

Overview of  
BarnOwl  
Audit Process

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## BarnOwl Audit Training Process 2017\_05

### 1. BarnOwl Introduction

BarnOwl is a fully integrated governance, risk management, compliance and audit software solution supporting best practice risk management, compliance and audit frameworks such as COSO, ISO31000, GACP (Generally Accepted Compliance Practice Framework), IPPF (International Professional Practice Framework).

BarnOwl supports risk based auditing standards including combined assurance reporting showing 1st line, 2nd line and 3rd line of defence ratings of risks and controls.

BarnOwl supports all phases of the audit process and provides an end-to-end integrated solution supporting true risk and control based auditing ensuring that risks that matter to the organisation are audited and that the results are aligned back into risk management:

- Planning and resource allocation: (a) Strategic planning, (b) Assignment planning,

- Execution: (c) Assignment execution,
- Audit project reporting: (d) Assignment reporting
- Audit alignment back to risk management with action plans and monitoring:
- Follow up audit: (e) Assignment follow-up
- Reporting: (f) final audit reporting, finding and root cause analysis to stakeholders (e.g. management, external auditors, audit committee, exco, board)
- Forensic auditing with seamless integration to BarnOwl's incident management sub-module: (g) Forensic investigation process

A major advantage of BarnOwl is that it is a fully integrated governance, risk management, compliance and audit software solution which will allow you to automate the internal audit and risk management functions and processes. The following diagram illustrates BarnOwl's integrated end-to-end GRC (Governance, Risk and Compliance) process:



BarnOwl's integrated approach to Risk Management, Compliance and Audit

### Risk Management:

- Set-up of any multi hierarchical organisational structure with logical linking of all system objects such as: Objectives, Risks, Controls, KRIs, Processes, Products, Systems, Policies and Standards.
- Set risk appetite and tolerance levels specific to your organisation.
- Set-up of strategic, business and process objectives (goals).
- Identify upside risks (that help achieve objectives) and downside risks (that threaten objectives).
- Determine risk response in terms of treat (mitigate), tolerate (accept), transfer and terminate (avoid).
- Perform risk assessment rating in terms of inherent impact x inherent likelihood = inherent risk (pre-control) and residual impact x residual likelihood = residual risk (post control).
- Identify and rate controls in terms of control adequacy (design) and control effectiveness (how well the control works). Residual risk is either manually rated or can be auto-calculated based on control adequacy and effectiveness.
- Raise action plans against risks and controls where relevant with owners and due dates driving accountability and ownership for the mitigation of risk.
- Capture and measure additional risk factors such as incidents, key risk indicators, contributing factors etc. in order to get a holistic view of your risk universe.
- Consolidated and detailed reporting (heat-maps, scorecards, trends etc.) provides a system-wide view of your risk, compliance and audit universe at a strategic group level as well as at each individual business unit level and / or process level.

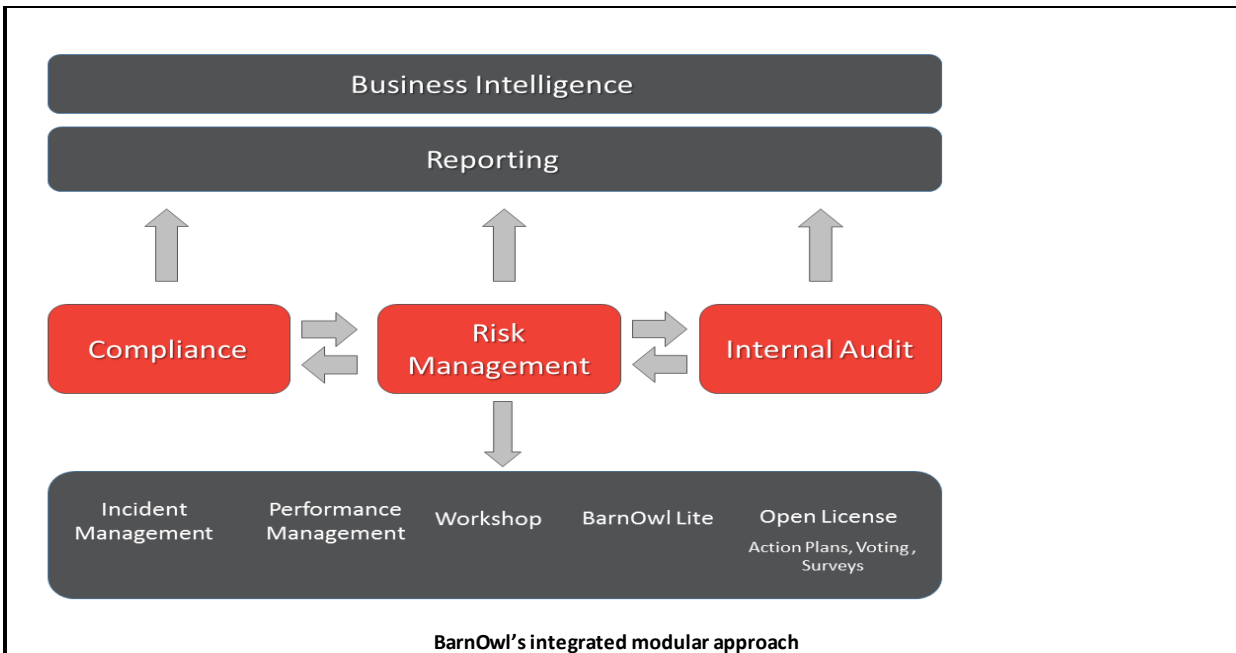
- Automated workflow-driven follow-up and monitoring: action plans (email notifications, reminders, escalation), automatic scheduling of risk and control self-assessments, automatic scheduling of compliance checklists and surveys.
- Analysis and continuous improvement of risk and business processes.

### Internal Audit

BarnOwl supports all phases of the audit process and provides an end-to-end integrated solution supporting true risk and control based auditing ensuring that risks that matter to the organisation are audited and that the results are aligned back into risk management:

- Planning and resource allocation: (a) Strategic planning, (b) Assignment planning,
- Execution: (c) Assignment execution,
- Audit project reporting: (d) Assignment reporting
- Audit alignment back to risk management with action plans and monitoring:
- Follow up audit: (e) Assignment follow-up
- Reporting: (f) final audit reporting, finding and root cause analysis to stakeholders (e.g. management, external auditors, audit committee, exco, board)
- Forensic auditing with seamless integration to BarnOwl's incident management sub-module: (g) Forensic investigation process

The following diagram illustrates the modules and sub-modules of BarnOwl in support of an integrated GRC and audit approach:



Please see Appendix "A01. BarnOwl Overview 2016" for an overview of BarnOwl.

BarnOwl will assist in the automation of all audit phases such as planning, execution and reporting. BarnOwl will assist with planning, execution and reporting as follows:

- Consolidated Annual plan (organisational strategic objectives, departmental strategic objectives, risks, linked processes, controls, tests and resource (auditor) planned hours per period)
- Step by step execution of the audit based on the type of audit performed (risk and control, ad hoc, forensic, compliance etc.). Audit steps are defined in BarnOwl's flexible project file organiser (PFO)
- Setup / import audit programme/s linked to risk and controls
- Complete control adequacy testing and rating
- Complete effectiveness testing including audit procedures and sample testing
- Attach evidence
- Update control effectiveness rating
- Capture findings / recommendations
- Import management comments on findings
- Capture action plans
- Capture audit risk assessment ratings
- Review audit work using the PFO (project file organiser) or per audit objective
- Rate the audit objective/s
- Capture and clear review notes
- Final Audit Reporting
- Finding analysis
- Customer / Audit satisfaction surveys
- Audit alignment back to risk management (combined assurance)
- Follow-up audits

## 2. Training Introduction

### 2.1 Introduction

Delegates create their own units (initials) under the ABC Company. You as the admin trainer apply a process to each of their units with basic info such as an Audit Objective>Risk>Control/s. One of the controls has an audit procedure with a few tests and business rules to demonstrate to the delegates how the system can create automatic findings based on failed test samples. One control does not have an audit procedure to teach the delegates how to raise a finding manually. I use a very basic PFO structure including an engagement letter (to show review notes in Word). I also attach an 'Excel' working paper in the audit procedure to show them how their existing Excel work papers translate into tests in BarnOwl. You can also use this Excel attachment (or another Excel you choose to embed) to show them how to raise review notes in Excel.

BarnOwl is not just an electronic filing cabinet of Excel and Word, but rather a true risk and control based audit solution pulling through risk & controls from risk management in line with best practice with database driven working papers, ability to create auto findings and alignment back to risk management ensuring that risks that matter to the organisation are audited. BarnOwl supports combined assurance with independent risk and control ratings by various lines of defence, typically management (1<sup>st</sup> line), internal audit (2<sup>nd</sup> line) and external / specialist audit (3<sup>rd</sup> line).



#### Tips:

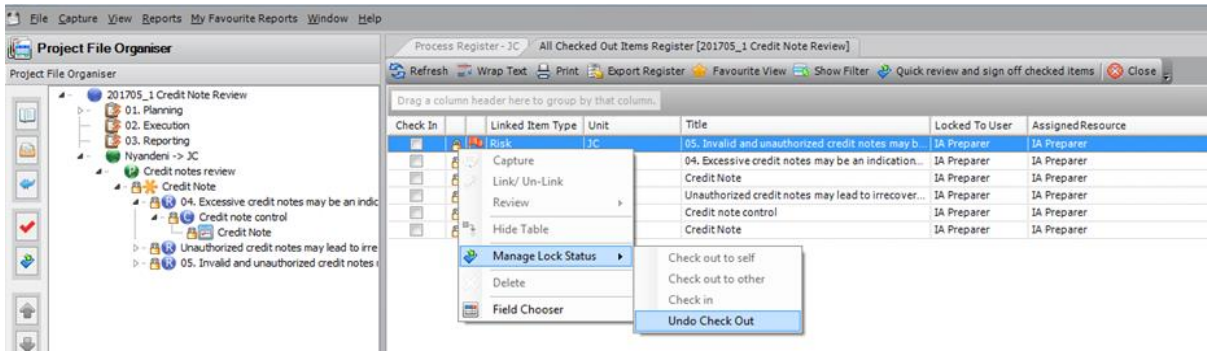
- Remember to set up the system to show the results screen as the default. This is set in

