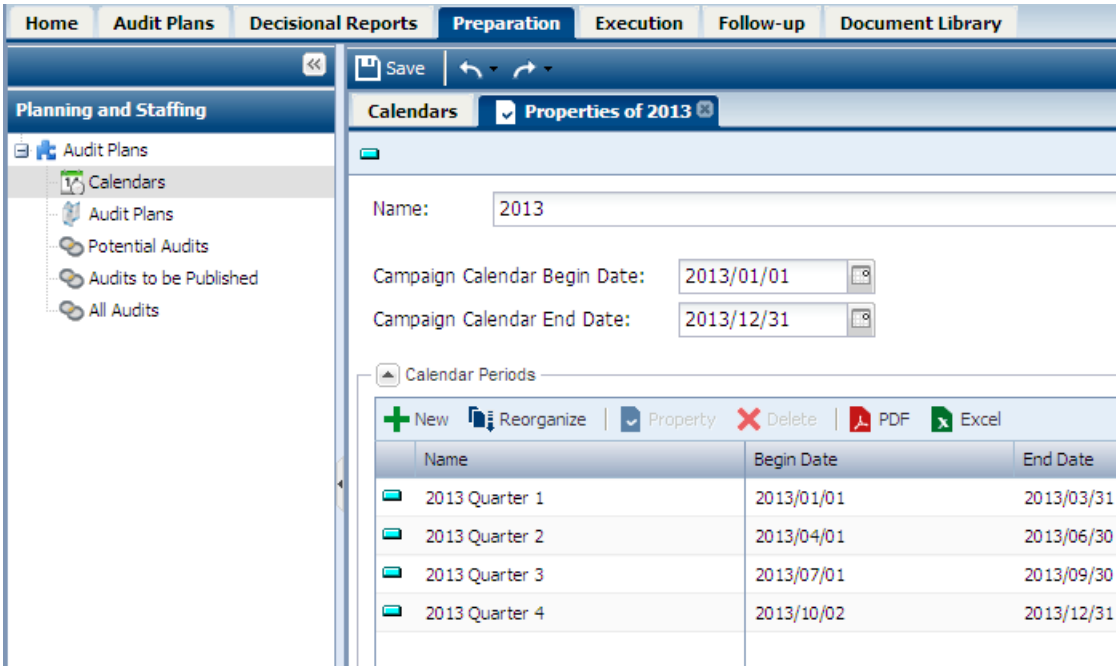
You can then define calendar periods.

Creating calendar periods

To create calendar periods:

1. Open the **Properties** of the calendar.
2. Click the **Characteristics** tab.
3. In the **Calendar Period** section, click **New**.
4. Enter the **Name** of the calendar period and its begin and end dates.
5. Click **OK**.
6. Create other calendar periods in the same way.

The calendar is created. It can then be connected to an audit plan.



Connecting an Audit Calendar to an Audit Plan

To connect an audit calendar to an audit plan:

1. Open the audit plan properties.
2. Click **Characteristics**.
3. In the **Calendar** field, click the arrow and select **List** to display the list of calendars.
4. Select the calendar to be connected to the audit plan.
5. Click **OK**.

Audit plan begin and end dates are automatically initialized with those of the calendar.

THE AUDIT TEAM

Before planning audits, appropriate audit teams must be set up and their roles and responsibilities assigned.

Tools are available that enable definition and display of the skills of team members.

An auditor is a person with the competence to conduct an audit (source ISO 19011:2002)

Creating an Auditor

To create an auditor, you must create a user and assign the "Auditor" profile.

For more information on creation of users and assignment of roles, see chapter "Managing Users" in the **HOPEX Power Supervisor** guide.

Managing Auditor Skills

HOPEX Internal Audit enables management and viewing of skills for each auditor.

To do this, you must previously have defined:

- skill types
- skills list
- skill levels

Creating skill types

To create a skill type:

1. Select the **Administration** desktop.
2. Click the **Skill Management** navigation pane then **Skill Types**.
3. In the edit area, click **New**.
   The new skill type appears in the list.
4. To modify its name, click the skill type, and holding the mouse button down, enter the name for example "Languages".

Creating skill levels

You must now create skill levels to be associated with each skill type.

To create a skill level on a skill type:

1. Select the **Administration** desktop.
2. Click the **Skill Management** navigation pane then **Skill Types**.
   The list of skill types appears in the navigation window.
3. Select the skill type concerned, for example "Languages", and click **Properties**.

4. In the **Skill Levels** section, click **New**.
   The dialog box for creating a skill level appears.
5. Enter a **Name**, for example "Beginner".
6. Click **OK**.

To define the internal value of skill level:

- In **Skill Level Internal Value**, enter a figure corresponding to the skill level, for example "1" for "Beginner" (while "4" could correspond with "Experienced" in our example).

  ☛ *This figure gives a graphic view of the extent of user skills in the audit assignment page.*

Creating skills

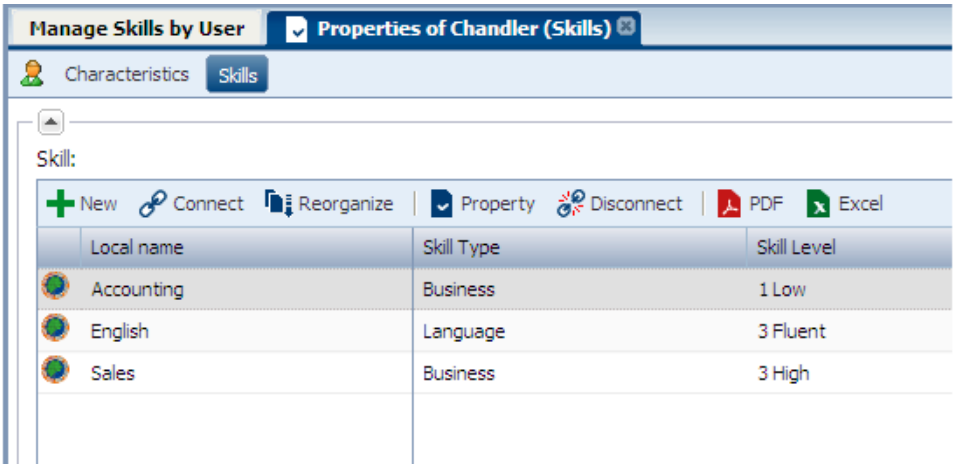
To create a skill:

1. Click **Administration** > **Skill Management** > **All Skills.**
2. Click **New**.
   The new skill is added to the list of skills.
   In properties of the skill you can modify its name and indicate the **Skill Type** to which it is attached, for example "Languages".

Defining skills for each user

To define the skills of a user:

1. Click **Administration** > **Skill Management** > **Manage User Skills**.
2. Select a user and click the **Properties** button.
3. In the properties page, click **Skills**.
   In the page that appears, you can specify user skills as a function of previously defined skill types and skill levels.



Example of skills

Viewing skills

To view the skills and skill levels available within the team:

- Click **Administration** > **Skill Management** >**View Users and Skills**.

A list appears. You can sort the list by skill, skill level and user by clicking the header of the corresponding column.

View Users With Skills

Skill	Skill Level	Person (System)
Accounting	1 Low	Chandler
Sales	3 High	Chandler
English	3 Fluent	Chandler
Sales	3 High	Ernesto
English	3 Fluent	Ernesto
French	2 Read/Written/Spoken	Ernesto
Accounting	3 High	Ernesto
Sales	2 Medium	Kim
English	3 Fluent	Kim
Accounting	2 Medium	Kim
Sales	3 High	Luca
Accounting	3 High	Luca
English	3 Fluent	Luca

MANAGING CURRENCIES

Currencies are used in the context of audits to enter expense sheets.

The following points explain how to manage these currencies.

Currency Use Principle

Two currency types should be distinguished:

- central currency
- local currency

Central currency

Central currency is the currency adopted as reference currency.

Local currency

A local currency is defined for each user. By default it is the same as central currency.

Defining Central Currency

To define central currency:

1. In the Administration application (administration.exe) connect to the environment in which you wish to work.
2. Right-click the repository and select **Options > Modify**.
   The repository options window opens.
3. Select the **Installation > Currency** folder.
   The list of currencies available as standard appears on the right.
4. In the **Monetary Symbol** field, specify the symbol of your consolidation currency, for example "$".
5. In the **Central Currency** field, select your consolidation currency, for example "US Dollar".
6. Click **OK**.
7. Exit the Administration application.

Defining Local Currency

You can choose a local currency different from the central currency. To do this, you must connect to **HOPEX Windows Front-End** with your login.

To modify user local currency:

1. Start **HOPEX Windows Front-End** and connect with your login.
2. In the desktop, select **Tools > Currency** and select the currency that interests you.
3. Exit **HOPEX**, dispatching your private workspace.

When you reconnect to **Web Front-End** with your login, the currency proposed by default for your expense sheet expenses is the currency you have just defined.

Modifying User Local Currency

Local currencies proposed to users of the application are defined with the **HOPEX** Administration application.

To define the list of local currencies:

1. In the folder where **HOPEX** is installed, launch "Administration.exe" and connect with a user that has data administration authorization rights.
2. Select the environment then the repository on which you want to work.
3. Right-click the repository and select **Options**.
   The repository options window opens.
4. Select the **Installation > Currency** folder.
   The list of currencies available as standard appears on the right.
5. Then select all the currencies that will be used locally by your users.
6. Click **OK**.
7. Exit the Administration application.

Managing Exchange Rates

Entering an exchange rate

To enter an exchange rate:

1. In the **Administration** desktop, select **Currencies > Exchange Rate**.
2. Click **New**.
3. Select the line created and select **Properties**.

4. In the window that appears, enter:
   - the **Currency Code To**.
   - the **Rate** of the source currency related to the final currency.
   - the **Rate Date Begin**.

> ☛ *Several exchange rate periods can be entered for the same currency. When entering expenses, the most recent exchange rate is taken into account.*
>
> ☛ *You must enter the exchange rate in both directions, for example:*
>
> - *EUR->USD*
> - *USD->EUR*

Viewing an exchange rate

To view an exchange rate:

1. In the drop-down lists above the table, select the source and final currencies.
2. Click **Refresh**.
   The exchange rates for the selected currency appear.

> ☛ *To reverse the exchange rate, click button*

Configuring Time Sheets

Time sheets are used in the context of audits/tests.

The functional administrator can configure time sheet default options.

The functional administrator can define:

- number of hours worked per day
- days not worked in enterprise

To configure this data:

1. Click button at the right of the connection role, then **Options**.
2. In the window that appears, expand the folders **Installation > User Management**.
3. In the right pane of the window, specify:
   - the number of **Hours/Day** for each auditor.

     ☛ *Default value is "8".*
   - days corresponding to weekend

     ☛ *Default values are "Saturday" and "Sunday".*

AUDIT PREPARATION

Functionalities described here essentially concern the audit director (or functional administrator, who has the same rights). The lead auditor intervenes to define the work program.

Audit preparation consists of creating an audit plan and audits and their planning before auditors intervene in the field.

✓ "Creating Audit Plans", page 30
✓ "Planning Audits", page 32
✓ "Preparing Audits", page 48
✓ "Executing Administrative Tasks", page 57
✓ "Summary of Rights by Profile", page 59

Creating Audit Plans

The audit plan is prepared by the audit director.

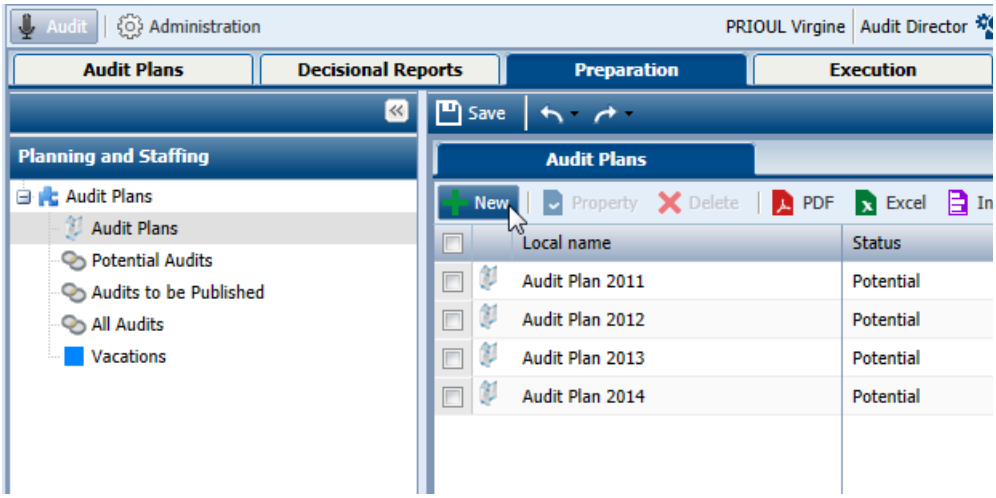
The audit plan is generally defined on a period of one year. This plan contains all audits to be executed in the year.

The audit plan is a description of the expected scope and conduct of the audit. It is carried out in accordance with auditing standards and practices. It comprises a description of the audit approach and the planning schedule. It comprises several audits carried out during a given period.

Creating Audit Plans

To create an *audit plan*:

1. In **Audit > Preparation**, click the **Audit Plans** folder in the navigator.



2. In the edit window that appears, click the **New** button.
   The new audit plan appears.
3. Select the audit plan and click the **Properties** button.
4. In its properties, select the **Characteristics** tab.
5. Modify if necessary the **Name** of the audit plan.
6. Select the **Calendar** of the audit plan.
7. Indicate a **Begin Date** and **End Date** for the audit plan.
   The **Status** is defined automatically by the audit workflow.
8. Click **Save**.

The audit plan is created.

You can now create audits directly in the audit plan page.

Displaying the Audit Plans Tree

The **Audit Plan** navigation pane allows the Audit Director to rapidly view all audit plans and their associated audits.

By clicking one of the objects in the tree, you display its properties in the edit window.

Planning Audits

An audit is a mission assigned to an internal auditor in the context of an audit plan.

Audits are planned by the audit director.

✓ "Validating Audits", page 32
✓ "Defining Audit Properties", page 33
✓ "Creating "Template" Audits", page 36
✓ "Selecting Audits To Be Executed", page 37
✓ "Selecting Audits to be Integrated in the Audit Plan", page 40
✓ "Planning Audits Using a Gantt Chart", page 41
✓ "Assigning Auditors to Audits", page 43
✓ "Publishing Audits", page 45
✓ "Sending the Notification Letter", page 46

Validating Audits

Creating audits

To create an *audit*:

1. Click **Audit > Preparation > Audit Plans**.
2. Open the properties of the audit plan that will include the audit to be created.
3. Click **Audits**.
4. In the audits page, click **New**.
   The new audit appears under the audit plan.

To define characteristics of the audit, see "Defining Audit Properties", page 33.

Accessing Audits

To access audits of an audit plan:

- Click **Audit > Audit Plans**, and expand the audit plan. Audits corresponding to the audit plan appear.