#### Server Management Console > Internal Audit > Default Register Action

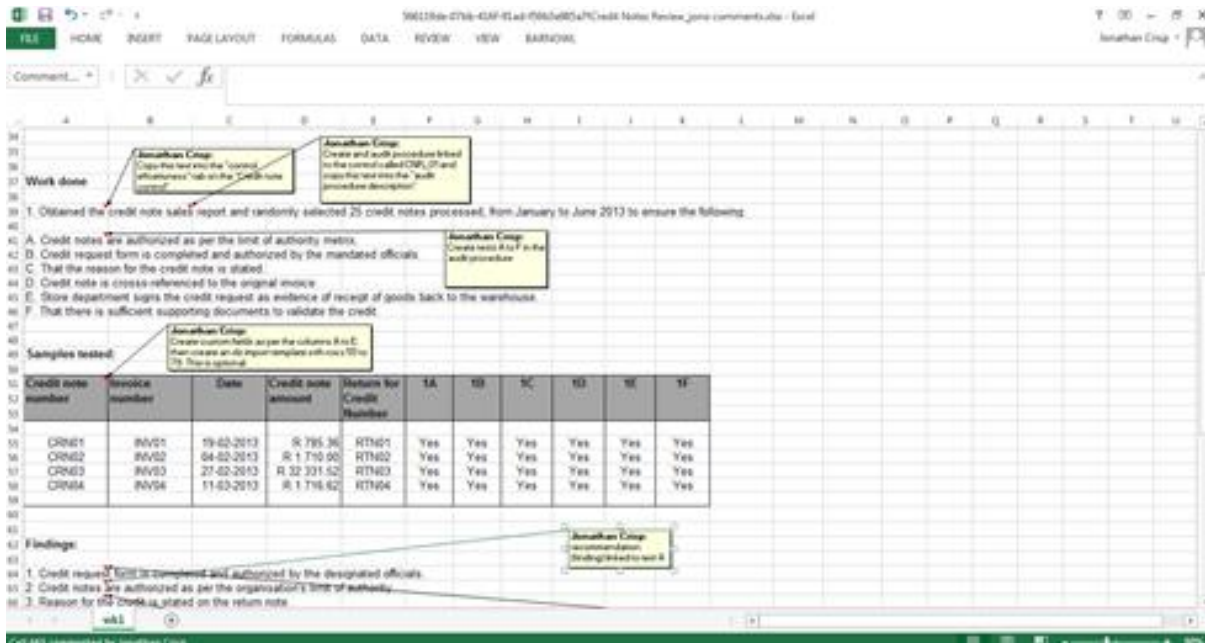
The screenshot shows a software interface for configuring 'Default Register Action'. It includes a menu bar with 'New', 'Edit', 'Delete', 'History', 'Cancel', and 'Save'. Below the menu, there are three sections of text, each with a checkbox:

- Section 1: "With this option checked, double clicking a risk on the register will open the 'Audit Control Adequacy Capture' screen by default instead of the 'Risk Edit' screen." The checkbox for 'Control Adequacy' is unchecked.
- Section 2: "With this option checked, double clicking a control on the register will open the 'Audit Control Effectiveness / Adequacy Capture' screen by default instead of the 'Control Edit' screen." The checkbox for 'Control Effectiveness' is unchecked.
- Section 3: "With this option checked, double clicking an Audit Procedure on the register will open the 'Audit Procedure Results Quick Capture' screen by default instead of the 'Audit Procedure Edit' screen." The checkbox for 'Audit Procedure' is checked and highlighted with a red rectangular border.

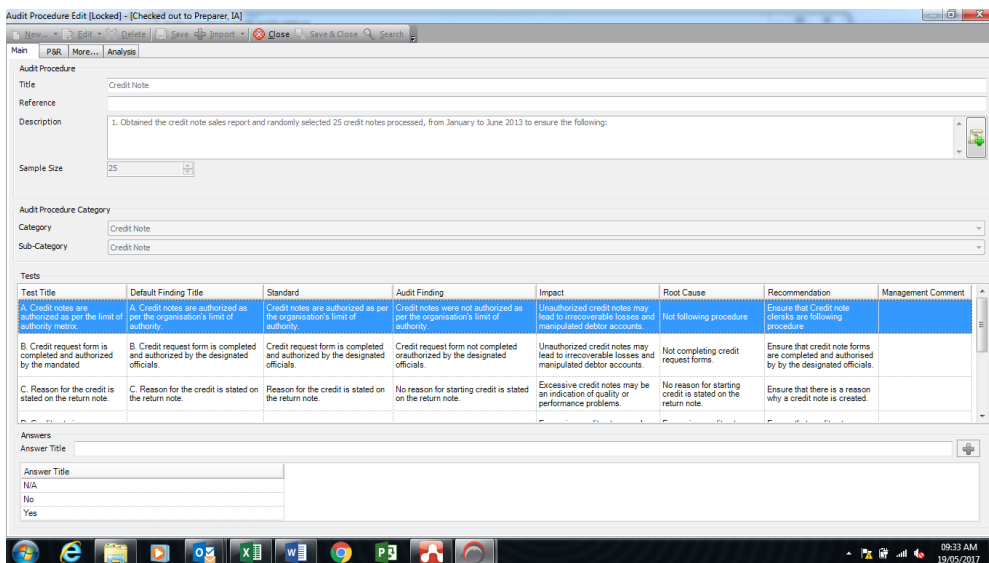
- If during training, someone leaves and has items checked out to them, you need to act as the administrator (its best to have admin rights and add yourself as a resource to their project) and go into their project and 'manage the lock status' to get the items checked back in as below.



The following is an example of an Excel based working paper attached here for your info, showing what it looks like in the BarnOwl library (audit procedure):

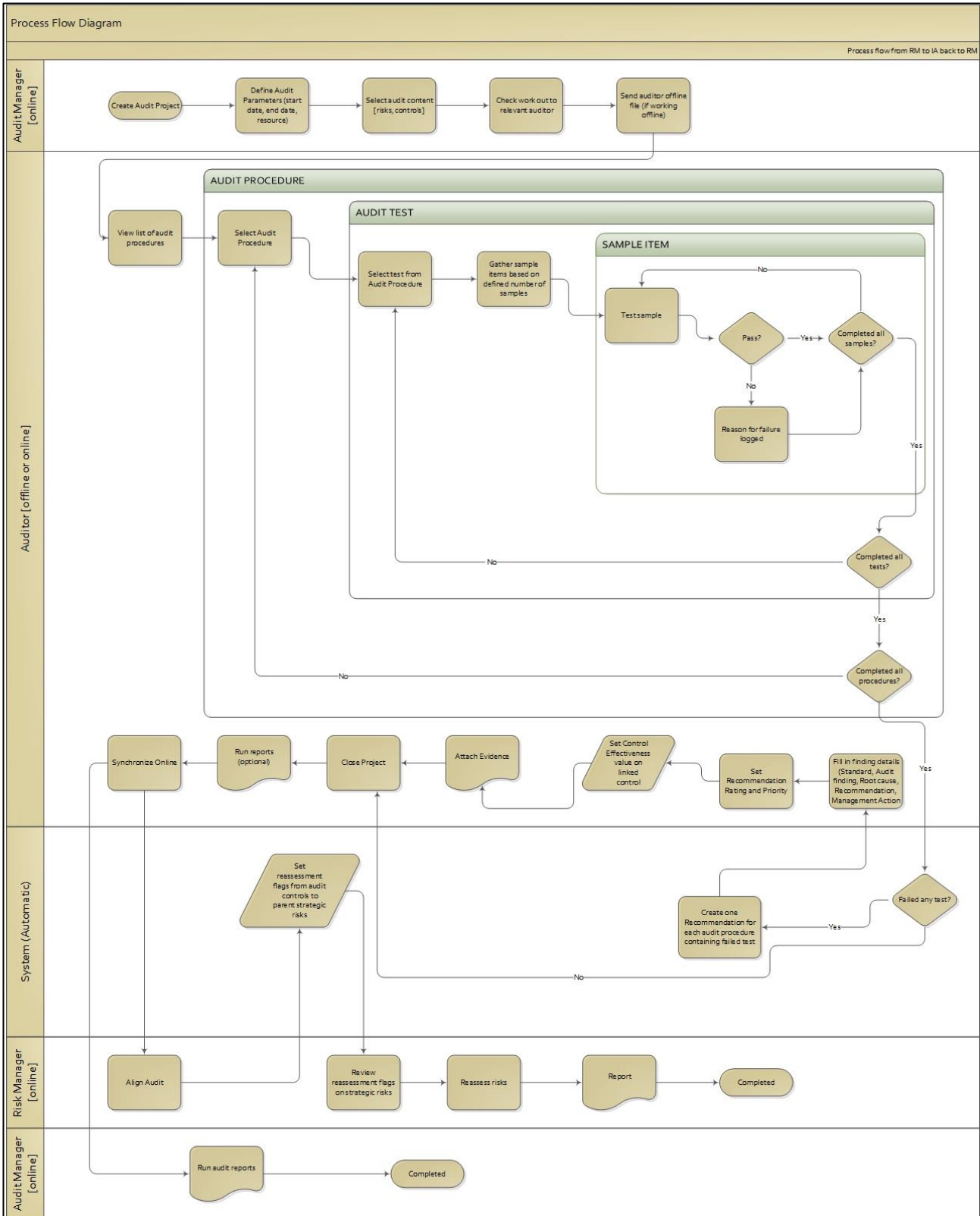


How this translates into a BarnOwl audit procedure:





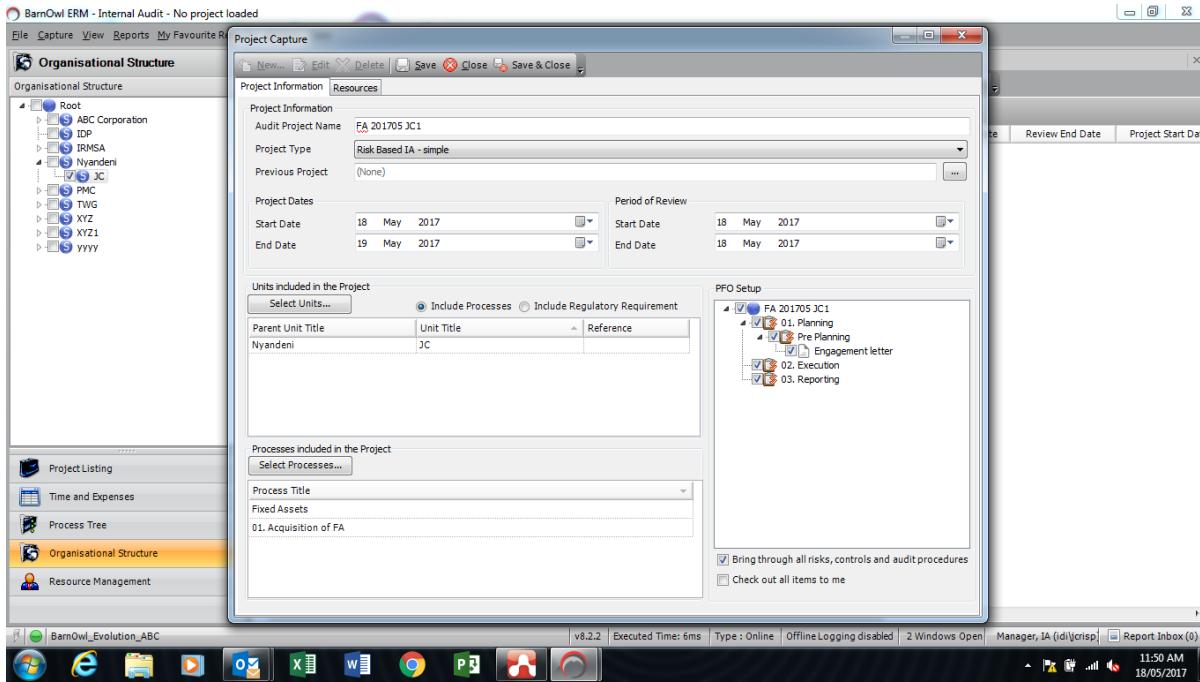
## 2.2 Process Flow



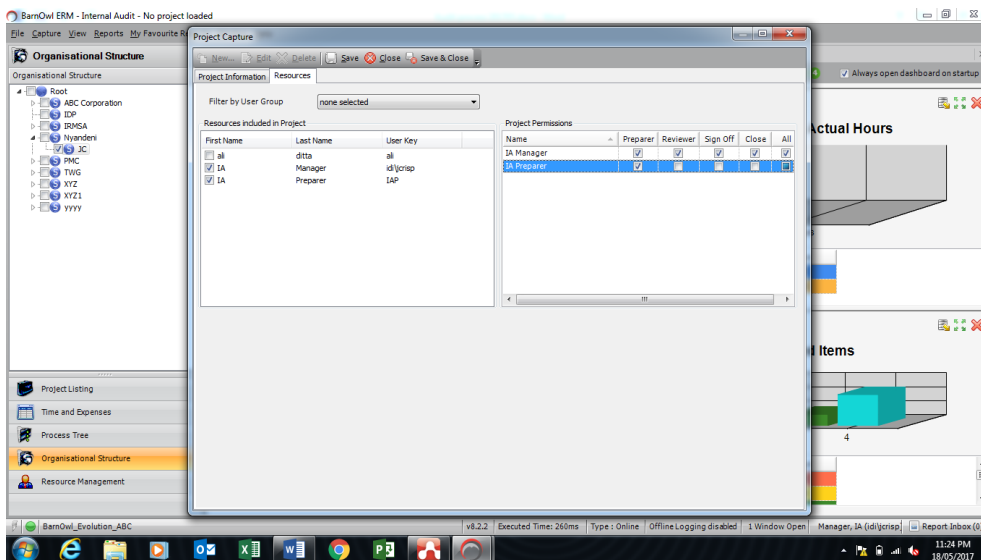
### 3. Audit Planning

#### 3.1 Capturing an Audit Project

1. Navigate to the Organisational unit or the Process unit and select menu option Capture > Audit Project

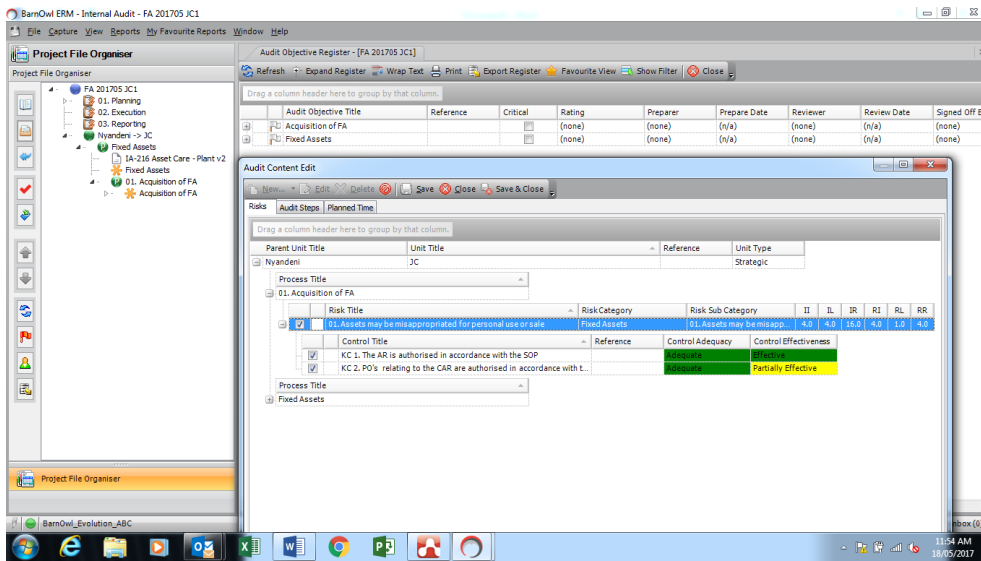


2. Select the relevant auditors and their roles on the project. Ask delegates to give themselves all permissions on the project and to add the person on their right as a 'reviewer'. Your neighbour (on your right hand side) will get to review your work later on:



### 3.2 Loading the Project

1. Select / Deselect audit content: risks and control pulled through from capture project if 'Bring through risk, controls and audit procedures' are selected.

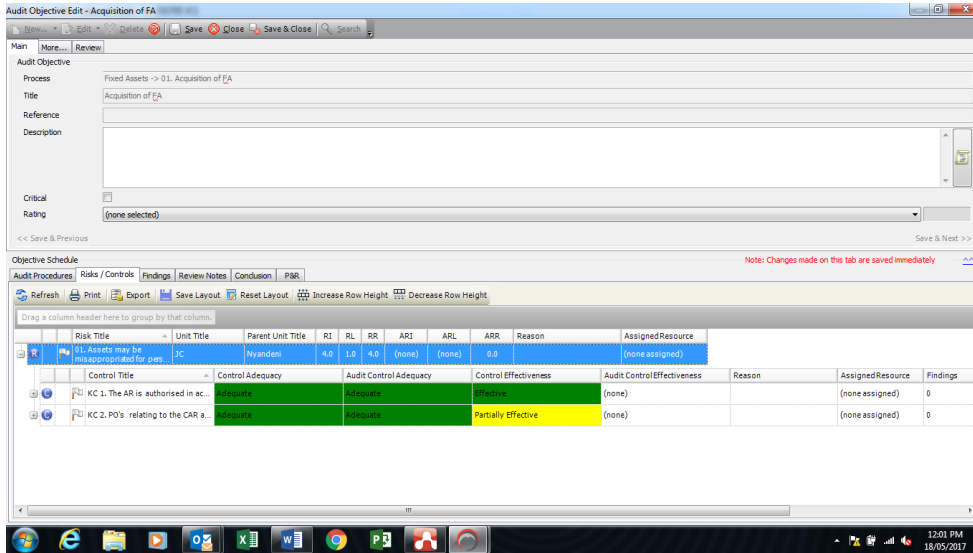


The manager (reviewer) would now generally 'check out' the various items to the relevant auditors (preparers) allocated to this project.

## 4. Audit Execution

### 4.1 Rating Control Adequacy

Open the Audit Objective and click on the 'Risks/Controls' tab and rate the control adequacy (design of the control) in the grid below. You can attach a reason if inadequate and possibly raise a finding with an action plan to for the auditee to put adequate control/s in place.

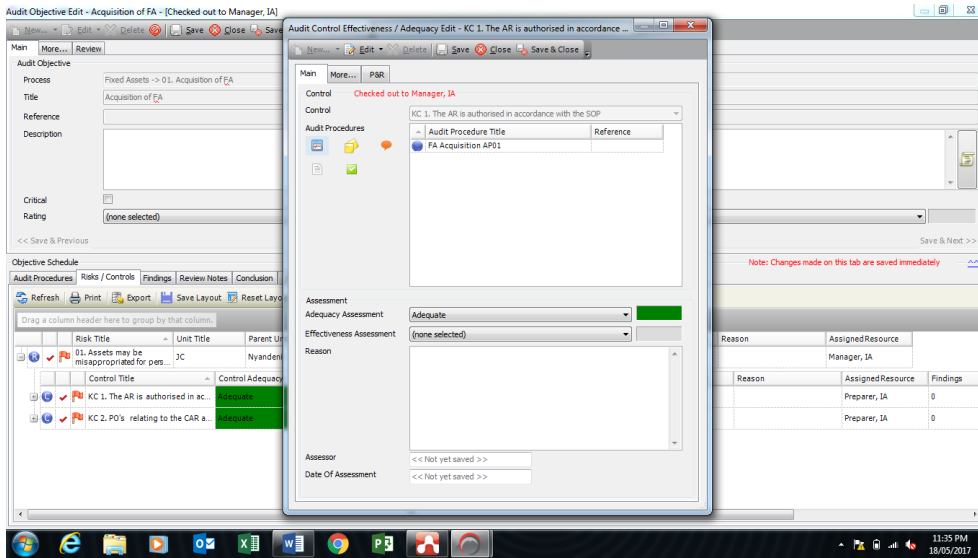


### 4.2 Rating Control Effectiveness

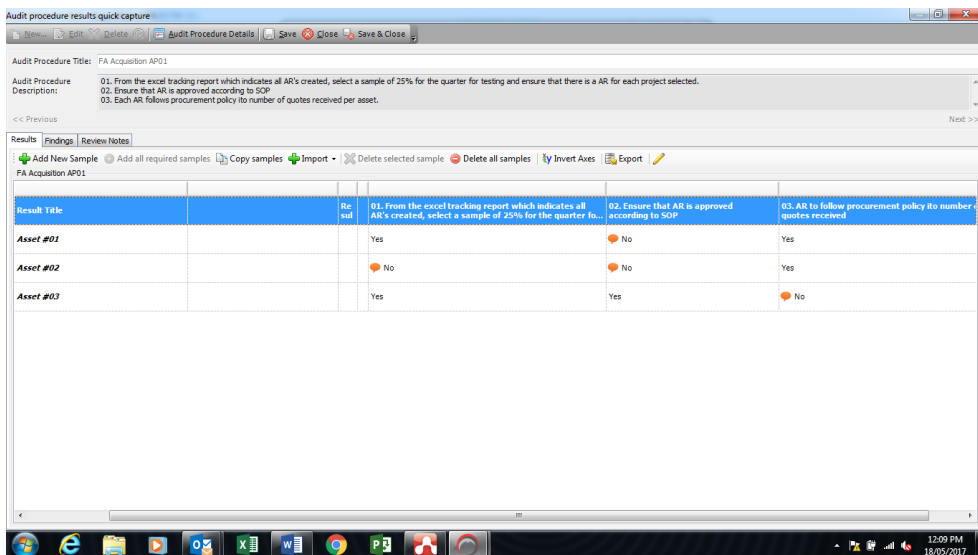
Control Effectiveness rates how well the control is working. This is usually only done if the controls are adequate.