☛ *You can also access the list of audits via menu **Audit > Preparation > Audit Plans > All Audits**.*

Defining Audit Properties

You can specify certain information on the audit.

General characteristics

General characteristics of an audit are:

- **Name**: audit name
- **Code**: you can assign a code to the audit
- **Included in Initial Plan**: this attribute is defined automatically according to audit plan status at the time of creation. It indicates if the audit was present at audit plan creation, or if it was added later.
- **Lead Auditor**: name of lead auditor
- **Main Auditee**: you can select a manager from the list of auditees attached to the audit.
- **Objective** of the audit
- **Category** of the audit:
  - "Compliance"
  - "Efficiency"
- **Status**: this attribute is defined automatically and modified at workflow transitions.
- **Follow-up audit** : this field is checked automatically in the case of follow-up audits (not changeable). When it is checked, it is followed by the **Followed Audit Year**.

Justification and workload

In this section you can enter the following attributes:

- **Justification** of the audit
- **Origin**: follow-up, ad-hoc, recurrent, etc.
- **Priority**: priorities can be specified for audits. You can select audits to be integrated in the audit plan based on this priority criterion.
- **Estimated Duration** (days).
- **Estimated Number of Resources**
- **Estimated Workload**

☛ *The following characteristics are automatically calculated:*

- ***Effective Workload (Hours)****: calculated from the effective workload defined on time sheets or on activities if no time sheet has been entered.*
- ***Estimated Number of Resources***

Audit scope

In the **Scope** you can connect objects to which the audit is attached, such as an org-unit, process, etc.

To specify audit scope:

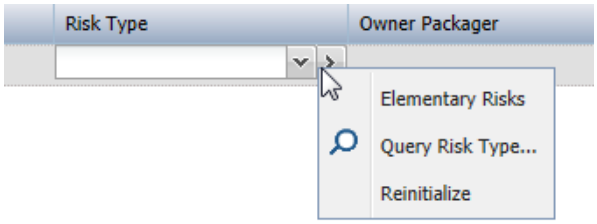
1. Expand the **Scope** section.
2. Select the object type to be created or connected to the audit.
3. Click **New** to associate new objects, or **Connect** to connect existing objects to the audit.

Risks treated by audit

The risks specified in audit scope are risks identified prior to audit execution and to which the audit relates. These risks can be of a type defined by the administrator.

To define the type of a risk:

1. In the **Scope** section, select the risk in question.
2. Click in the **Risk Type** column associated with the risk.
3. Click the arrow on the right of the column header to find the required risk type.



A report indicates if audits in progress or past audits treat the risks entered by the administrator. "Viewing the audit coverage report", page 37.

These risks are differentiated from risks discovered during the audit, which can be associated with different audit elements (activity, finding, etc.) and are not necessarily of a previously identified type. See "Defining and Assessing Risks", page 66.

You can assess a risk at precise moments, for example a pollution risk, by creating each time a new assessment measurement on the risk.

Milestones

In the **Milestones** section, you can indicate a **Planned Begin Date** and a **Planned End Date**. These dates constitute audit milestones.

☛ *If you enter dates that do not agree with those of the audit plan, an error message appears.*

☛ *You can choose to enter milestones at a later stage.*

Users

In the **Users** section, you can specify audit participants:

- Auditors: auditors having been previously defined, you can connect but not create auditors. See "Assigning Auditors to Audits", page 43.
- Auditees: persons audited during the audit, who can be e-mail recipients or recommendation owners.
- Other participants: any other persons in the audit.

Skills

You can specify skills required by auditors to execute the audit.

To define skills required for the audit:

- In the **Skills** frame, click **New** or **Connect** to create a skill or connect an existing skill.

When assigning auditors to an audit, you will be able to compare skills of auditors and skills required for the audit. For more details on the report providing this information, see "Assigning an auditor to an audit", page 45.

Summary

At **Conclusion** of the completed audit, you can indicate:

- **Key Strengths**
- **Key Weaknesses**
- **Evaluation**: good overall level, can be improved, etc.

Creating "Template" Audits

"Template" audits are work programs specially prepared to be applied to new audits.

This status is exclusively reserved for audits of an audit plan which is itself defined as a template. It applies automatically to existing audits of the template audit plan, and is proposed at creation of a new audit on this same audit plan.

Defining template audit plans

To define an audit plan as a template:

1. Click **Audit** > **Preparation** > **Audit Plans** > **Audit Plans**.
   The list of audit plans appears in the edit area.
2. Click the required audit plan.
3. Select **To Be Validated** > **Define As Template**.
   A window appears; it informs you that this action will pass all audits of the plan to Template status.
4. If required, enter a comment in the window and click **OK**.

Applying a template audit to a new audit

You can duplicate all or part of a template audit when creating an audit. See "Creating Work Programs Automatically", page 52.

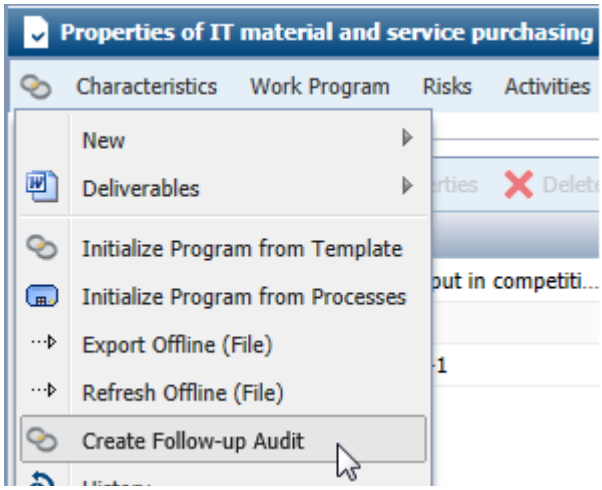
Creating follow-up audits

Creating a follow-up audit allows you to duplicate the work program of an audit in a new audit within another audit plan. The new audit resumes work of the original audit work program (themes, activities , worksheets , etc.) and provides the follow-up of its recommendations, which are not yet closed , to verify their implementation.

You can create a follow-up audit from an existing audit.

To create a follow-up audit from an existing audit:

1. Open properties of the source audit.
2. Click the icon of the audit and in the pop-up menu that appears, select **Create follow-up audit**.



3. In the dialog box that opens, select the target audit plan.
4. Click **OK**.
   The new audit appears under the target audit plan.

Selecting Audits To Be Executed

HOPEX Internal Audit provides the audit director with decisional help in selecting audits to be executed.

A report enables evaluation of coverage of risks, processes and entities in the audit process.

You can sort audits according to certain criteria, in order to:

- view past audits
- find audits planned but not finally executed

Viewing the audit coverage report

HOPEX enables description of entities, risks and processes. It is often necessary to audit these regularly.

A report provides information on the number of audits executed on each entity, risk or process between two specified dates. It indicates elements that need to be audited.

The audit director can access this report.

To access this report:

1. In **Audit > Decisional Reports**, click **Audit Coverage**.
2. In the edit window, select a begin date and end date.

3. Select the object type, depending on whether you want to study coverage of risks, processes or entities.
4. If required, select the score obtained by the audit or its status.
5. Refresh the report by clicking the **Refresh** button at the bottom of the report.

For each audited object (below, processes), the report presents:

- The number of audits executed
- The name of the last audit
- The effective end date of the audit or its state if the audit is in progress
- The score of the audit.

☛ *The audits that appear in the report are those that have at least been publishes.*

Begin Date: 2012/01/30 End Date: 2013/01/30

Entity/Risk/Process: Processes By Score: By Status:

1. Audit by Entity/Risk/Process

	Number of audits	End Date	Last Audit	Score
B.1.a	1	In Progress	IT material and service purchasing	Good overall level
Business Process-18	1	In Progress	IT material and service purchasing	Good overall level
Business Process-19	1	In Progress	IT material and service purchasing	Good overall level
Car Rental Business	0			
Car Rental Supporting Process	0			
Define and decline the quality policy	0			
Drive and Follow the Processes	0			

Objects covered by an audit are those connected to the audit **Scope**. See "Audit scope", page 34.

For risks covered by an audit, we must also define the type of risk to which they belong in order that they appear in the report. In this report risks are classified by risk type. These types of risk are defined by the administrator in the audit environment.

Consulting audits history

Consulting the history of audits can simplify your choice of audits to be executed.

HOPEX Internal Audit can help you to find:

- past audits
- audits that have not been executed.

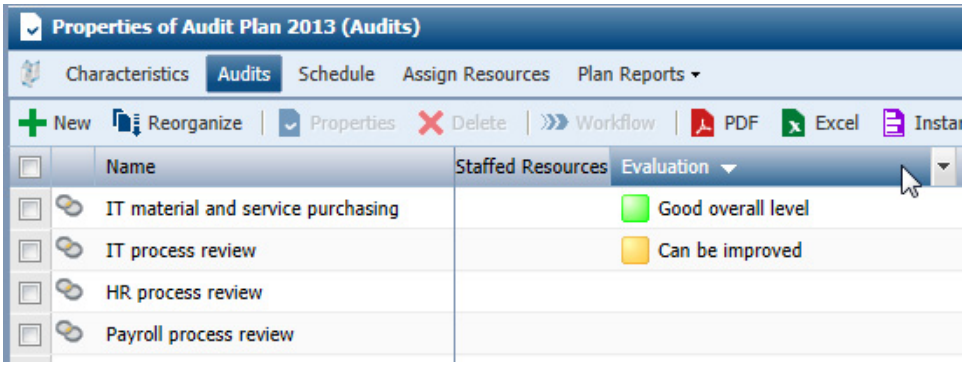
Past audits

In the list of audits of an audit plan, you can consult the evaluation of the audit that has been made by the lead auditor.

You can sort audits based on this criterion, allowing you to create audits on appropriate entities, risks and processes.

To group audits by evaluation:

1. In menu **Audit > Preparation > Audit Plans**, select the audit plan that interests you and click the **Properties** button.
   Audit plan properties appear.
2. Click **Audits**.
   The list of audits making up the audit plan appears.
3. Click the "Evaluation" column title.
   Audits are then sorted by this criterion.
   An arrow associated with the column enables ascending or descending sort order.



☺ *In menu **Audit > Preparation > Audit Plans > All Audits**, you can also show groupings to obtain the obtain the required information.*

Audits not executed

Audits can remain in "Potential", or even "Validated" or "Published" status never to be executed, due other audits being of higher priority.

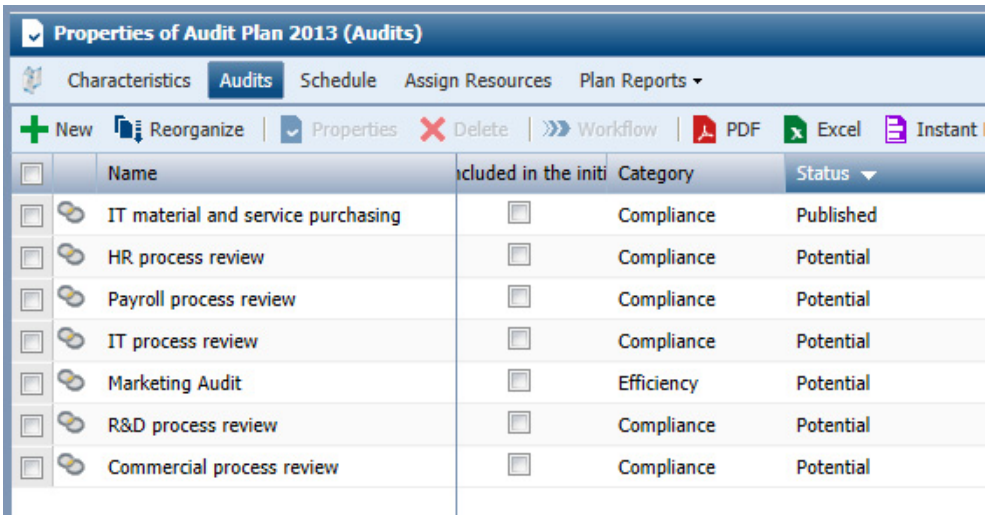
Audits published or in progress can also be canceled via the workflow.

Grouping audits by status enables identification of audits that must be recreated on a subject.

To find audits of a past audit plan that were not executed:

1. In menu **Audit > Preparation > Audit Plans**, select the audit plan that interests you and click the **Properties** button.
   Audit plan properties appear.
2. Click **Audits**.
   The list of audits making up the audit plan appears.

3. Click the "Status" column title.
   Audits are then sorted by this criterion.
   An arrow associated with the column enables ascending or descending sort order.



Audit evaluation and status are defined in audit properties. For more details, see "Defining Audit Properties", page 33.

Viewing previous test expenses

A report allows you to view expenses of previous audits.

To access this report:

1. Click **Decisional Reports > Expenses Report**.
2. (Mandatory) Select a **Plan**.
3. (Optional) Specify parameter values that interest you from among:
   - audits
   - expenses categories
   - auditors

   ☛ *If you do not select a value for audits/categories/auditors, all audits/categories/auditors of the plan are taken into account.*

Selecting Audits to be Integrated in the Audit Plan

Potential audits are accessed from menu **Audit > Preparation > Audit Plans > Potential Audits**.

Certain are part of a definitive audit plan, while others could have been rejected.

HOPEX Internal Audit proposes tools simplifying selection of audits to be integrated in the audit plan.

Discarding audits

Audits considered of low priority can be discarded via the workflow.

To discard an audit:

1. In **Audit** > **Preparation** > **Audit Plans**, click **Potential Audits**.
   The list of report templates is displayed in the edit window.
2. Click the icon of the audit to be discarded and select **To Be Validated > Discard**.

The audit is discarded but not deleted. It could serve as a template for a new audit the following year.

Validating audits

You can validate audits:

- globally, at validation of the audit plan
- individually

Validated audits:

- disappear from the menu **Audit > Preparation > Audit Plans > Potential Audits**.
- appear in menu **Audit > Preparation > Audit Plans > Audits To Be Published**.

Planning Audits Using a Gantt Chart

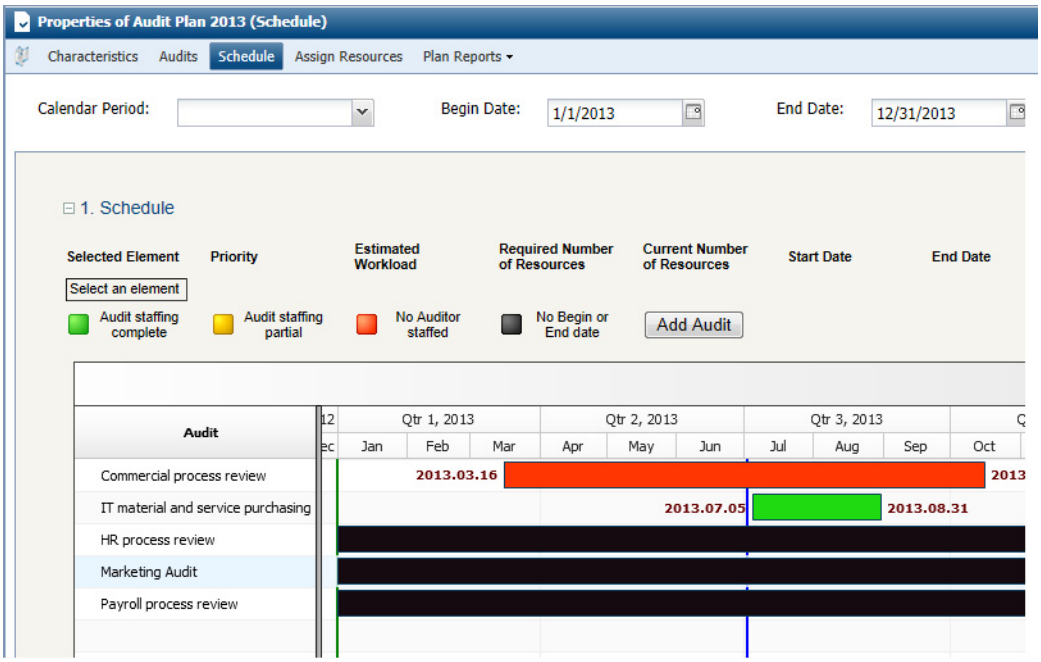
A report enables the audit director to plan the different audits of an audit plan.

Displaying the Gantt chart

To display this report:

1. Under **Audit** > **Audit Plans**, select the required audit plan.
   The plan properties appear in the edit area.

2. In the properties page, click **Planning**.
   A Gantt chart describes audits of the audit plan.



By default, planning relates to the current year, but you can view audits over a more precise period.

You can redefine the display period of the Gantt chart by selecting a calendar period or specific begin or end dates.

You can modify audit dates in the diagram:

- by moving the period begin or end dates using the mouse.
- by clicking the center of the period and by moving the mouse to simultaneously move the begin and end dates.

Zoom and reframing functions at the right of the chart allow you to customize display.

Zoom in on calendar

Zoom out

Reframing

☛ *You can also zoom within the Gantt chart using the mouse wheel.*

Adding an audit from the Gantt chart

To add an audit from this chart:

1. In the **Planning** tab of the plan properties dialog box, click **Add an audit**.
2. Click the **Save** button.
   The audit appears in black.

To plan a newly-created audit:

- In the **Planning** tab of the plan, resize the audit from its extremities to define:
  - begin date
  - end date

  The audit appears in red: you must assign auditors. For more details, see "Assigning Auditors to Audits", page 43.

Assigning Auditors to Audits

Before assigning an auditor to an audit, you must view auditor availability and skills.

Viewing auditor availability by audit dates

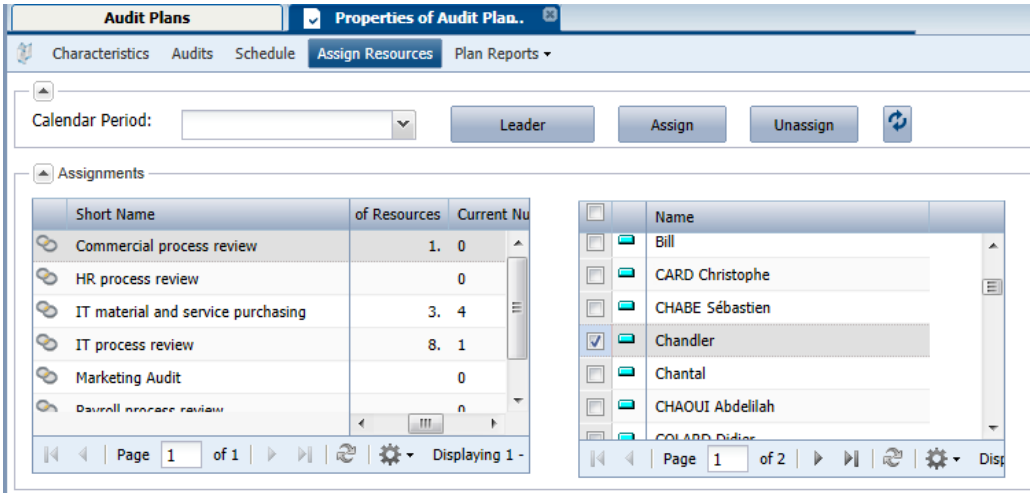
To view auditors available with necessary skills for an audit:

1. Open the properties of the audit plan in question.
2. Select the **Assign Resources** tab.
   By default, the report presents audits of the audit plan over the year. You can display those of a particular period.

   ☛ *Campaign calendars delivered by default are by quarter, but the administrator can define others, by month or half-year for example.*
3. In the table at top left, select an audit.

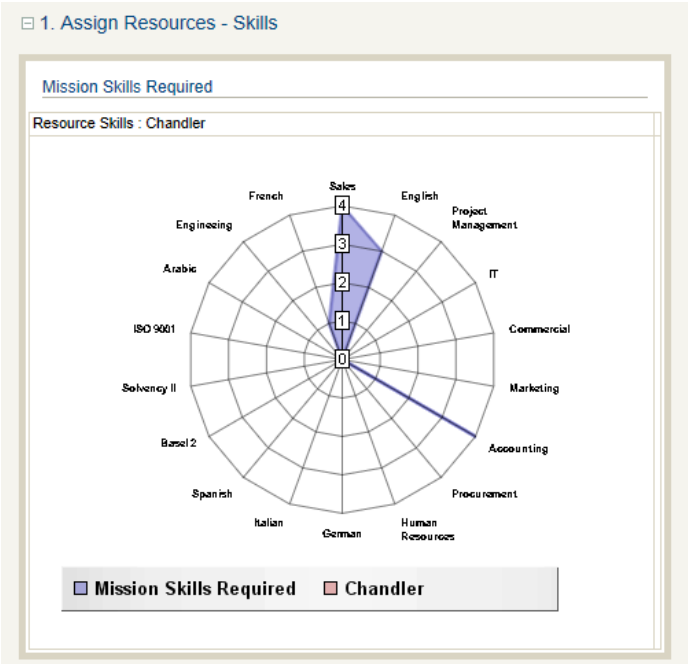
4. In the table at top right, select the auditor for whom you want to display skills and availability.

   ☛ *You can select several auditors.*



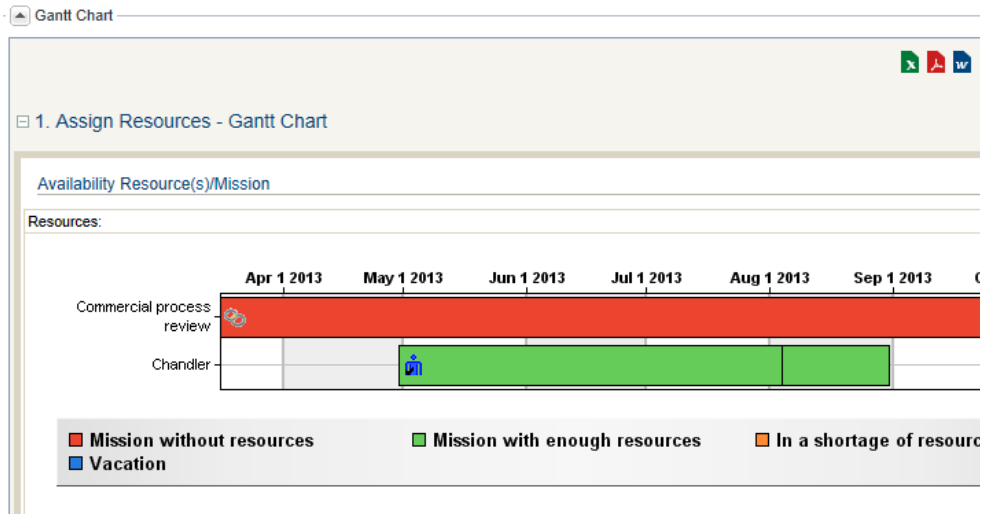
5. In the lower frame "Assign Resources - Skills", click the **Refresh** button .

   The chart presents the skills required for the audit and the skills of the selected auditor.



6. Similarly refresh the frame "Assign Resources - Gantt Chart".
   A chart presents availability of the auditor on dates of the audit.
   The color of the audit period depends on the number of auditors assigned to it related to the estimated number of users:
   - Green if the audit has sufficient auditors
   - Orange if auditors are insufficient
   - Red if no auditors are assigned

   Vacation periods of selected auditors are represented in color blue.



Assigning an auditor to an audit

To assign an auditor to an audit:

1. From the **Assign Resources** page, in the frame at top left, select the desired audit.
2. In the frame at top right, select a user.
3. Click the **Assign** button.

   ☛ *To remove an auditor from the audit, carry out a similar operation and click the **Unassign** button.*

To assign the lead auditor of an audit:

- Click the **Lead Auditor** button.

Publishing Audits

HOPEX Internal Audit enables preparation of audits and only making these public to auditors when planning is completed.

You can access the list of audits to be published under **Audit** > **Preparation** > **Audit Plans** >**Audits To Be Published**. They are status "In Preparation".

To make an audit public:

1. Click the icon of the audit.
   Its pop-up menu appears.
2. Click **To Be Published** > **Publish**.

Audit status changes to "Published".

Having been published, audits appear in the work program of auditors.

Sending the Notification Letter

Having completed specification required for audit execution, the audit director can send a notification letter to inform persons who will be auditees in the course of the audit.

Sending this notification letter is not included in the workflow. It precedes the next step in the workflow which consists of publishing the audit. See "Publishing Audits", page 45.

Creating notification letters

To create the audit notification letter:

1. Click the icon of the audit.
   Its pop-up menu appears.
2. Select **Deliverables > Notification Letter**.
   A message asks if you want to open or save the file.

The document presents the comment entered in characteristics of the audit.

When the document has been saved, you can open and modify it. You can also connect it to the audit as a business document, under the notification letters category.

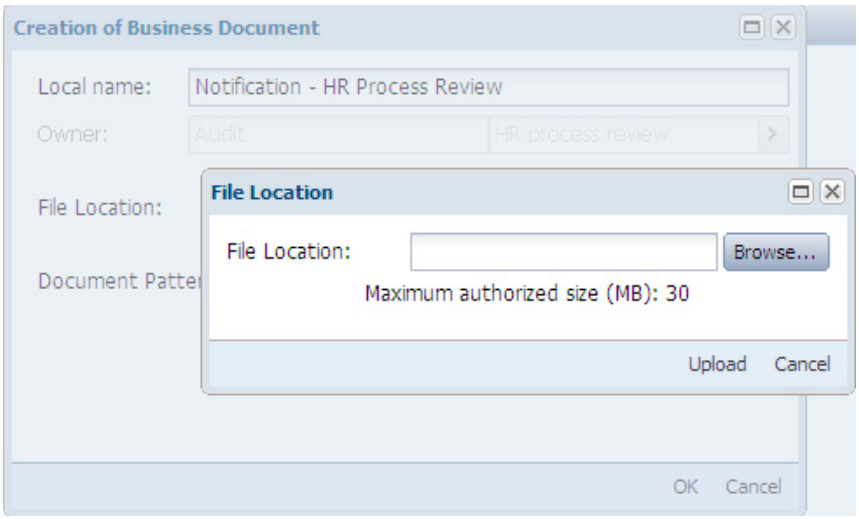
Connecting the notification letter to the audit

The file is generated from audit content, but is not connected by default to the audit.

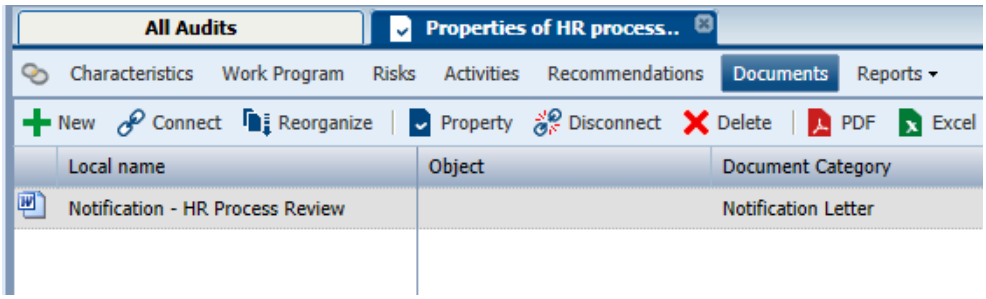
To connect the notification letter to the audit and make it a business document:

1. Open properties of the audit.
2. Select the **Documents** page.
3. Click the **New** button.
   The **Creation of Business Document** dialog box appears.
4. Indicate the business document name.

5. In **File Location**, click the **Browse** button.
   The **File Location** dialog box appears.



6. Click **Browse** and select the file.
7. Click **Upload**.
8. In the document creation dialog box, in **Document Pattern**, select "Notification Letter".
9. Click **OK**.
   The document appears in the list of documents attached to the audit.



For more information on business documents, see chapter "Using Business Documents" in the **HOPEX Common Features** guide.

PREPARING AUDITS

Supervision of audit progress is assured by the lead auditor. In the audit preparation phase, he/she establishes the work plan and assigns activities to auditors.

- ✓ "Creating Work Programs Manually", page 48
- ✓ "Creating Work Programs Automatically", page 52
- ✓ "Reviewing the Work Program", page 54
- ✓ "Submitting and Validating the Work Program", page 56

Creating Work Programs Manually

The lead auditor must create a work program to specify content of the audit.

To access the work program:

- In the page of an audit, select the **Work Program** tab.
  In this tab you can create a tree of content of your audit.

The basic element of the audit is the audit activity. This enables assignment of responsibility to the auditor.

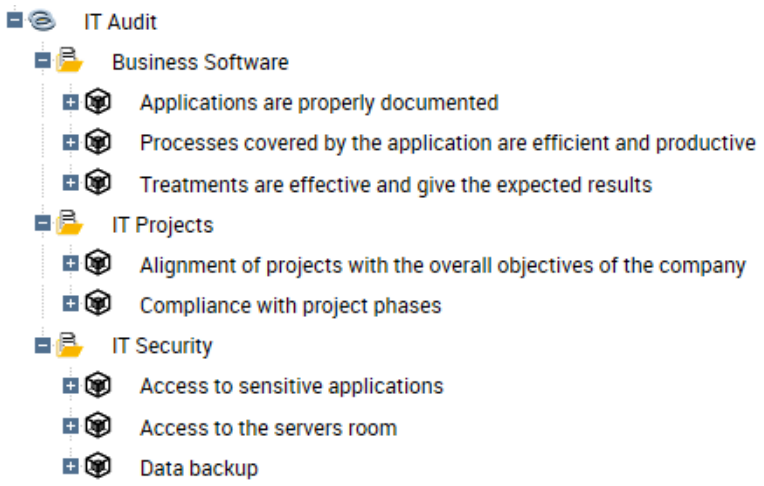
Constituent elements of an audit

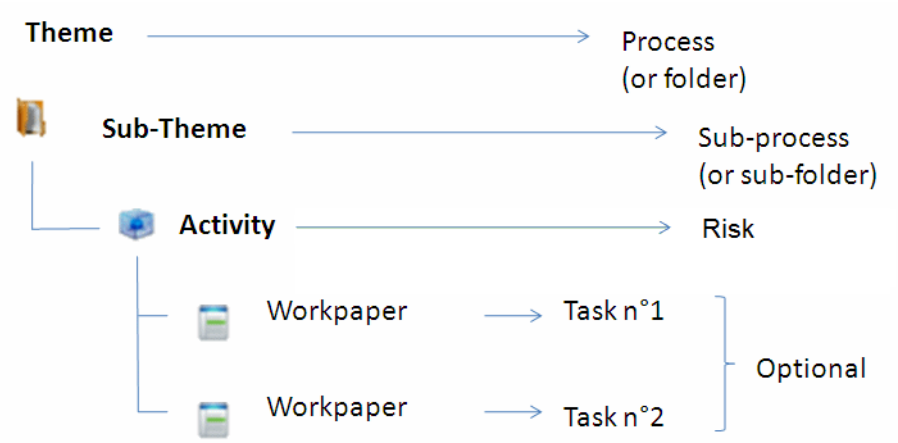
A theme can be used to group audit activities and their workpapers, that is to organize audit content. In this case they serve as "folders".