#### 4.2.1 Audit Procedure Tests

Double click on the control. You are able to click on the various icons to see any attached audit procedures, control effectiveness procedure, control procedure, any findings against this control and any ratings by other assurance providers. Audit procedures (also called automated working papers) allow business rules to be defined upfront in the library which the system uses to create automatic findings with pre-populated 'standard (criteria), finding, impact, root cause, recommendation' which greatly enhances auditor productivity for process based audits and improves the quality of the findings captured. In addition, the system can automatically detect whether this is a repeat / recurring finding.

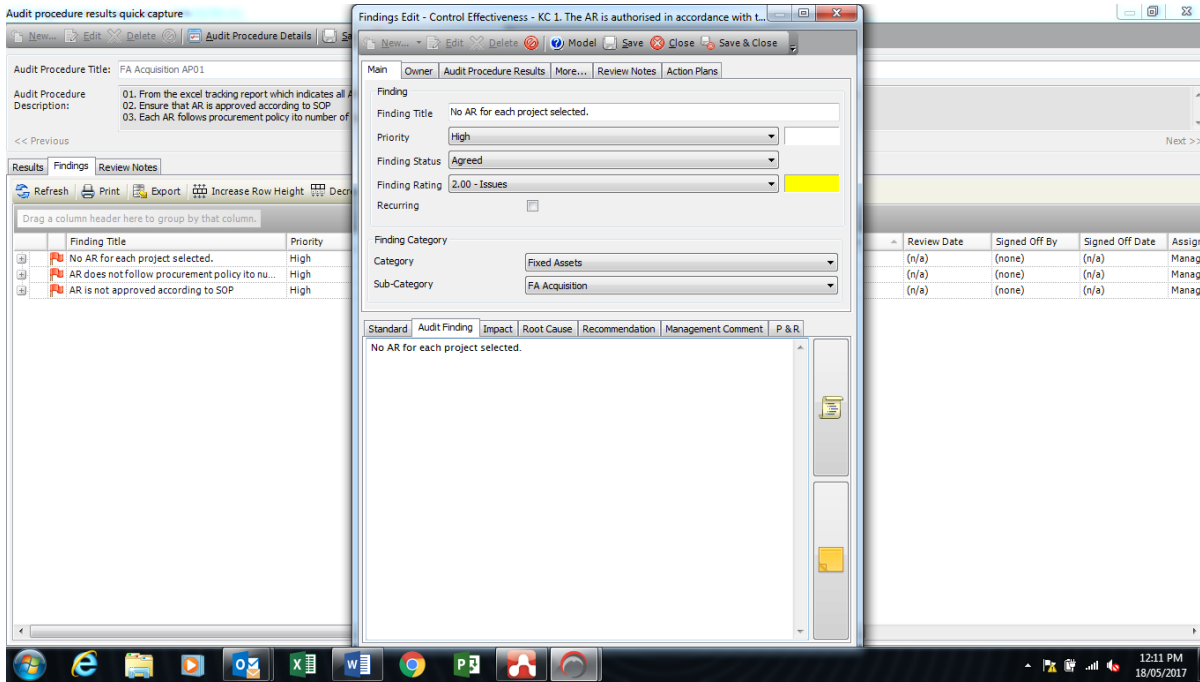


Double click on the audit procedure 'FA Acquisition AP01' which opens up the audit procedure results / testing screen. Either import the sample test data from Excel or click on the 'Add new samples' and complete tests 01, 02, 03 etc. for each sample. You will notice an orange bubble is created for each 'No' answer (failed sample or as configured in the audit procedure) which indicates that the system has created an automated finding.



#### 4.2.2 Raising Automatic Findings

Findings are automatically created based on the business rules defined in the audit procedure (i.e. samples which fail the test). Click on the 'Findings' tab, double click to open the finding to edit it and complete the 'Finding Rating' (e.g. Critical, Serious, Issues, Housekeeping)

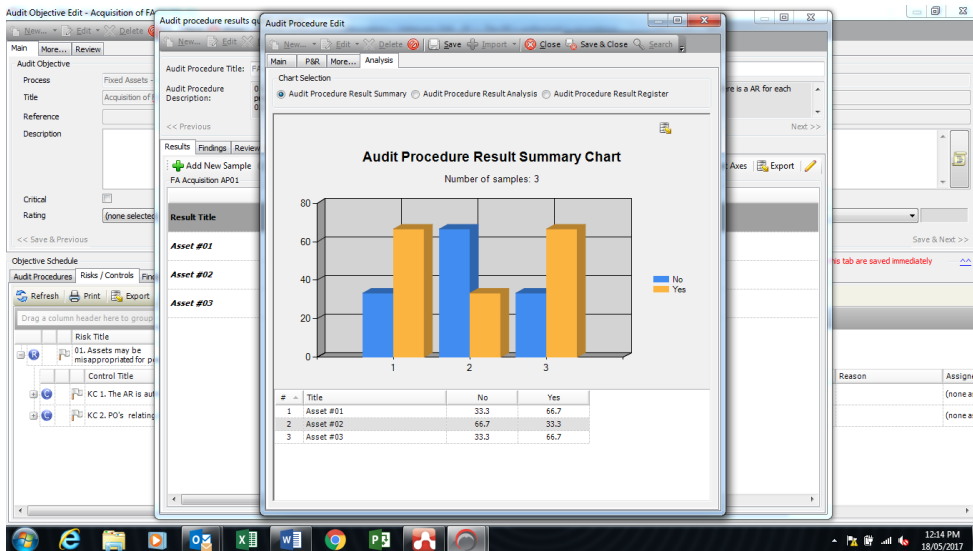


You can see the failed samples which caused this finding to be created by clicking on the 'Audit Procedure Results' tab at the top of the form.

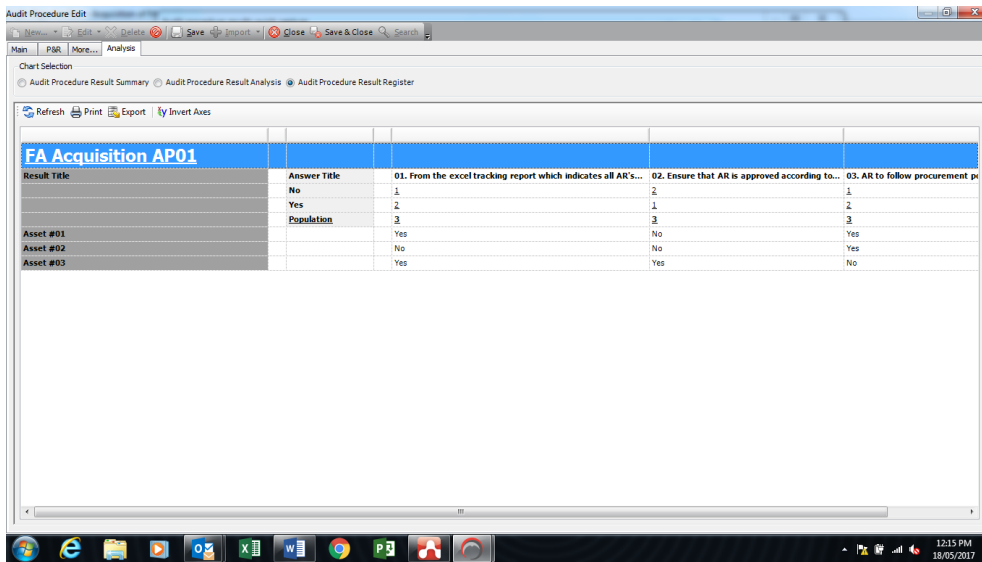
Save & Close the Finding.

### 4.2.3 Audit Procedure Results Analysis

You can click on the 'Audit Procedure Details' tab to see a summary of your testing results.



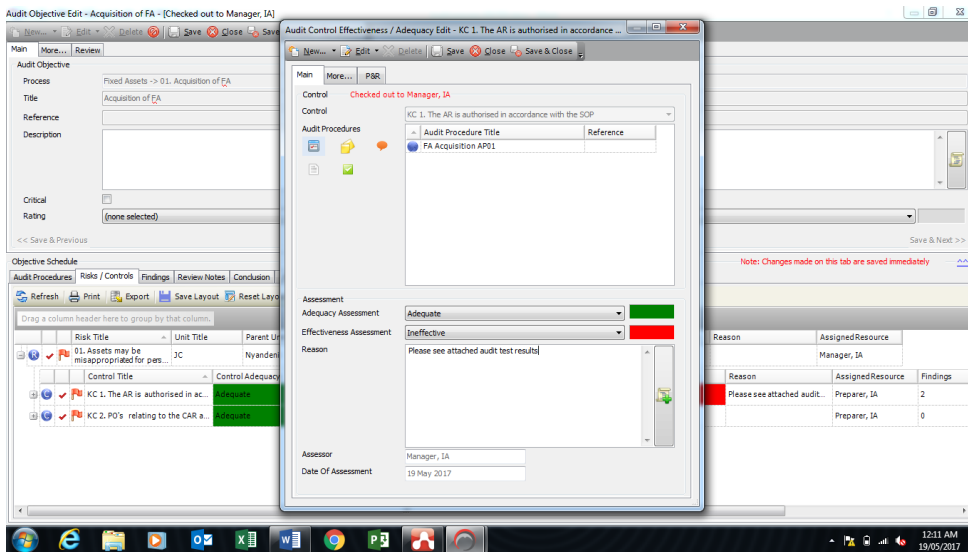
You can also export the results into Excel and attach the saved Excel file as evidence/ Reason for rating the control effectiveness.



Save & Close the audit procedure results form.