If audit scope comprises processes, themes can represent processes and sub-processes.

A theme can:

- serve as a folder enabling organization of work program structure
- correspond to a business process





☛ *From this tree, the auditor can create workpapers, findings and recommendations. For more details, see* *"Audit Execution", page 61*.

Creating audit themes

Audit content can be divided into themes. Before creating activities and workpapers, you can therefore create audit themes.

To create an audit theme:

1. Open properties of the audit concerned.
2. Click **Work Program**.

3. Click the icon of the audit and select **New > Audit Theme**.
   The theme created appears in the tree of the work program.
4. Display properties of the theme.
   You can:
   - Modify its name.
   - Select a parent audit theme (if you want to create a tree of themes).
   - Enter a comment.
5. Click **OK**.
   You can view the tree of themes and sub-themes created. You can now create audit activities and workpapers.

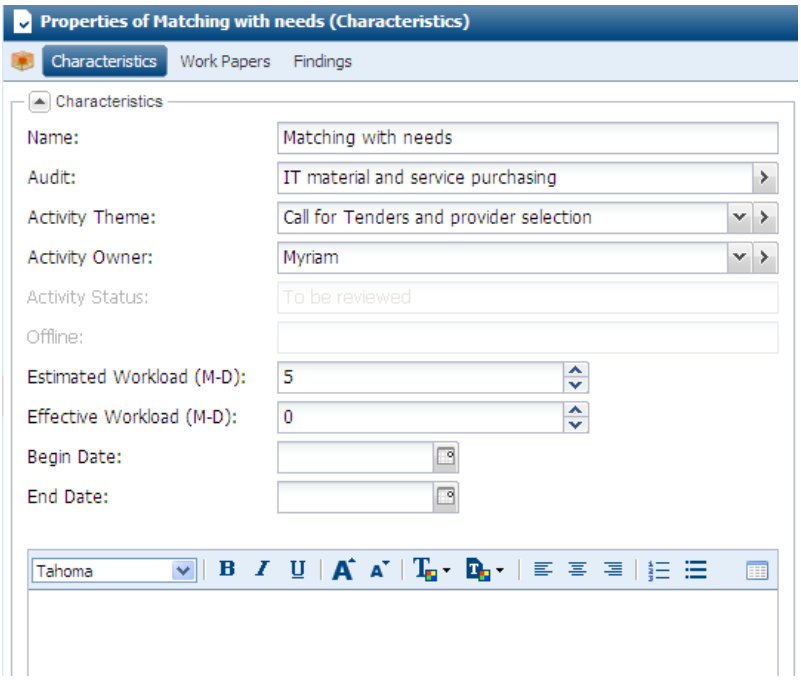
Specifying an audit activity

An audit activity is an element of an audit that can relate to a set of processes, applications, risks or controls to be audited in an enterprise organization unit. It is assigned to an auditor.

To create an *audit activity*:

1. Open properties of the audit concerned.
2. Click **Work Program**.
3. Click the audit (or audit theme) and select **New > Audit Activity**.
   The audit activity created appears in the tree of the work program.
4. Display properties of the activity.
5. Enter the name of the audit activity.
6. Connect the audit activity to a **Theme** if you wish the activity to be located under a theme in the tree.
7. Select the **Activity Owner**, who can be an auditor or lead auditor of the current audit.

8. Indicate the **Estimated Workload**.

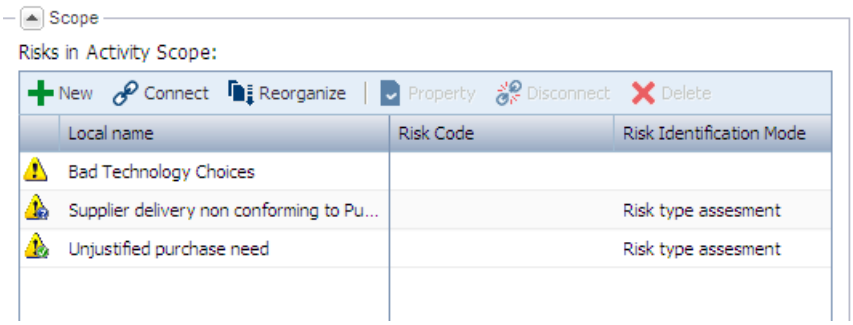


9. Click **OK**.

> ☛ *You can also create audit activities in the **Activities** tab of the audit properties. In this tab, you can select several activities and trigger a mass transition using the **Workflow** button.*

Specifying risks connected to an audit activity

In the page of an audit activity, **Activity Scope** section, you can specify risks concerning the activity.



To create a risk on an activity:

1. Open properties of the activity.
2. In the **Characteristics** tab, expand the **Scope** section.

3. Click **New**.
   The risk creation dialog box appears.
4. Enter the name of the risk and click **OK**.

For more details on users, see "Defining and Assessing Risks", page 66.

Creating Workpapers

Workpapers are files or work documents that serve as a basis for the auditor in execution of the audit.

They can form the starting point for tests, which contain points to be evaluated (questionnaires containing questions/answers).

> *A workpaper comprises points to be checked on a given subject in the course of an audit activity.*

To create a workpaper:

1. In the properties of an audit, select the **Work Program** tab.
2. Select the activity concerned and display its properties.
3. In the **Characteristics** page of the audit activity, **Workpapers** section, click the **New** button.

   > *You can also create workpapers from the **Work Program** tab of an audit.*

   The workpaper appears in the page of the activity, and under the work program tree of the audit.
4. In the work program, select the paper to display its **Properties**.
5. Enter a name and your comments.
6. Click **OK**.

   > *Completing workpapers and questionnaires is detailed in "Audit Execution". See "Specifying Workpapers and Questionnaires", page 63.*

Creating Work Programs Automatically

HOPEX Internal Audit allows automatic creation of work program structure:

- from audit templates (audits with "template" status). See "Creating "Template" Audits", page 36).
- from past audits.
- from processes connected to the audit

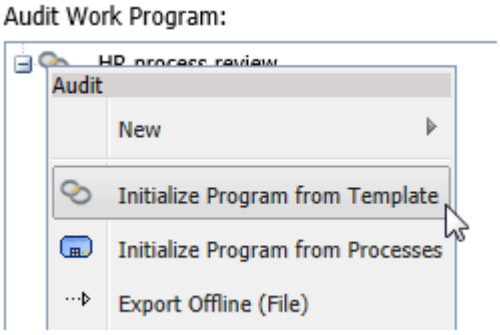
Initializing the work program from a template audit

Initializing the work program from a template audit allows capitalization on work already carried out, therefore saving valuable time.

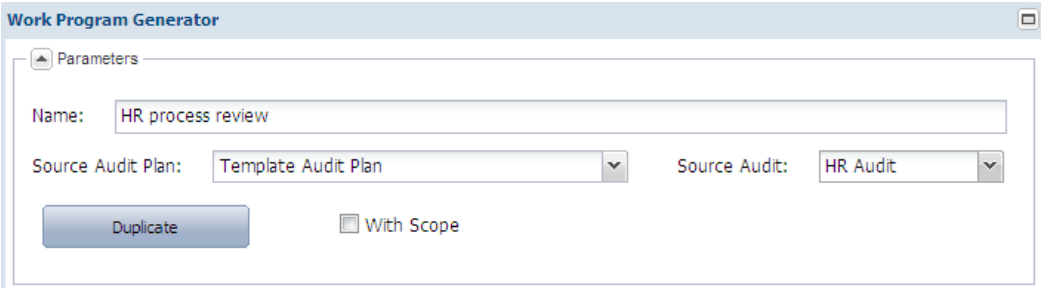
To create a work program automatically from a template:

1. Open properties of the audit.
2. Select the **Work Program** tab.

3. Click the icon of the audit and select **Initialize Program from Template**.



4. In the **Parameters** frame of the window that appears, select from the drop-down menus:
   - an audit plan
   - an audit



   A "template" structure appears in the **Source Audit** frame.
5. Select the themes, activities or workpapers and click **Duplicate** to duplicate them in the **Target Audit**.
6. When the tree has been defined, click **OK**.

Initializing the work program from a process

An audit work program can be initialized from processes in the scope of the audit. To connect a process to an audit, see "Audit scope", page 34.

The work program is defined as follows:

- Each process and sub-process connected to the audit produces a theme.
- Each risk connected to the process is processed in an activity.

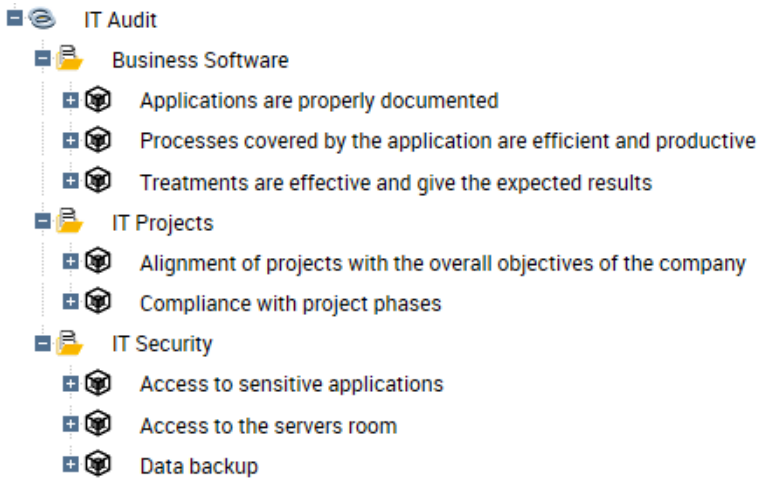
To create a work program automatically from a process:

1. Open properties of the audit.
2. Select the **Work Program** tab.
3. Click the icon of the audit and select **Initialize Program from Processes**.
   A message requests confirmation of work program generation.

4. Click **Yes** to validate.

   ☛ *In the case of error or of change, you can reinitialize the work program.*

   The work program appears.



Reviewing the Work Program

The lead controller can proceed with a report on the work program. This report enables a check that:

- task assignment has been correctly carried out
- the work program covers the appropriate risks and processes

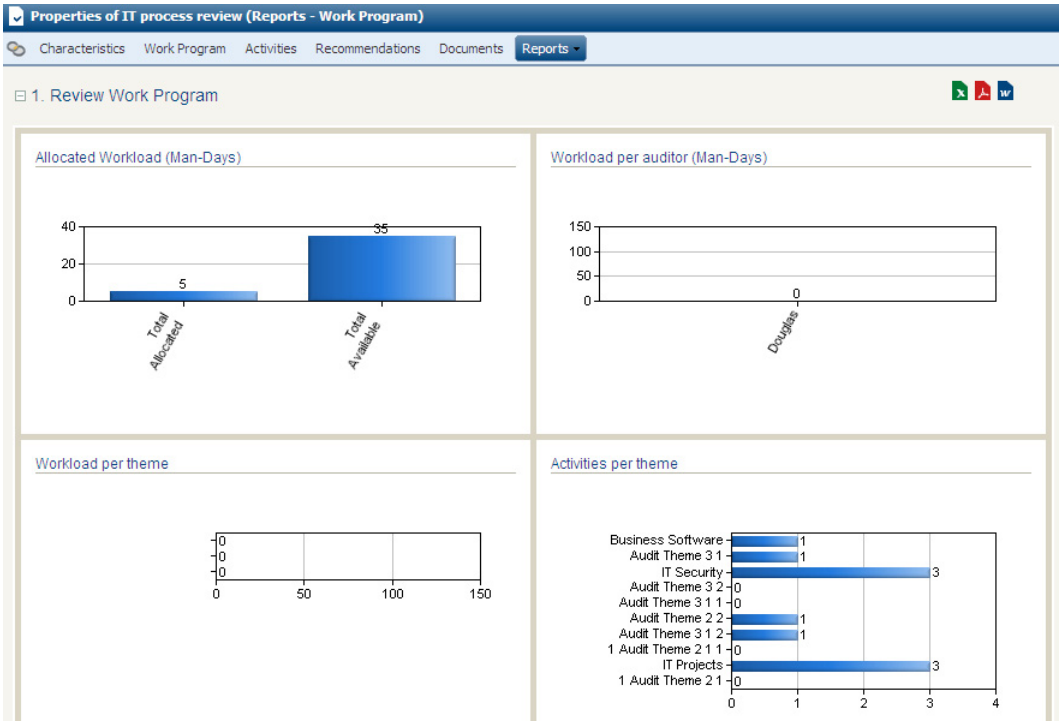
Consulting work program reports

To access work program reports:

❱ In the page of an audit, select tab **Reports** > **Work Program**.

You can view:

- comparison of resources allocated and resources available:
- workload by auditor (in person/days)
- workload by theme (in person/days)
- activities by theme



Exporting the workload under Excel

The work program under Excel covers themes, sub-themes, activities and workpapers.

Having the work program available under Excel allows:

- consultation of the complete work program without having to access objects individually
- storage of a printed version of the work program
- viewing of tasks to be executed at editing of findings

To export the work program:

❱ In the page of the audit, click **Deliverables > Export Work Program (Excel)**.

☛ *A pop-up window opens at the bottom of the page. If your navigator blocks these windows, you cannot see file export. In this case, deactivate pop-up blocking in the navigator.*

Submitting and Validating the Work Program

The work program is submitted then validated via the audit workflow.

Submitting the work program

The lead auditor submits the work program to the audit director from the audit:

To submit the work program:

1. Display the navigator of the work program.
2. Click the icon of the audit and select **Work Program To Be Submitted** > **Submit Work Program**.
   A window appears in which you can attach audit documents, such as the Excel file including audit program detail. See "Exporting the workload under Excel", page 55.
3. Click **OK**.

This transition in the audit workflow sends a notification mail to the audit director. This mail includes a link to the application and the task to be validated, as well as attached documents if appropriate.