#### 4.2.4 Rating Control Effectiveness

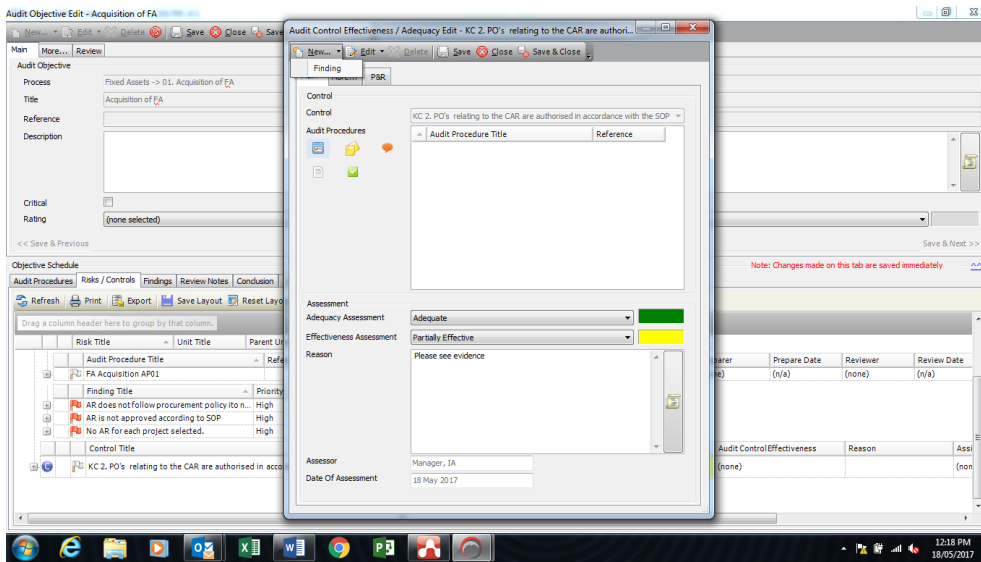
Rate the control effectiveness based on the % pass rate (compliance rating) of the tests. In this case we have rated the control effectiveness as 'ineffective'. In addition, we have attached the Excel export as evidence / the reason, although this is not really necessary as the tests are stored in the database and can be pulled through to the final audit report in Microsoft Word.



Click Save & Close.

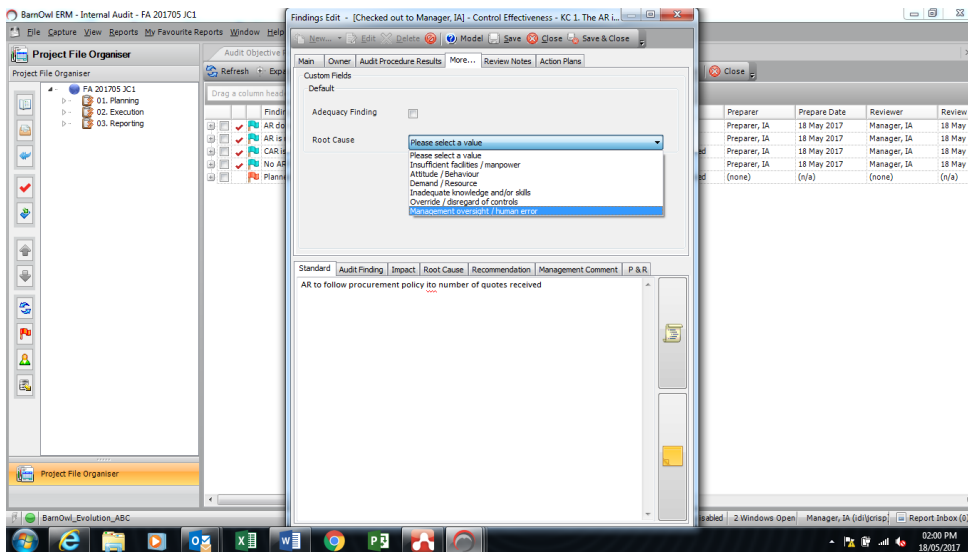
#### 4.2.5 Raising Findings Manually

Double click on the 2<sup>nd</sup> control. You will notice that in the example below there is no audit procedure. You can rate the control effectiveness (in this case we have rated the control as 'partially effective') and raise a finding manually by selecting the New>Finding button below. A business rule can be set to force you to raise a manual finding if the control is rated as 'ineffective'. Again you can attach evidence / Reason for why you have rated the control as 'Partially effective' as is the case below:



### 4.2.6 Capturing a Root Cause for Analysis Purposes

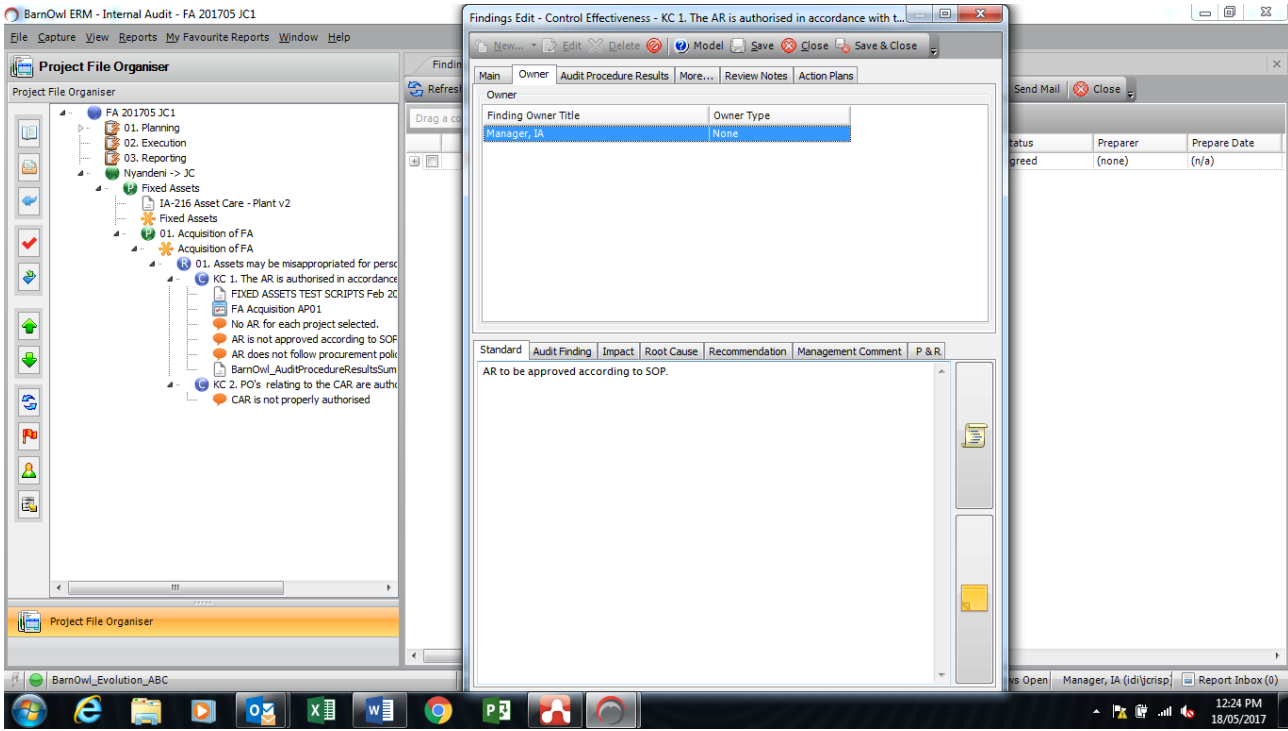
Use the finding categories / sub categories or define a custom field ( 'drop down box' of root causes defined in the system console). You may wish to make this a mandatory field in order to force a root cause to be entered when a finding is raised. In the screen below we use a custom field called 'Root Cause'.



### 4.2.7 The Findings Owner (Auditee / Management)

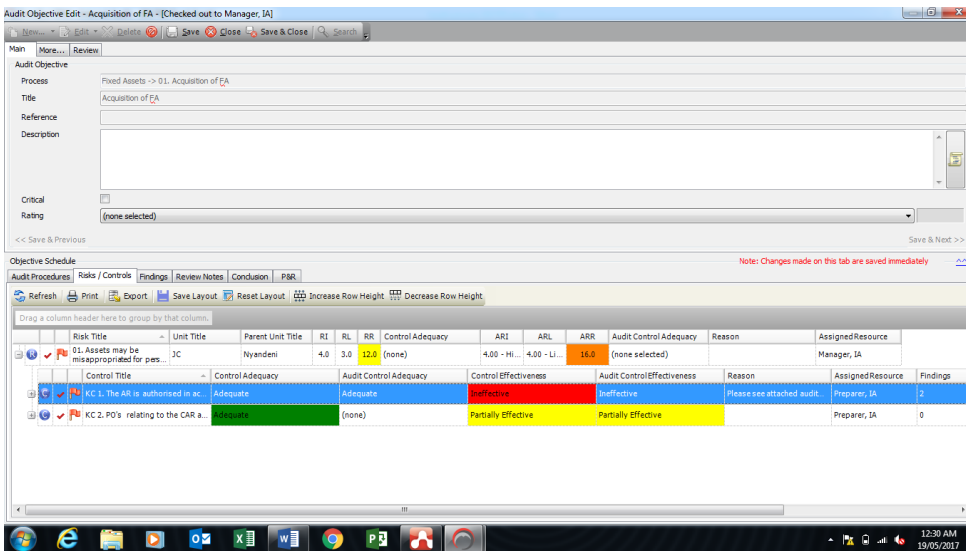
The responsible owner of the finding (i.e. the auditee) will automatically default to the process owner if this is set up. If no owner is assigned automatically, you can allocate an owner to the finding by right clicking in the owner screen as indicated below. This owner (auditee) will be responsible for completing the management comments for his / her findings.