Validating work programs

From the notification mail the audit director can access the audit to be validated. The audit director can also ask to review the work program if elements are missing or if he/she considers it unsatisfactory.

To validate the work program:

- Right-click the audit icon and select **Work Program To Be Validated** > **Validate Work Program**.

When the work program has been validated, activities are automatically submitted to the auditors concerned.

EXECUTING ADMINISTRATIVE TASKS

✓ "Planning Resources", page 57
✓ "Creating general tasks", page 57
✓ "Validating Vacations", page 57
✓ "Initializing expense sheets", page 58

Planning Resources

Auditors can be assigned to different audits at the same time. It is therefore important to enter the time allocated for each auditor to an audit.

To indicate for each auditor the time to be allocated to an audit:

1. In the properties of the audit, expand the **Users** section.
2. Select a user and in the **Workload (Hours)**, enter the time to be spent on the audit/test.

Creating general tasks

For auditors, the director can create tasks not directly linked to audits.

To create a general task:

1. Select **Preparation > Planning and Staffing > Audit Plans > General Tasks**.
2. Specify dates and a comment and connect auditors to this task. Auditors assigned to this task can allocate hours to this task in their time sheet.

Validating Vacations

To display vacations in auditor time sheets, you must previously have validated the vacations.

To validate the vacation:

1. Select **Preparation > Planning and Staffing > Audit Plans > Vacations** and open the properties of the vacation to be validated.
2. Position its status as "Validated".

Initializing expense sheets

The lead auditor can create an expense sheet per auditor for all auditors assigned to the audit. In this case it consists of initializing expense sheets.

To initialize expense sheets:

1. In the audit/test properties window, select the **Expenses** tab.
2. Click the **Initialize** button.
   An expense sheet is created for each auditor.

To create an expense:

1. In the expense sheet properties, expand the **Expenses** section and click **New**.
2. Enter for each expense:
   - an **Amount**
   - a **Date**
   - the **Expense Category**: "Lodging", "Food and Beverages", "Transportation"
   - a **Comment** if required.

   ☛ *The auditor enters the amount in the desired currency. The converted amount is calculated automatically.*

Summary of Rights by Profile

The following is a summary of rights assigned to each user profile in the workflow.

☛ *Note: The **functional administrator** also has rights on all of these tasks.*

Rights	Administrator Functional	Audit Director	Lead Auditor
Creating audit plans	X	X	
Validating audit plans	X	X	
Creating audits	X	X	
Validating audits	X	X	
Assigning auditors	X	X	
Planning audits	X	X	
Sending notifications	X	X	
Creating work programs	X		X
Validating work programs	X	X	
Completing activities	X		X

AUDIT EXECUTION

This chapter covers the steps in execution of an audit and essentially concerns the auditor.

- ✓ "Determining Tasks to be Executed", page 62
- ✓ "Executing Audits", page 63
- ✓ "Managing Time and Expenses", page 71
- ✓ "Supervizing Audits", page 73
- ✓ "Concluding the Audit", page 76
- ✓ "Summary of Rights by Profile", page 80

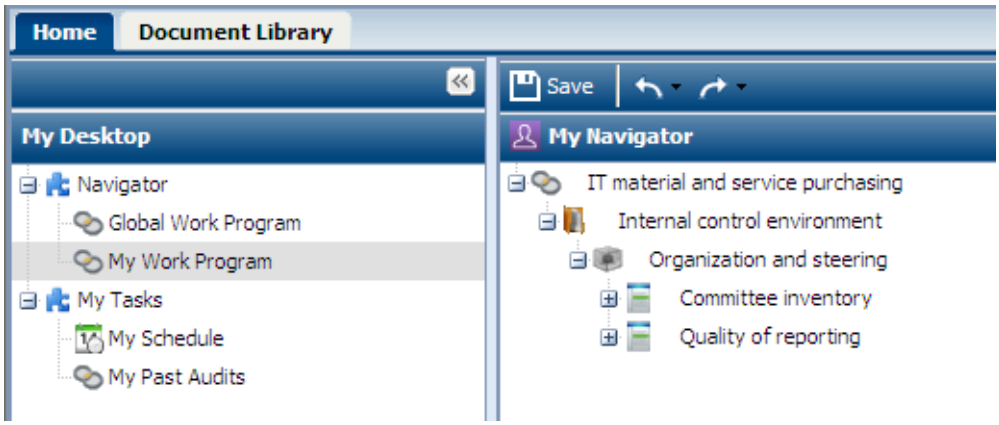
Determining Tasks to be Executed

The auditor needs to consult:

- his/her work program.
- the global work program, for a clearer view of tasks to be executed.

To access your work program:

❯ In **Home** > **My Desktop** > **Navigator**, cliquez sur **My Work Program**. In the right pane of the window appears the tree of audits on which you must intervene.



☛ *The lead auditor can access the complete work program, including audit activities which do not concern him/her directly.*

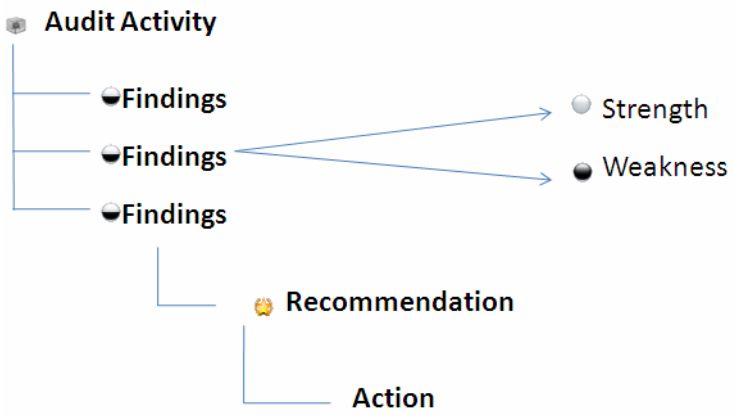
☛ *To print the work program you can export it under Excel. For more details, see* *"Exporting the workload under Excel", page 55*.

By selecting an object in the work program tree, you open its properties page.

EXECUTING AUDITS

The auditor completes the work program by entering:

- findings
- recommendations



Work program structure from audit activity

✓ "Specifying Workpapers and Questionnaires", page 63
✓ "Establishing Audit Findings", page 65
✓ "Sending Recommendations", page 69

Specifying Workpapers and Questionnaires

The auditor can:

- create his own workpapers and freely enter text
- create tests based on questionnaires.

Viewing workpapers

A workpaper comprises points to be checked on a given subject in the course of an audit activity. With the work program you can associate:

- a questionnaire, defining points to be assessed via questions/answers.
- an audit sample, defining the number of objects to be assessed.

Workpapers can be created automatically at generation of the work program. For more details, see "Creating Work Programs Automatically", page 52.

You can access workpapers:

- from the page of an activity.
- directly from the **Work Program** tab of the audit

Creating Workpapers

To create a workpaper:

1. Expand the tree of your work program.
2. Click the activity concerned and select **New Workpaper**.
   The workpaper appears in the work program tree as well as in the properties of the activity.
3. Select the workpaper in the work program tree to display its properties.

Defining questionnaires

Points to be checked on objects in the framework of a workpaper are defined in a questionnaire.

To define the questionnaire of a workpaper:

1. Open the work program of the owner audit of the workpaper.
2. Click the workpaper icon and select **Properties**.
3. In the **Characteristics** tab, in the **Questionnaire** field, select the questionnaire to be applied to the test sample.

A questionnaire template supplied as standard can be applied to the questionnaire.

> ☛ *You can also create a questionnaire template to be able to use the questionnaire on other workpapers. For more details, see "Setting up the questionnaire as a template", page 65.*

The selected questionnaire template is duplicated. A warning asks if you want to fill in the questionnaire with questions originating from the template.

The auditor can remove or add questions to the duplicated questionnaire via question groups.

> ☛ *For more details on questionnaires, see the **HOPEX Assessment** guide.*

Generating the test sheet

The sample defines the number of elements to be tested. In generating the sample, you automatically create its elements. The number of elements created depends on the sample size you previously specified.

Each sample element corresponds to an element to be tested.

To indicate the sample size on a workpaper:

1. Open the work program of the owner audit of the workpaper.
2. Click the workpaper icon and select **Properties**.
3. In the **Sample Size** field, select sample size using the arrows, for example "10" if you want the test to be carried out on 10 objects.

To generate the test sheet:

- From the work program tree, click the workpaper and select **Generate Test Sample**.
  Depending on the previously specified sample size, a message informs you of the number of elements that will be created.

> ☛ *To be able to generate the test sample, you first must have defined a questionnaire. For more details, see "Defining questionnaires", page 64.*

When questions have been defined and the sample has been generated, a **Test Sheet** tab appears in the workpaper properties. Elements to be tested are displayed in rows, and the associated questions in columns.

For each element in the sample, you can enter answers to the questions in columns. You can also associate evidence, which is an attachment providing additional information on the object tested.

> ☛ *For more details on questionnaires, see the **HOPEX Assessment** guide.*

Setting up the questionnaire as a template

Once the test sheets have been generated, you can promote the questionnaire, set it up as a template so as to be able to reuse it for other workpapers.

To set up the questionnaire as a template:

- Click the icon representing the workpaper and select **Promote questionnaire as template**.

> ☛ *To promote a questionnaire as a template on a workpaper, you must first have generated the test sample. For more details, see "Generating the test sheet", page 64.*

Establishing Audit Findings

The objective of the audit is to establish, for an organization at a given moment, findings on compliance of a system related to determined audit criteria.

Differences from these audit criteria can be detected. These differences should be recorded in audit findings.

Audit findings should accurately and honestly reflect audit activities, obstacles encountered, differing views of auditors and those audited, and any unresolved questions.

Audit findings can indicate:

- a strength (compliance)
- a weakness (non-compliance)

> 🕮 *Audit findings are the results of assessment of the collected audit evidence against audit criteria. Audit findings can indicate either conformity or nonconformity with audit criteria or opportunities for improvement (source ISO 19011: 2002).*

Creating findings

Findings are accessible from audit activities.

To create a *finding*:

1. Expand the tree of your work program.
2. Right-click the activity concerned and select **New** > **Finding**.
   The finding appears in the work program tree as well as in the properties of the activity.

3. Select the finding in the work program tree to display its properties.
   In the properties you can indicate:
   - the **Finding Type** (strength or weakness)
   - **Detailed Description** of your finding.
   - Causal analysis if findings are a weakness.
4. Click **Save**.

Saving audit evidence

You can connect documents to support your finding.

To add a document as an attachment:

1. In the properties page of a finding, expand the **Attachments** section.
2. Click **New**.
   The business document creation window opens.

   A business document is a document whose content is independent from the HOPEX repository. This document can be MS Word, MS Powerpoint, or other files. A report (MS Word) generated on an object can become a business document.
3. Indicate the business document name.
4. In **File Location**, click the **Browse** button.
   The **File Location** dialog box appears.
5. Click **Browse** and select the file.
6. Click **Upload**.
7. Click **OK**.
   The document appears in the list of documents attached to the finding. It is owned by the audit of the finding; therefore it also appears in the **Documents** page of the audit.

Defining and Assessing Risks

Risks can be identified at different levels at audit execution. For example, in the framework of an audit on hardware purchase, a risk on requirement suitability may be identified, such as a bad technological choice.

We differentiate:

- risks discovered during the audit
- risks previously defined in the audit and activity scope.

  To define scope:

  - *of an audit, see "Audit scope", page 34.*
  - *of an activity, see "Specifying risks connected to an audit activity", page 51.*

Risks discovered during audit execution should be connected to the activity finding, or to the recommendation.

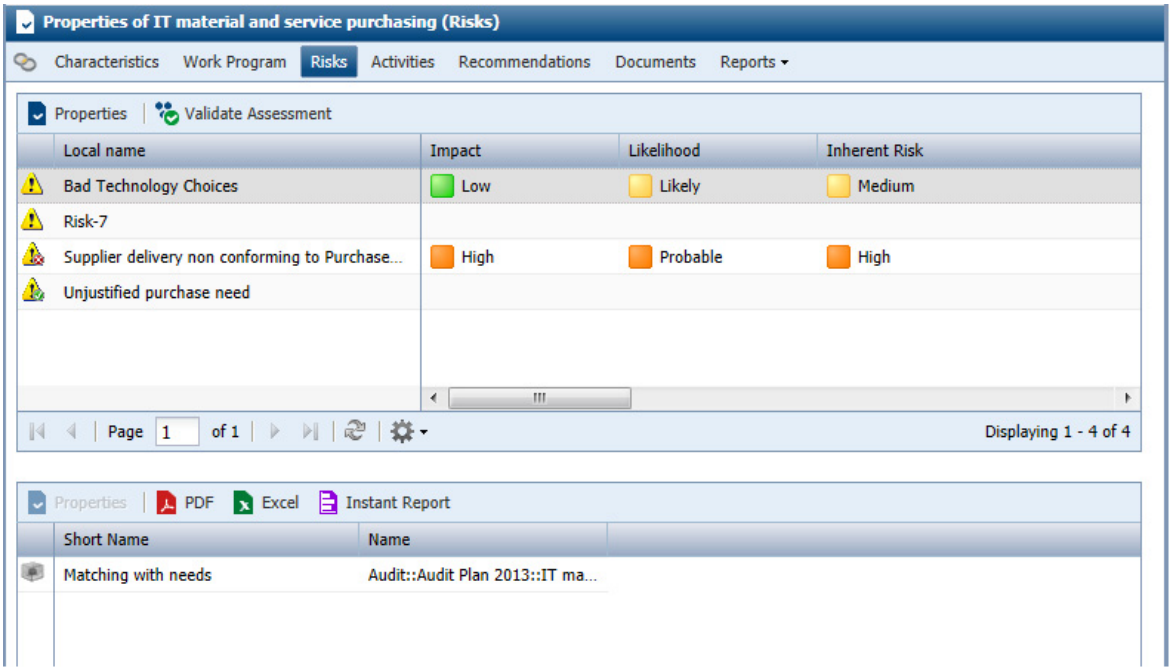
Displaying the risk list

The **Risks** tab available on audit properties displays the list of risks associated with the audit, as well as risks associated with audit objects.

To determine with which object a risk is associated:

1. Open properties of the audit.
2. Select the **Risks** tab.
3. In the upper frame, select a risk in the list.
   The lower frame displays the object with which it is associated.

Below, the "Bad Technology Choices" risk is connected to the "Matching with needs" activity.



Assessing a Risk

To assess a risk:

1. Open properties of the audit.
2. Select the **Risks** tab.
3. Select the risk and click **Property**.
   The properties dialog box of the risk appears.
4. Select **Assessment**.
5. In the wizard that appears, select nodes to be assessed.

   An assessment node comprises:

   - *an object to assess*
   - *one or several context objects (entities and processes), if necessary*

6. Click **Next**.
   You can now select values that characterize this risk (contextualized) in terms of:
   - **Impact**: impact of the risk when it occurs
   - **Likelihood**: probability that the risk will appear
   - **Control level**

     Control Level: characterizes efficiency level of control elements deployed (controls) to assess the risk.
7. Specify the assessment date.
8. Click **OK**.
   An assessment is created.

The following values are calculated:

- gross risk

  The inherent (or gross) risk indicates the risk to which the organization is exposed in the absence of measures taken to modify the occurrence likelihood or impact of this risk. This is the result of multiplying impact value and probability value before taking account of risk prevention or reduction measures.
- net risk

  The residual (or net) risk indicates the risk to which the organization remains exposed after management has processed the risk. is the difference between the Inherent Risk and the Control Level.

9. Click the **Validate Assessment** button.

   Assessment validation enables you to view results in the risk map. Validation can take a while, therefore the wizard offers to execute this process later if needed.

Generating the risk map (HeatMap)

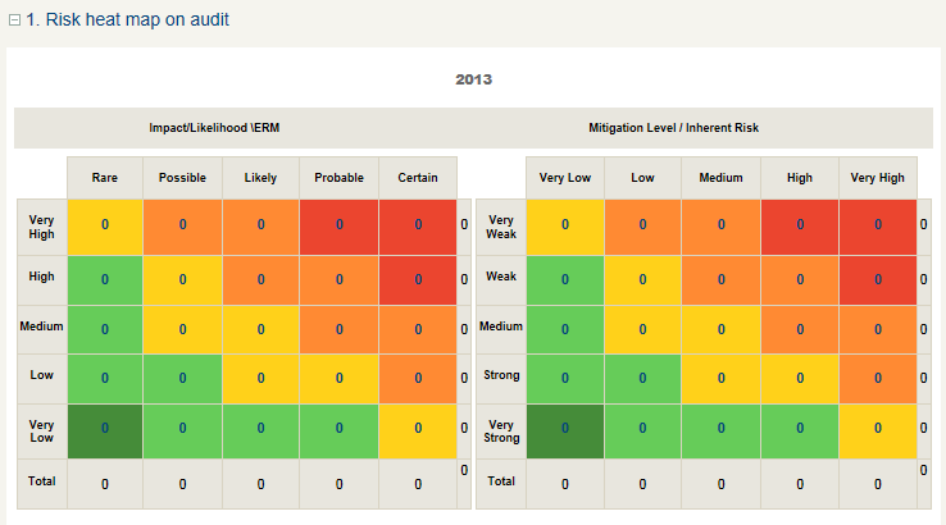
A report enables you to view the map of risks associated with an audit, depending on their assessment criteria (Impact, Likelihood, etc.).

To view the risk map associated with an audit:

1. Open properties of the audit.

2. Select the **Reporting** tab, then **HeatMaps**.
   The audit risk map appears.

   ☛ *The number of risks displayed depends on the number of contexts.*



⊟ 1. Risk heat map on audit

2013

Impact/Likelihood \ERM	Rare	Possible	Likely	Probable	Certain	
Very High	0	0	0	0	0	0
High	0	0	0	0	0	0
Medium	0	0	0	0	0	0
Low	0	0	0	0	0	0
Very Low	0	0	0	0	0	0
Total	0	0	0	0	0	0

Mitigation Level / Inherent Risk	Very Low	Low	Medium	High	Very High	
Very Weak	0	0	0	0	0	0
Weak	0	0	0	0	0	0
Medium	0	0	0	0	0	0
Strong	0	0	0	0	0	0
Very Strong	0	0	0	0	0	0
Total	0	0	0	0	0	0

Sending Recommendations

Audit team members meet to review audit findings and information collected during audit activities The resulting audit conclusions can indicate a need for recommendations.

🕮 *A recommendation describes what must be done to correct non-compliance detected during an audit.*

There is only one person responsible for recommendation in order to assign responsibility precisely.

☛ *You can however divide the recommendation into several actions when creating the action plan. Each action can be assigned to a different user.*

Creating recommendations

Recommendations are created from audit findings.

To create a *recommendation*.

1. In the properties page of a finding, section **Recommendations**, click the **New** button.
   The recommendation appears in the section.

To define properties of the recommendation:

1. Select the recommendation and click **Property**.
2. Modify its **Name** if required.
3. Select a level of **Priority**.
4. Enter the text of your recommendation in the **Details** box.

5. Select the **Recommendation Responsible**.
6. If required, enter the **Correspondent**.

   The correspondent is the point of contact in the audit team of the department in which the recommendation is applied.

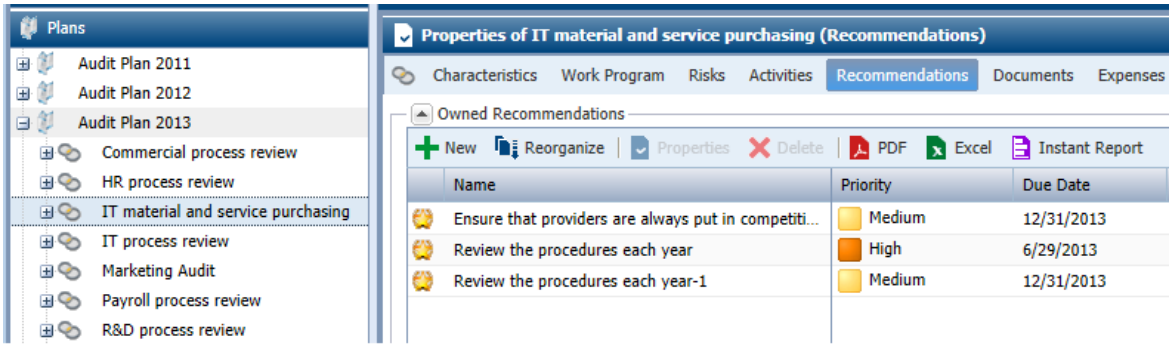
7. Click **OK**.

   *You can also create recommendations from the tree in the **Work Program** tab of an audit.*

Viewing recommendations

Recommendations can be viewed:

- in the page of the finding to which they are attached
- in the **Recommendations** tab of the owner audit page:



In the page of an audit, the **Recommendations** tab displays:

- The **Owned Recommendations**
- The **Follow-up Recommendations**, in the case of a follow-up audit. These recommendations are linked to the source audit, and not yet closed.

When a recommendation is linked to a follow-up audit, the **Follow-up** attribute linked to the recommendation is checked.

For more details on follow-up audit, see "Creating follow-up audits", page 36.

MANAGING TIME AND EXPENSES

Managing expenses

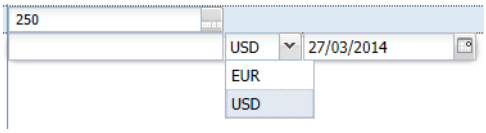
Auditors assigned to an audit can create expense sheets on this audit. In this case, they must submit their expense sheet to the lead auditor via a workflow.

To create an expense sheet:

1. Select **Home > My Desktop > Time Tracking > My Expenses**.
2. Click **New**.
3. In the **Expense Owner** field, select the audit/test concerned.

   ☛ *You can also create an expense sheet in the **Expenses** tab of the audit/test properties. In this case, you do not need to specify the expense owner.*

4. Click **OK**.
   An expense sheet is created. You can now create associated expenses.
5. In the expense sheet properties, expand the **Expenses** section and click **New**.
   The audit/test is indicated.
6. Enter an **Amount** and a **Date**: you can enter the amount in the currency you require (from those you can access).



   ☛ *The amount is converted to the currency configured for your user.*

7. Specify if required:
   - the **Expense Category**: "Lodging", "Food and Beverages", "Transportation"
   - a **Comment**.
8. Click the icon of the expense sheet and submit it via the workflow.

   ☛ *The lead auditor does not need to seek approval for his/her expense sheets.*

   ☛ *You can export to Excel the data contained in expense sheets.*

Entering vacations

Entering vacations enables to:

- better schedule audit campaigns.
- pre-filling time sheets.

To enter a vacation:

1. Select **Home > My Desktop > Time Tracking > My Vacations**.
2. Click **New**.
3. Open the properties of the vacation created.
4. Select an attachment **Plan**.
5. Also specify:
   - **Vacation Type** (holiday, training, other)
   - planned and effective begin and end dates

     ☛ *The vacation start date should be within the plan. The vacation end date can exceed the end date of the selected plan. In this case, vacation dates later than plan end date are taken into account for any subsequent plan.*
   - a comment if required
   - In the **Status** field, select "Submitted".

     ☛ *So that the vacation will appear in the time sheet, the lead controller must have validated the vacation (by positioning its status value on "Validated").*

     ☛ *An auditor can modify or delete a vacation as long as the vacation has not been validated.*

Completing a Time Sheet

Auditors can complete time sheets in the framework of their audit.

To complete a time sheet:

1. In the **Home** tab, select **My Desktop > Time Tracking > My Time Sheets**.
   The time sheet displays one line per audit/test.
2. Enter for each day the number of hours spent on each audit/test.
3. Click **Submit** to save your time sheet.
4. Click **Next** to enter your hours concerning the next week.

   ☛ *Messages may appear if the activity report is not consistent. For example, if hours have been allocated to an audit/test and the audit/test has not yet started. You can submit an incomplete time sheet.*

The time sheet enables entry for each day and for each week the number of hours spent on each audit/test.

☛ *Only those audits/tests that have been published are visible in the time sheet.*

The time sheet also shows:

- vacations that have been validated
- general tasks (meetings, training, team management, administration ...)

SUPERVIZING AUDITS

The lead controller must validate the work of controllers via the activity workflow.

He/she can then check their work and assure audit follow-up. To simplify the task, reports enabling audit check are available on each audit.

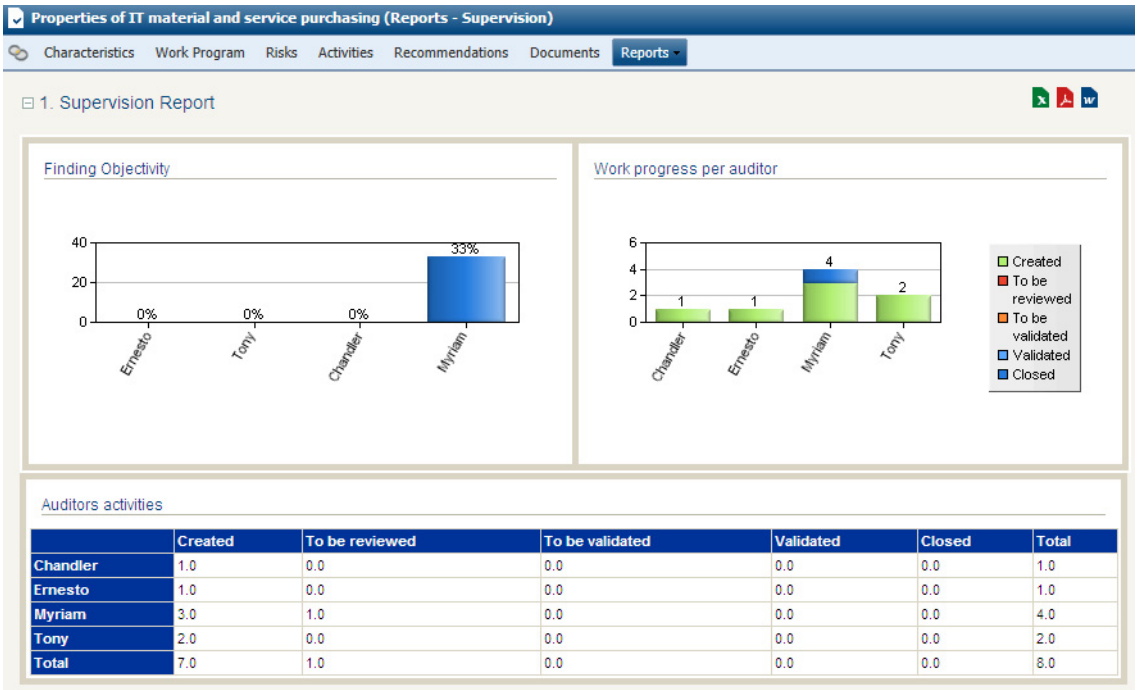
Audit Check Reports

To access audit check reports:

- In the page of the audit, select the **Reports** tab then the **Supervision** subtab.

Three reports appear :

- **Findings Objectivity**: to ensure objectivity of findings, audit evidence must be provided.
  The figure displayed indicates the percentage of findings with at least one attachment.
- **Work progress by auditor**
- Auditor activity **summary table**



	Created	To be reviewed	To be validated	Validated	Closed	Total
Chandler	1.0	0.0	0.0	0.0	0.0	1.0
Ernesto	1.0	0.0	0.0	0.0	0.0	1.0
Myriam	3.0	1.0	0.0	0.0	0.0	4.0
Tony	2.0	0.0	0.0	0.0	0.0	2.0
Total	7.0	1.0	0.0	0.0	0.0	8.0

Time sheet follow-up reports

Reports enable follow-up of auditor time sheets.

To access the Reports tab:

❱ Select **My Desktop > Time Tracking**.
Three reports are available.

Time sheets by auditor

This report presents auditor time sheets over a given period

- number of hours assigned for the audit
- effective number of hours in week
- number of hours accumulated since start of audit
- number of hours remaining
- last allocation of auditor on audit
- last time sheet of the auditor
- progress of auditor on audit (in progress, completed..)

Time sheets by audit

This report presents all time sheets for a given audit.

Incomplete days by auditor

This report presents the list of incomplete days, that is days of which the number of hours declared is less than daily work duration.

Audit Expense Reports

To view expenses of an audit/test:

❱ In the properties of an audit/test, select the **Reports** tab, then **Work Mission Expenses**.

Pie diagrams present breakdown of expenses:

- by resource (auditor)
- by category:
  - Food and Beverages
  - Lodging
  - Transportation

To view the list of expenses associated with a diagram sector:

❱ Right-click in a sector.
Corresponding results appear as a list in the lower part of the window.

Concluding the Audit

Analysis reports allow the lead auditor to evaluate the audit, its findings and recommendations to prepare the validation meeting.

When elements have been validated, the audit closing report can be submitted to the audit director.