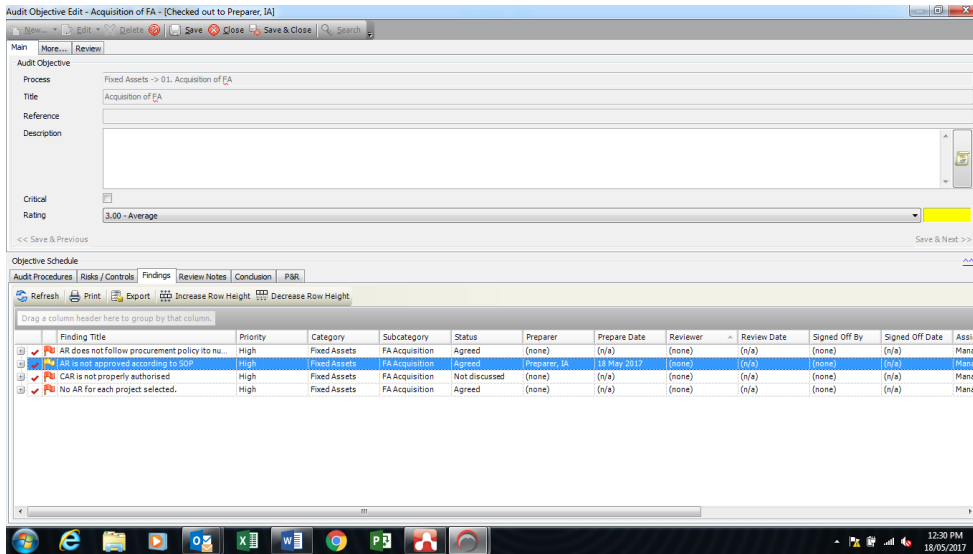
#### 4.2.8 Audit Risk Rating (Impact and Likelihood)

- If you are using the 'manual' residual risk rating method, then you as the auditor can rate the residual impact and residual likelihood of the risk based the effectiveness of the linked controls.
- If you are using the 'auto' residual risk rating method, then the audit residual risk rating will be calculated automatically when you perform 'audit alignment' (see step xx) based on the control effectiveness formula.



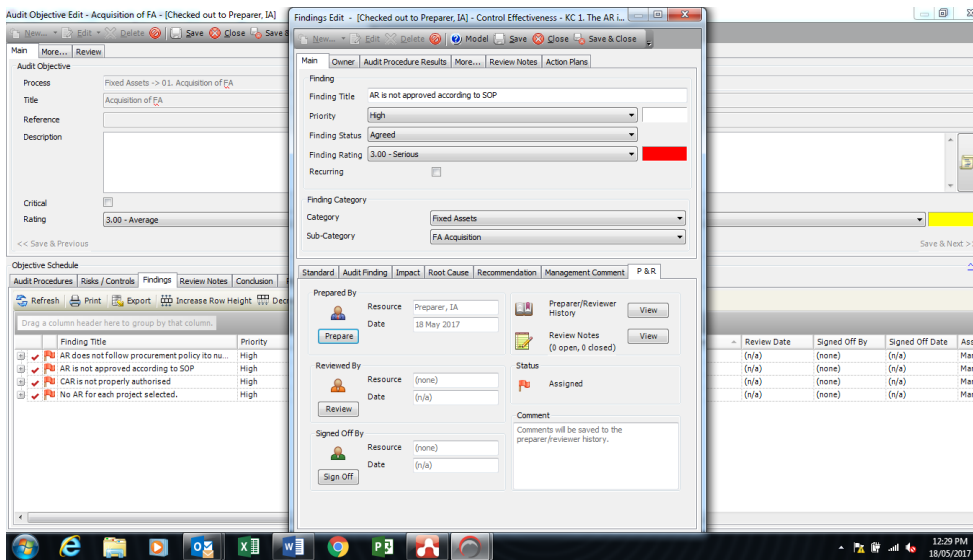
### 4.2.9 Rating the Audit Objective and completing the Conclusion

You can rate the overall audit objective based on the ratings of the attached risks and controls as well as fill in the conclusion for each audit objective.

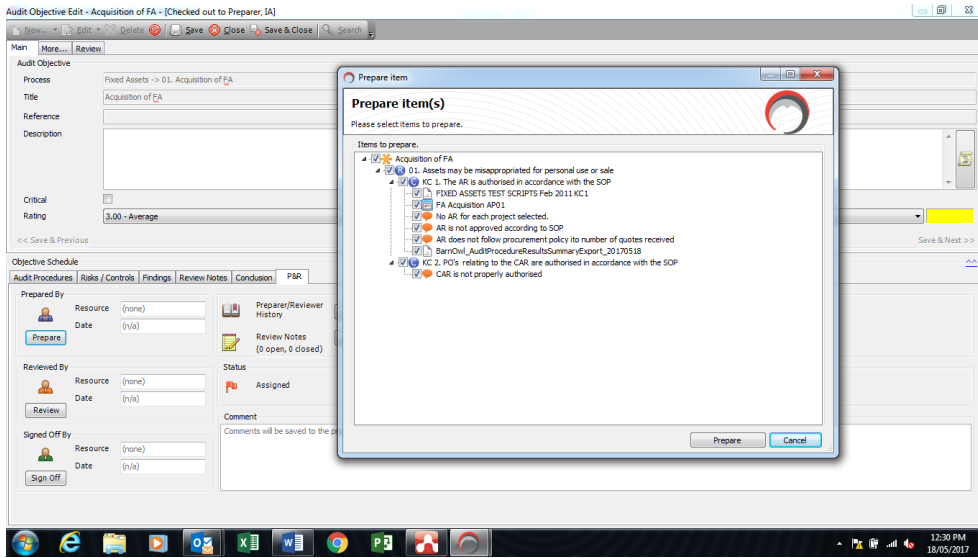


### 4.2.10 Preparing and Checking out Work

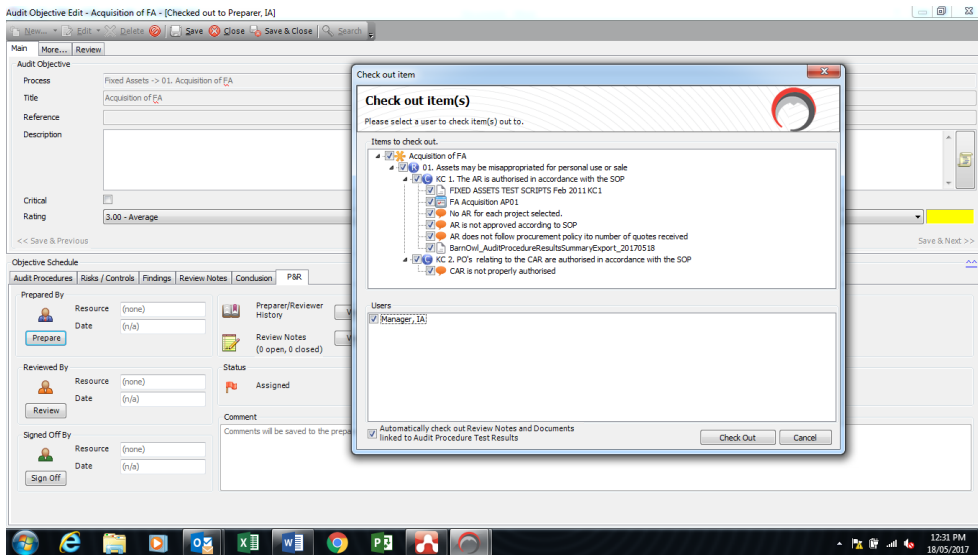
Once you as the preparer (auditor) have completed your work, you can ‘prepare’ your work item by item by clicking on the ‘P&R’ tab and clicking on the ‘Prepare’ button. This will turn the flag from ‘assigned’ (red) to ‘ready for review’ (yellow). In the screen below we have ‘Prepared’ the Finding.



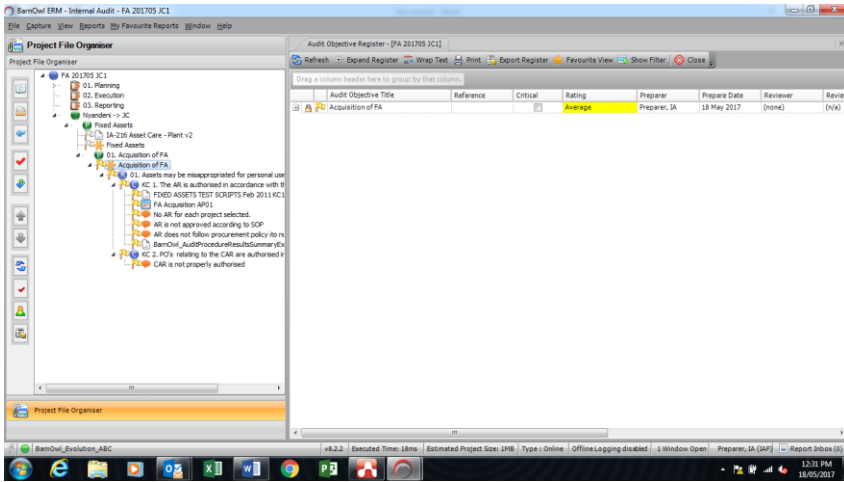
Alternatively you can ‘Prepare’ all your work by clicking on the ‘P&R’ tab on the audit objective screen which shows you what you are preparing (i.e. marking it to ‘ready for review’).



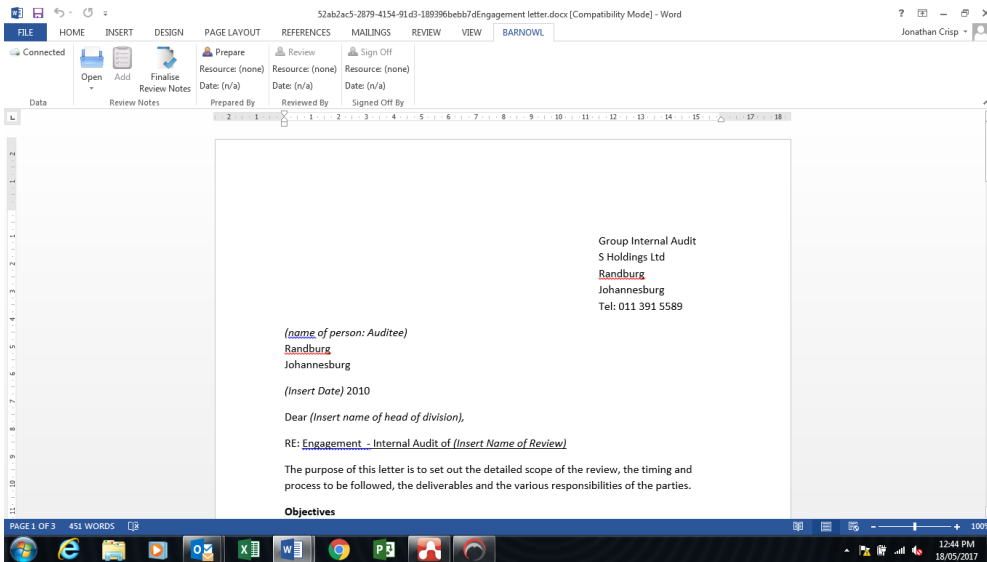
The system will prompt you as to whether you wish to ‘check-out’ your work to the ‘Reviewer’ (i.e. audit manager). If you don’t want to check it out at this point, click on ‘Cancel’. You can then check it out as and when you are ready. See below:



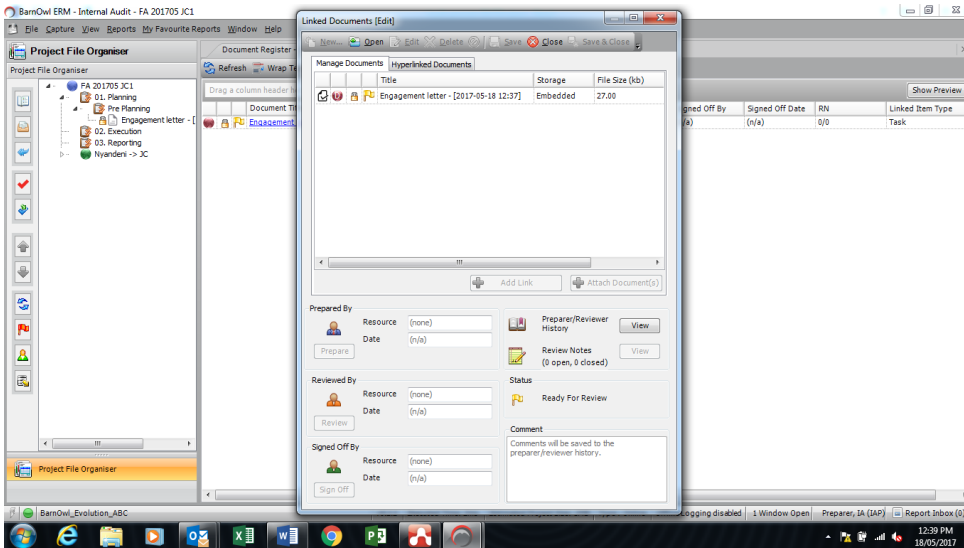
In the screen below, you will notice the yellow flags indicating a status of ‘ready for review’ and will also notice a ‘lock’ icon which indicates that you have checked-out the item to the Reviewer (the audit manager) and can no longer be edited by you, the Preparer. You can view the item but you cannot edit the item. The buttons on the l.h.s. of the PFO provide various functionality such as a toggle between locked and flag status, as well as showing what is checked out to me only versus all items in the project



You can also prepare any Word or Excel document using the BarnOwl add-in toolbar (automatically installed for Office 2010 and above). Complete your work as a preparer in Word / Excel and click on the 'Prepare' button.

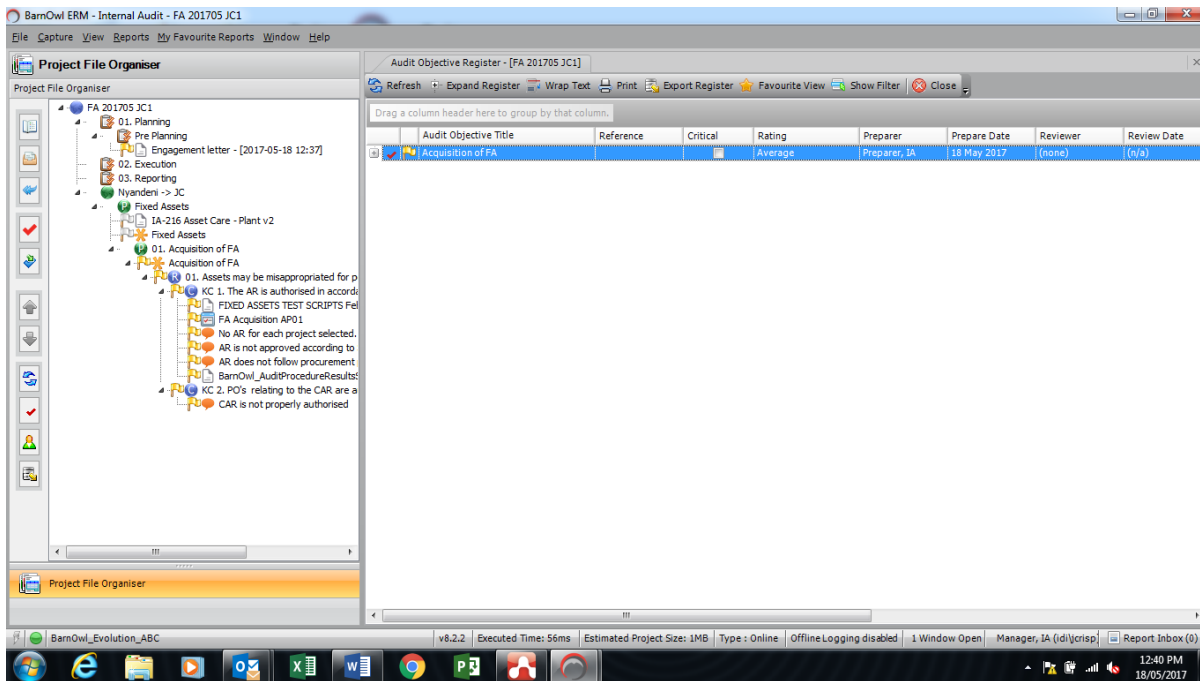


Alternatively complete your work in the Word / Excel document and use the screen below to Prepare the document (i.e. mark it as ready for review)



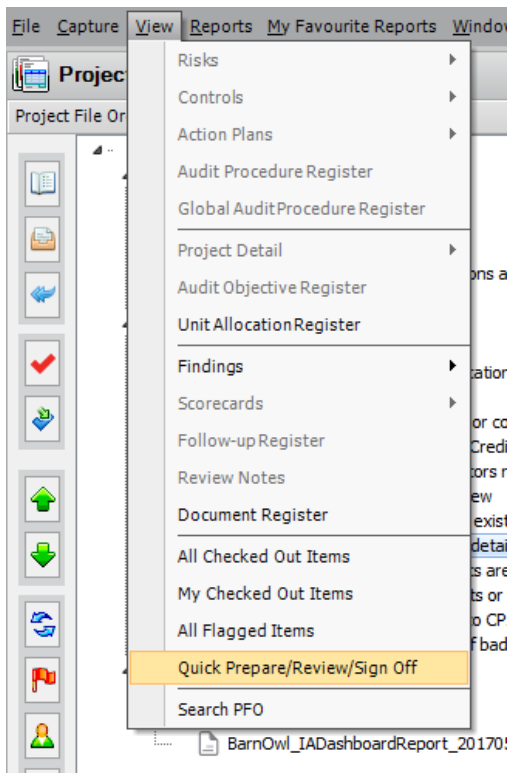
### 4.2.11 Reviewing the Work

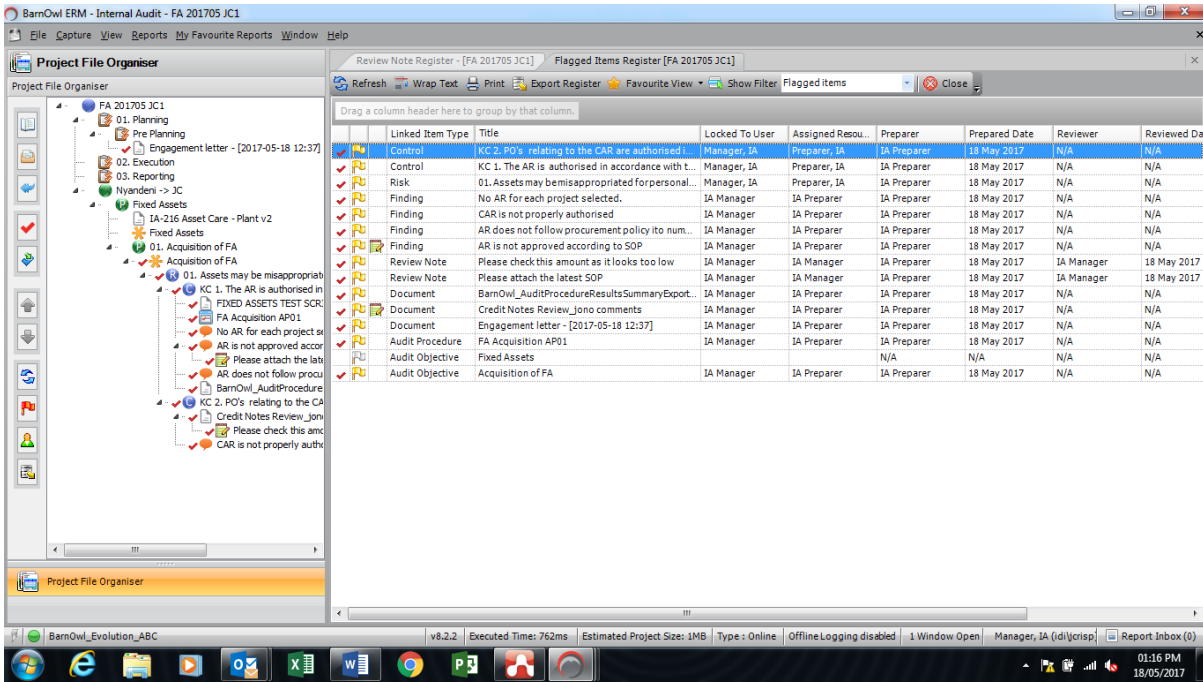
The delegate on the r.h.s now acts as your reviewer (Audit Manager) and loads your project. The yellow flags indicate that these items are ‘ready for review’.



The reviewer can open the items one by one (double click on the r.h.s. pane) or go into the audit objective screen and P&R all items linked to the audit objective in a single step.

Alternatively you can use the ‘Quick Prepare/ Review/ Sign off’ menu option and use the filter to see what is still required to be prepared, reviewed or signed off.