✓ "Assessing Audits", page 76
✓ "Steering the Closing Meeting", page 77
✓ "Generating and Submitting the Audit Closing Report", page 78
✓ "Closing Audits", page 79

Assessing Audits

Findings and recommendations summary

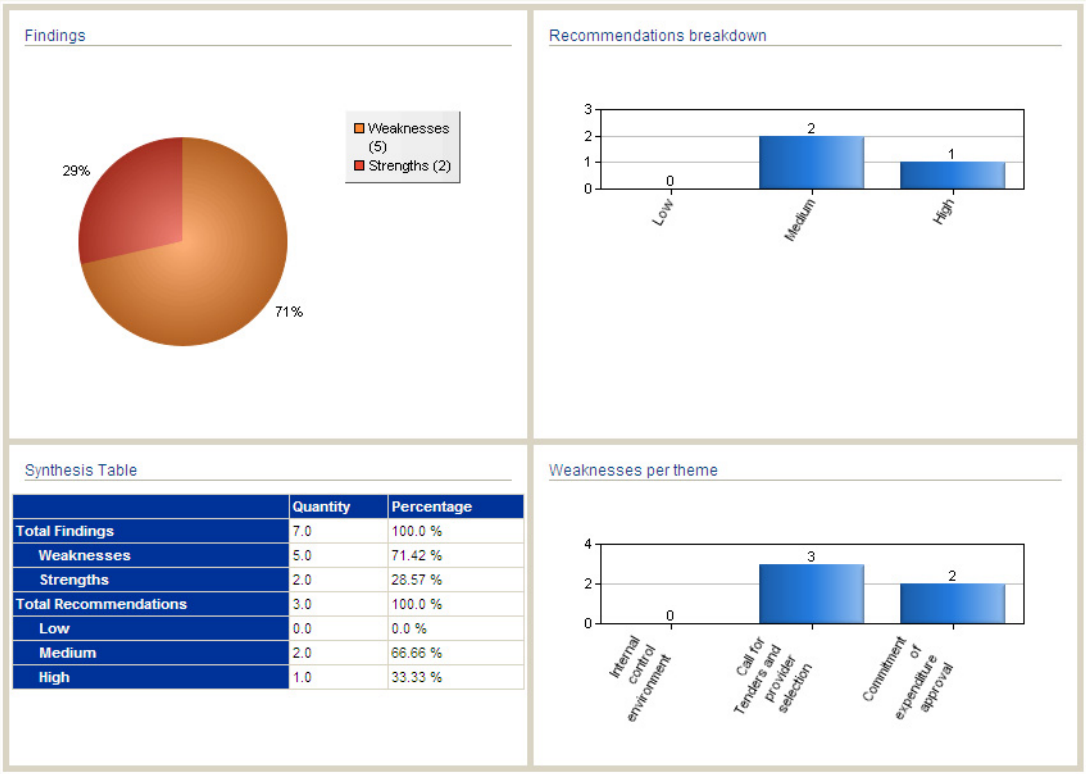
The lead auditor can access an analysis report on strengths and weaknesses derived from audit findings and recommendations.

To access the Reports tab:

- In the page of the audit, select the **Reports** tab then the **Evaluation** subtab.

Several reports are proposed:

- Breakdown of findings by type (strength, weakness)
- Breakdown of recommendations by priority (low, high, medium)
- Weaknesses by theme
- Summary table of above elements



	Quantity	Percentage
Total Findings	7.0	100.0 %
Weaknesses	5.0	71.42 %
Strengths	2.0	28.57 %
Total Recommendations	3.0	100.0 %
Low	0.0	0.0 %
Medium	2.0	66.66 %
High	1.0	33.33 %

Risk assessment report

An analysis report provides a summary of risks of the audit.

To access the Reports tab:

- In the page of the audit, select the **Reports** tab, then the **HeatMaps** subtab.

Steering the Closing Meeting

The objective of the closing meeting is to validate findings and recommendations with the auditees.

To review findings, you can refer to:

- the structure of the work program provided by **HOPEX Internal Audit**
- the different analysis reports supplied by **HOPEX Internal Audit**
- the audit closing report

Generating and Submitting the Audit Closing Report

Generating the audit report

The audit report uses audit elements.

To generate an audit report:

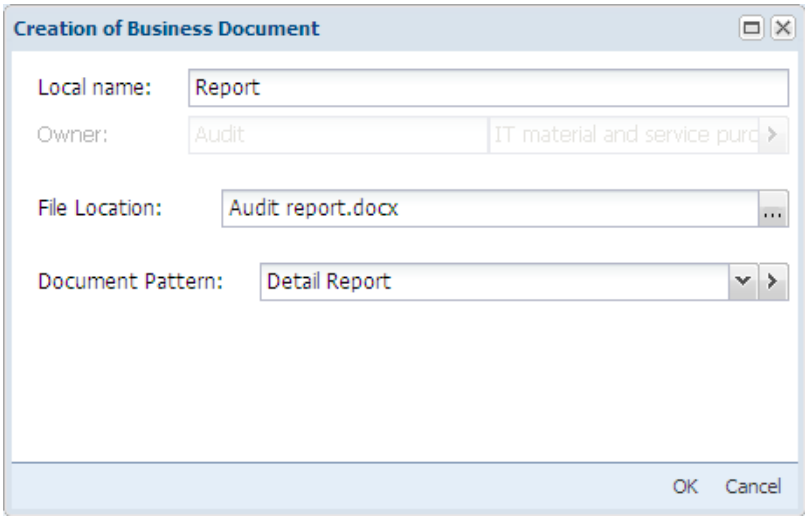
1. Display the navigator of your work program.
2. Click the audit icon and select **Deliverables > Audit Report**.
3. A message asks if you want to open or save the file. Save the file to be able to modify and then submit it.

Saving the audit report

When you obtain a suitable version of the report, before submission you should save it as a business document.

To connect the audit report to the audit and make it a business document:

1. Open properties of the audit.
2. Select the **Documents** page.
3. Click the **New** button.
   The **Creation of Business Document** dialog box appears.
4. Indicate the business document name.
5. In **File Location**, click the **Browse** button.
   The **File Location** dialog box appears.
6. Click **Browse** and select the file.
7. Click **Upload**.
8. Returning to the document creation dialog box, in **Document Pattern**, select "Detail Report".



9. Click **OK**.
   The document appears in the list of documents attached to the audit.

Submitting the audit closing report to the audit director

The lead auditor submits to the audit director the audit closing report containing any modifications entered following the validation meeting.

To submit the audit report:

1. Display the navigator of your work program.
2. Click the audit icon and select **Closing report to be submitted > Submit closing report**.

Validating and circulating the audit closing report to auditees

Validating the report

The audit director validates the audit closing report by return.

Circulating the report and its recommendations

The audit director sends the final report to persons audited during audit execution.

Circulating the closing report automatically sends its recommendations to responsible users.

The recommendation owners must then set up actions to implement the recommendations. For more details, see "Implementing Recommendations", page 82.

Closing Audits

When the audit is completed, the audit director can close it.

Closing an audit closes all objects at a lower level, with the exception of recommendations and actions. When these objects have been closed you can no longer modify them.

☛ *The administrator can exceptionally reopen these objects if necessary.*

Summary of Rights by Profile

The following is a summary of rights assigned to each user profile in the workflow.

☛ *Note: The **functional administrator** also has rights on all of these tasks.*

Rights	Audit Director	Lead Auditor	Auditor
Creating findings and recommendations		X	X
Validating activities		X	
Submitting closing report		X	
Validating and circulating closing report	X		
Creating an expense sheet	X	X	X
Entering vacations	X	X	X
Completing a Time Sheet	X	X	X

AUDIT FOLLOW-UP

This chapter covers workflow progress following circulation of recommendations to auditees. It consists of implementing actions to respond to these recommendations.

Il also presents reports assuring audit follow-up.

✓ "Implementing Recommendations", page 82
✓ "Following Up Audit Plans", page 85
✓ "Summary of Rights by Profile", page 87

IMPLEMENTING RECOMMENDATIONS

When the closing report is circulated, recommendations are automatically sent to recommendation owners.

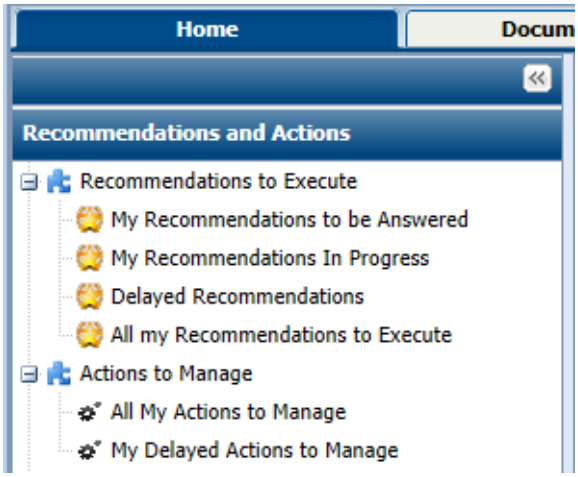
✓ "Accessing recommendations", page 82
✓ "Implementing Actions", page 82
✓ "Following up recommendation implementation", page 83
✓ "Following up Recommendations", page 84

Accessing recommendations

The recommendation owner receives a single e-mail for all recommendations addressed to him.

To access recommendations to be executed:

- Select **Home** > **Recommendations et actions**. The **Recommendations to Execute** folder presents the list of recommendations assigned to you.



Implementing Actions

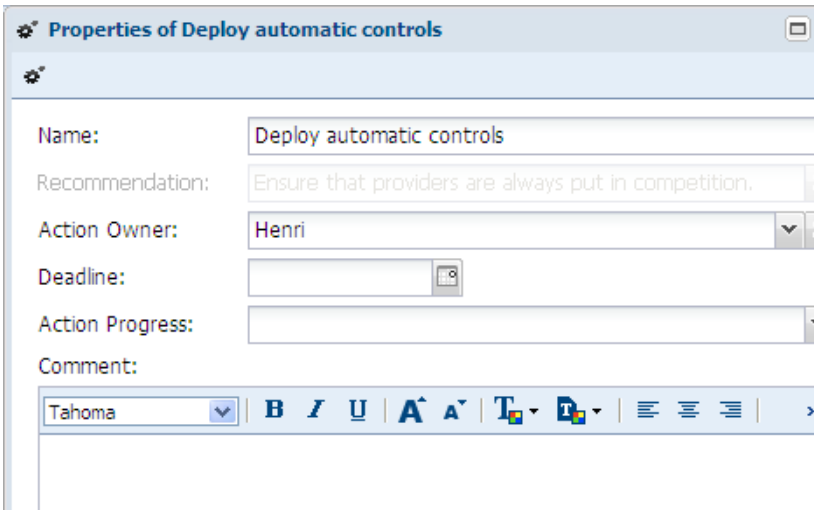
The recommendation owner must create actions whose objective is to implement these recommendations.

Creating actions

To create an action:

1. Open the properties of an audit.
2. In the **Recommendations** tab, select a recommendation and click **Properties**.
3. In the properties of a recommendation, select the **Action Plan** tab.
4. In the **Actions** section, click **New**.
5. Open the properties of the action created.
6. Modify its name if necessary, enter a date limit and an action **Owner**.

   ☛ *The list available in the **Owner** field corresponds to the list of auditees defined on the audit.*



7. Click **OK**.

Submitting the action plan

Actions created and assigned to appropriate users constitute an action plan.

This action plan is submitted to the lead auditor or the audit director via the recommendations workflow.

To submit the action plan:

- Right-click the recommendation name and select **Action Plan to be Submitted** > **Submit Action Plan**.

The lead auditor or audit director validates the action plan by return.

Following up recommendation implementation

When the action plan has been validated, actions are implemented by the auditees.

Following up recommendation progress

After a predetermined period, the audit director or lead auditor can request information on progress of recommendations.

The audit director can consult the list of recommendations of an audit plan in the properties of this audit plan, in the **Recommendations** tab. A **Follow-up** attribute indicates recommendations that are linked to a follow-up audit.

Specifying recommendation progress

The recommendation owner must inform the audit director on progress of his actions.

To indicate progress of recommendations:

1. In the page of a recommendation, select the **Action Plan** tab.
2. In **Progress Rate**, specify an execution percentage of the action plan (that is of the recommendation).
3. Click **OK**.

☛ *The recommendation owner can also indicate action progress in the page of the action.*

Following up Recommendations

An analysis report assures follow-up of recommendations. This report is accessible to the audit director or the functional administrator.

To access this type of report:

1. Click **Audit > Decisional Reports**.
2. Select **Recommendation Reports**.

To create a recommendation report:

1. Click **New** and open the report created.
2. In **Parameters**, connect the objects that interest you:
   - Audit plans
   - Audits
   - Process
   - Risks
   - Entities
3. In the **Reports** tab, you can see:
   - Recommendations breakdown by priority
   - Recommendations breakdown by progress (delayed, etc.)

FOLLOWING UP AUDIT PLANS

HOPEX Internal Audit enables follow-up of audit plans according to different criteria.

✓ "Displaying Audit Plan Follow-Up Reports", page 85
✓ "Closing Audit Plans", page 86

Displaying Audit Plan Follow-Up Reports

Several reports enable audit plan execution follow-up.

To access audit plan reports:

1. Open the audit plan properties.
2. Select the **Plan Reports** tab.

Supervision

This report offers a summary of audit plan audits according to different criteria:

- Origin
- Priority
- Category
- Score
- Status

Workload and resources

This report compares scheduled resources and workload with effective resources and workload.

There are two types of audit:

- Compliance audits (to a standard such as SOX for example).
- Efficiency audits, which aim to improve enterprise operation independently of regulatory constraints.

Resources allocation

The chart displayed in this report enables comparison of resources available (auditors), resources required and resources assigned. By default, results relate to the current year, but you can display results for a precise period.

Gantt report

The Gantt report comprises two parts:

- A Gantt chart of audit plan audits scheduled between selected dates.
- A Gantt chart of occupation of auditors on audits between selected dates.

Expenses

This report shows all expenses linked to a plan, as well as breakdown by expense category and by auditor.

It allows the director to plan future audits.

Closing Audit Plans

When all audit activities are completed, the audit director can close the audit plan.

The effect of this action is to close all audits in progress or that have not been canceled.

Summary of Rights by Profile

The following is a summary of rights assigned to each user profile in the workflow.

☛ *Note: The **functional administrator** also has rights on all of these tasks.*

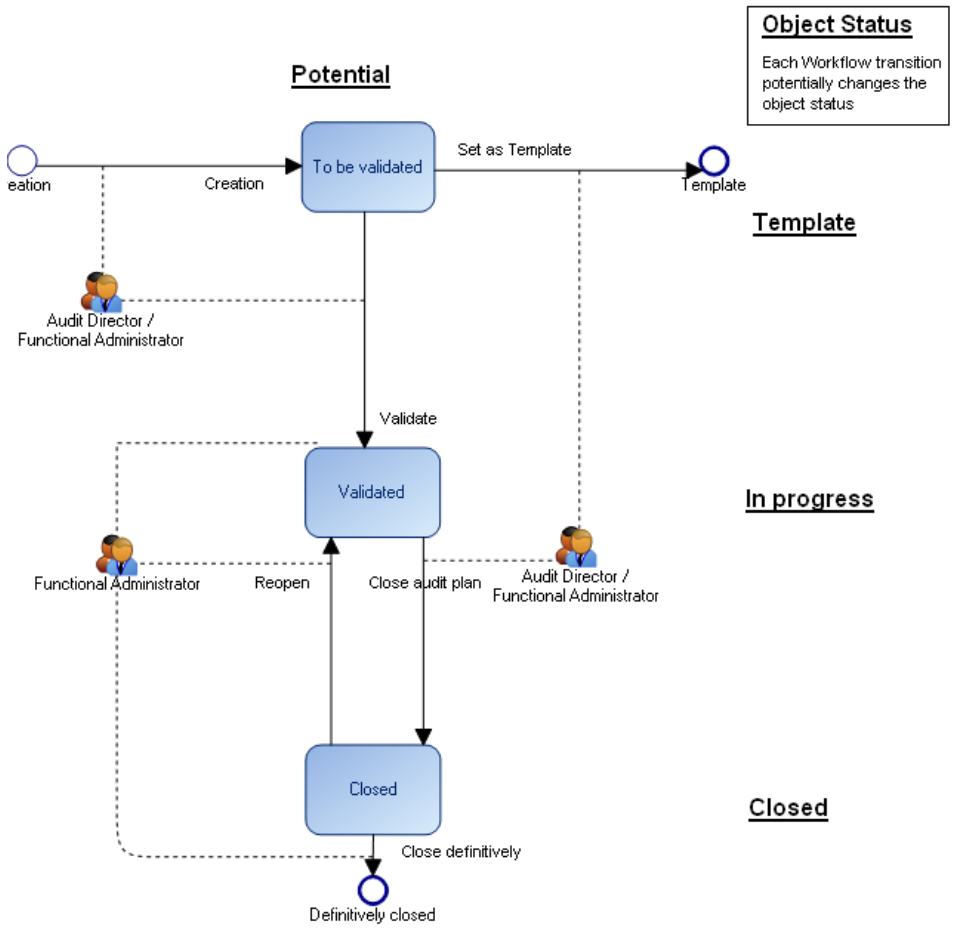
Rights	Lead Auditor	Recommendation Owner	Action Owner
Sending recommendations	X		
Creating actions		X	
Validating actions	X		
Specifying action progress			X
Specifying recommenda-tion progress		X	

APPENDIX - AUDIT WORKFLOWS

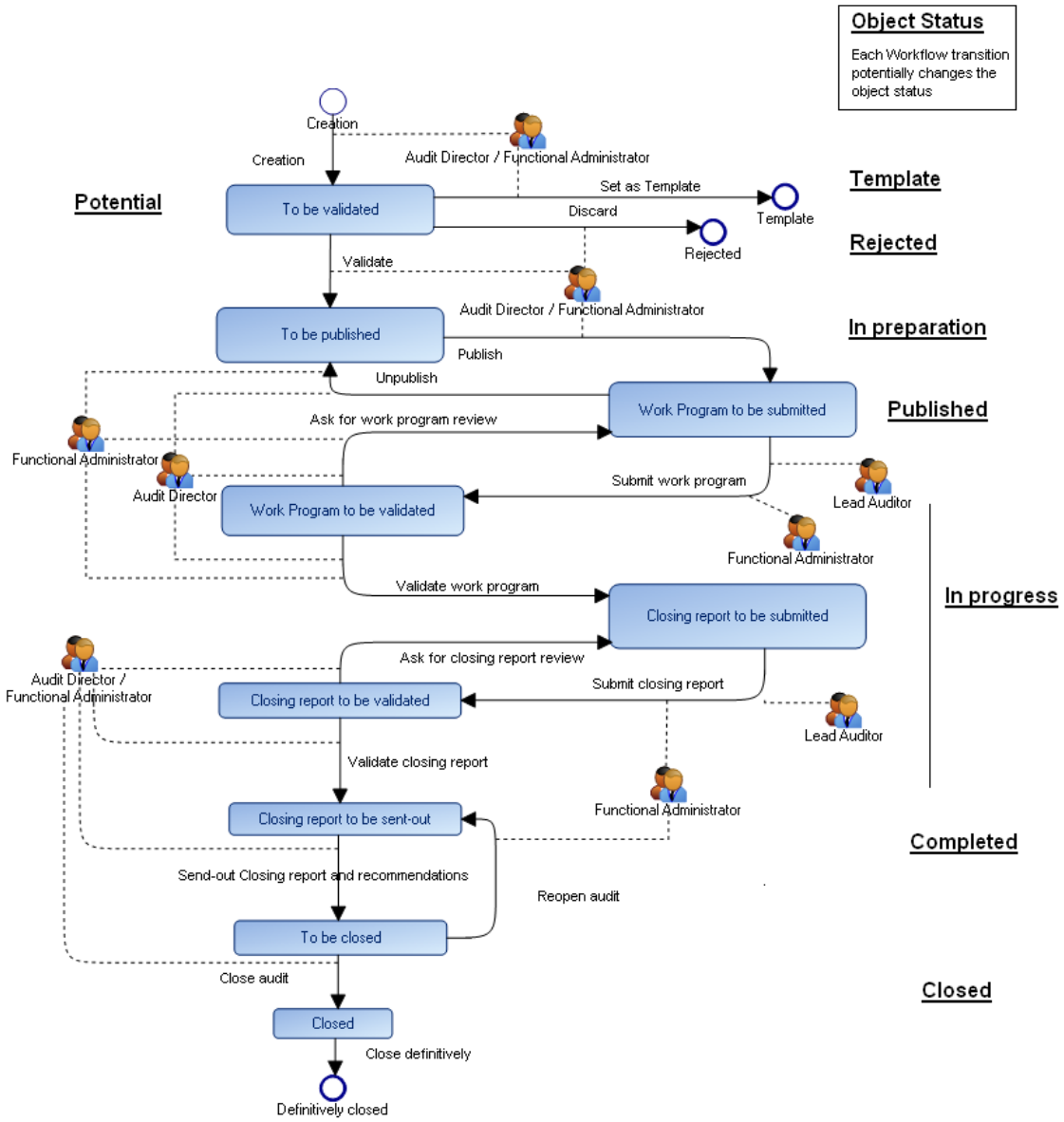
This chapter presents **HOPEX Internal Audit** workflow diagrams.

✓ "Audit Plan Workflow", page 90
✓ "Audit Workflow", page 91
✓ "Audit Activity Workflow", page 92
✓ "Recommendation workflow", page 93
✓ "Action workflow", page 94

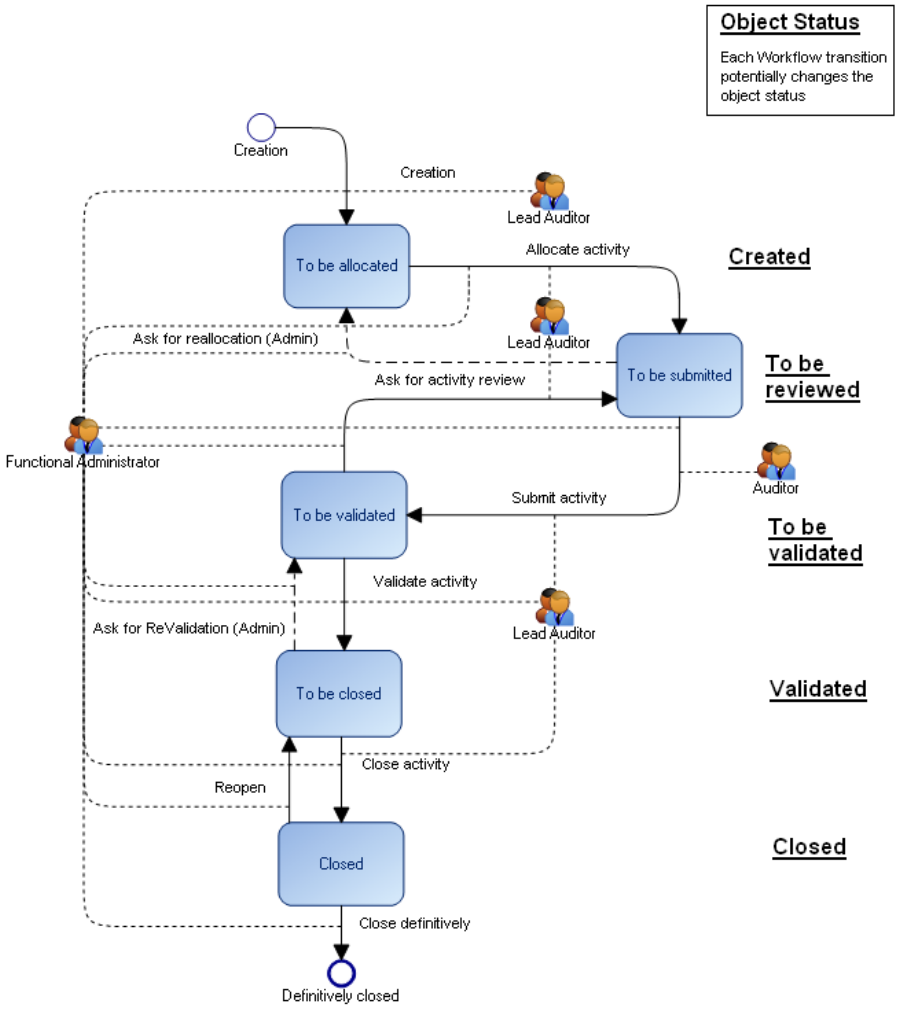
Audit Plan Workflow



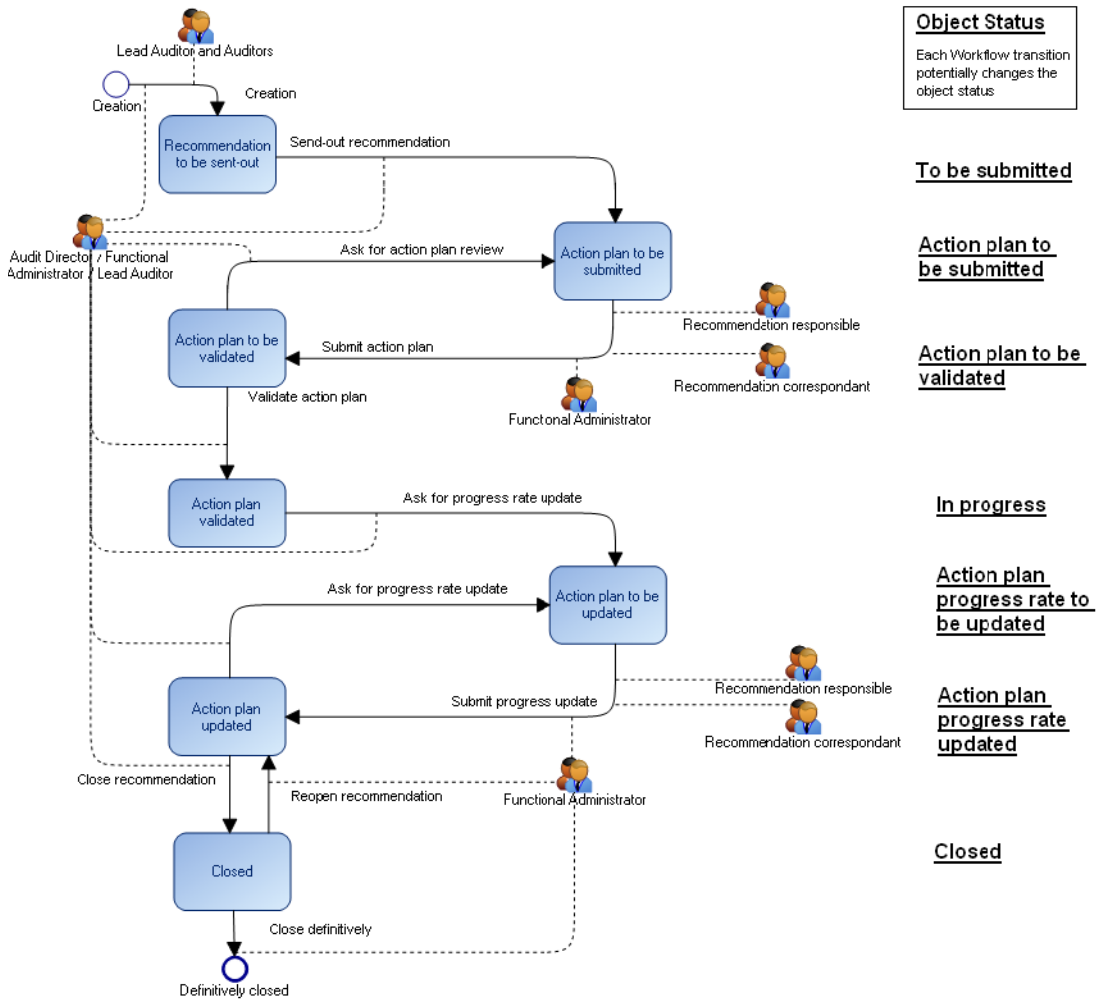
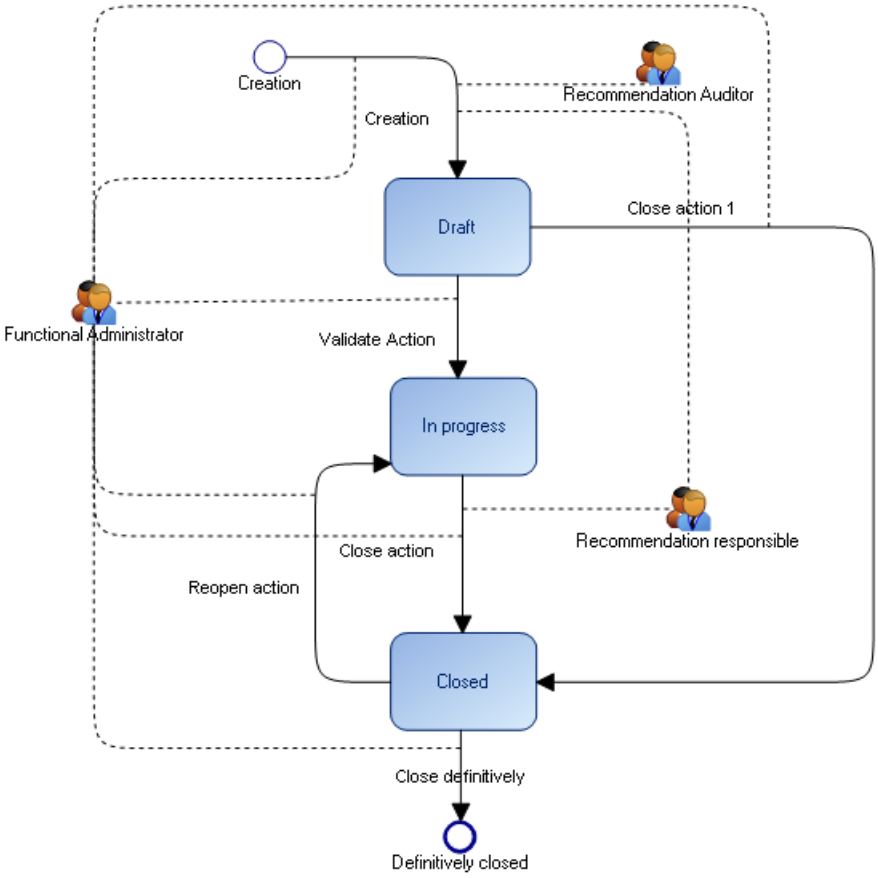
AUDIT WORKFLOW



Audit Activity Workflow



RECOMMENDATION WORKFLOW



ACTION WORKFLOW