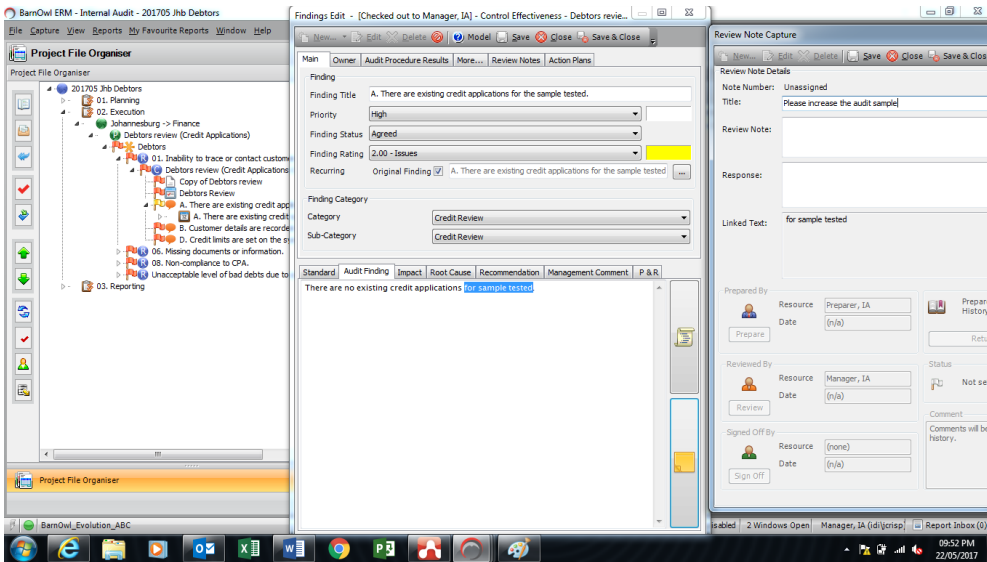


### 4.2.12 Review Notes (the Reviewer)

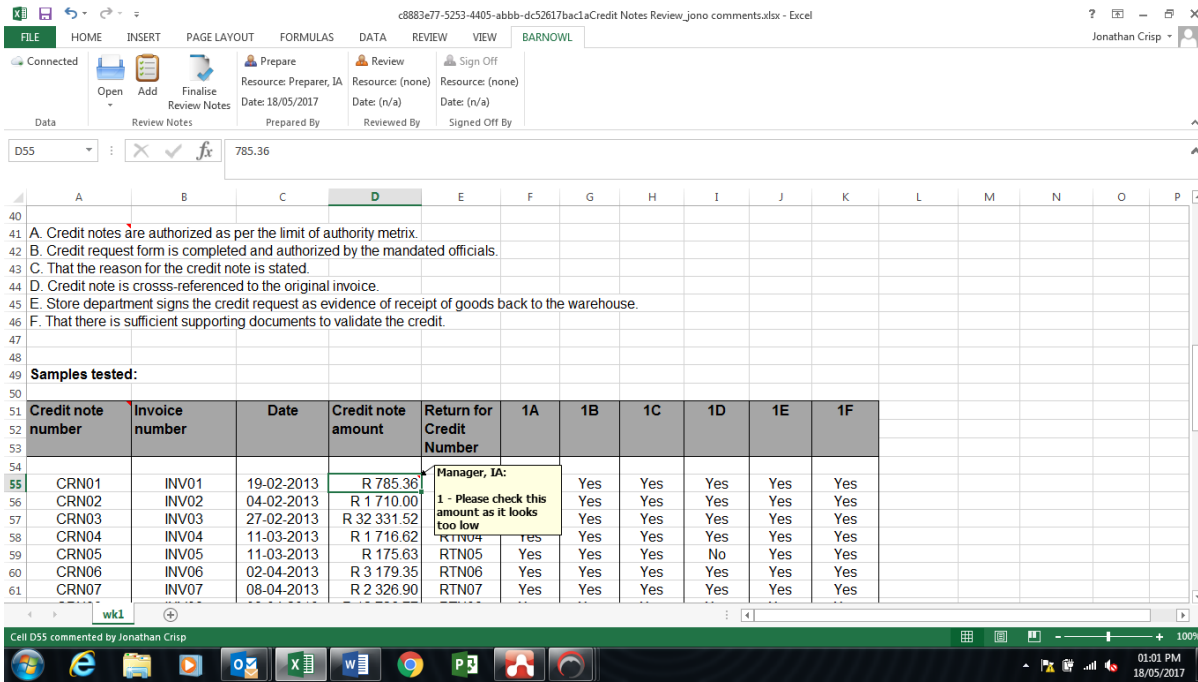
Review notes (often called coaching notes) can be raised almost anywhere in the system by the 'reviewer'; either directly against findings or audit procedure tests or in any embedded Word or Excel document.

#### 4.2.12.1 Raising review notes (the Reviewer)

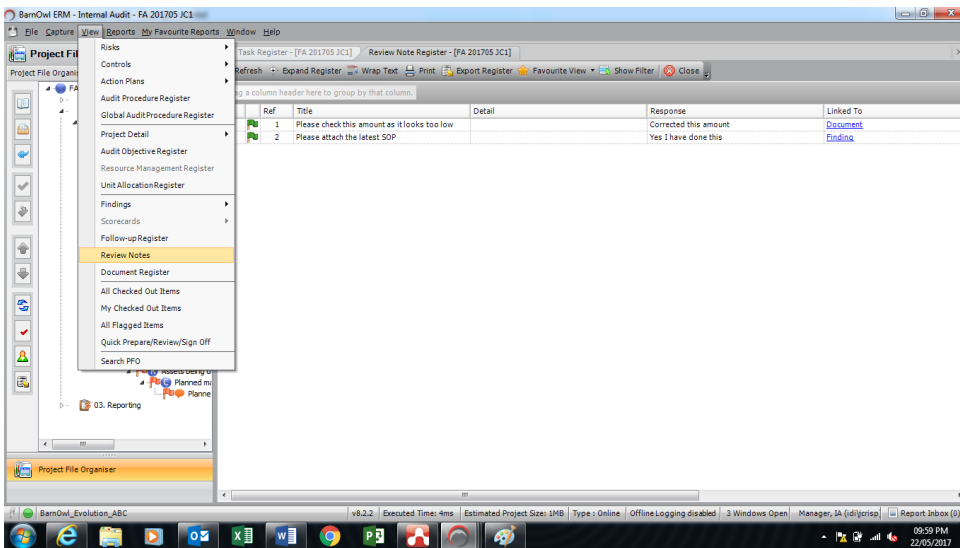
The following shows a review note raised directly against the audit finding.



The following screen shows a review note raised directly in an Excel document using the BarnOwl add-in toolbar. Either way all review notes are written into the BarnOwl database for full audit trail tracking (preparer/ reviewer history).

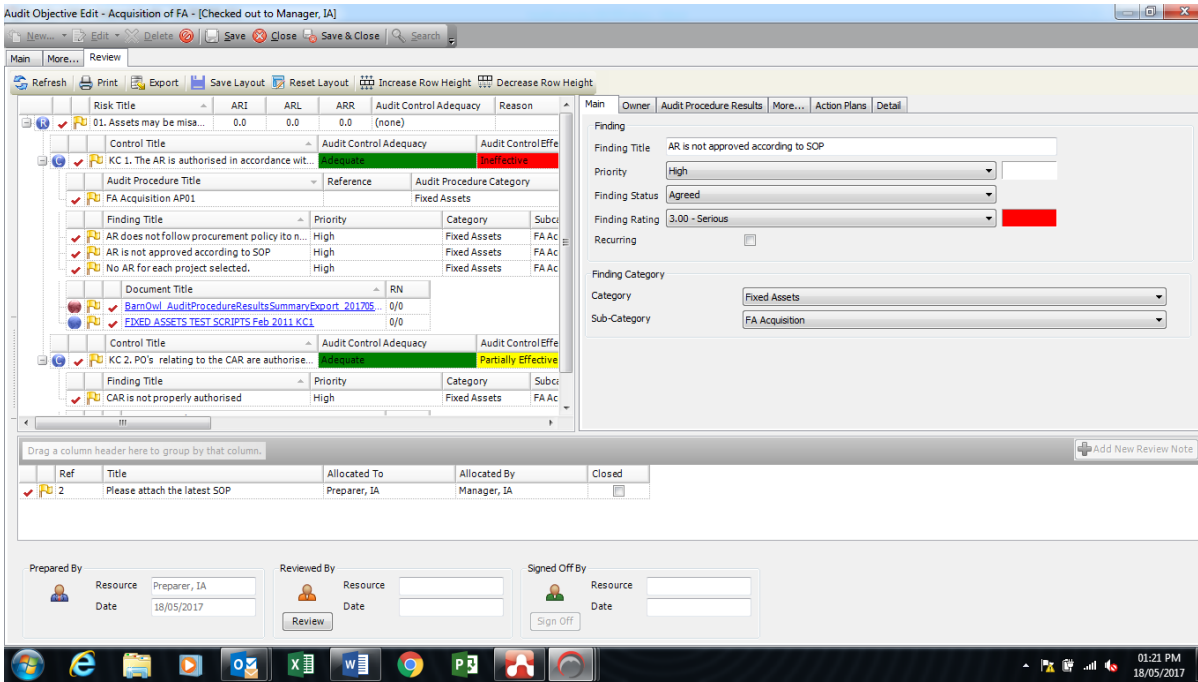


At any stage you can see all review notes by selecting the menu option:



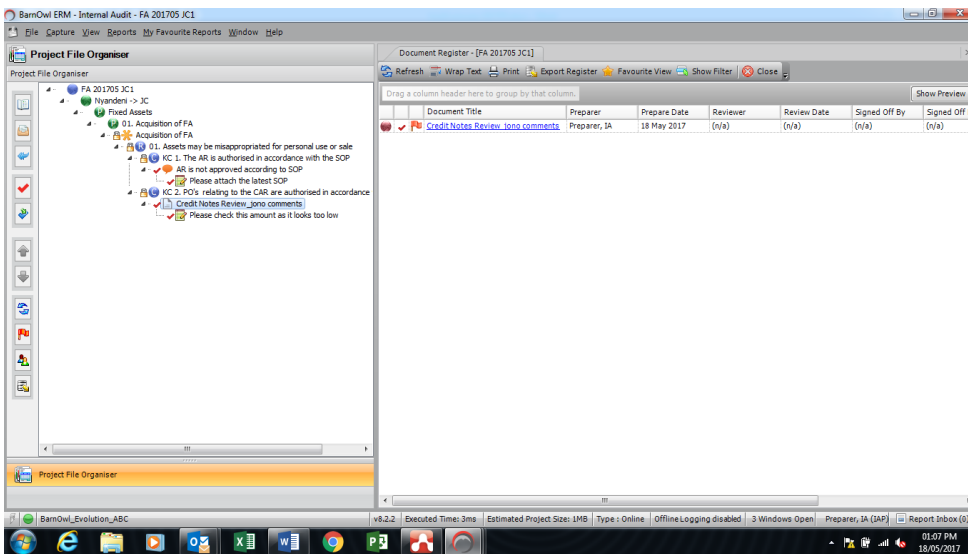
In the screen above you will see two review notes. Ref 1 is linked to a document and Ref 2 is linked directly to a finding. By clicking on the link the system will take you the relevant review note and item (in this case the relevant document and finding tab respectively). When you as the reviewer raise a review note, the system resets the flag to 'assigned' (red) and allows you to check it out back to the preparer.

The audit objective 'Review' tab below makes it easy to step through all items to review.



#### 4.2.12.2 Responding to review notes (the Preparer)

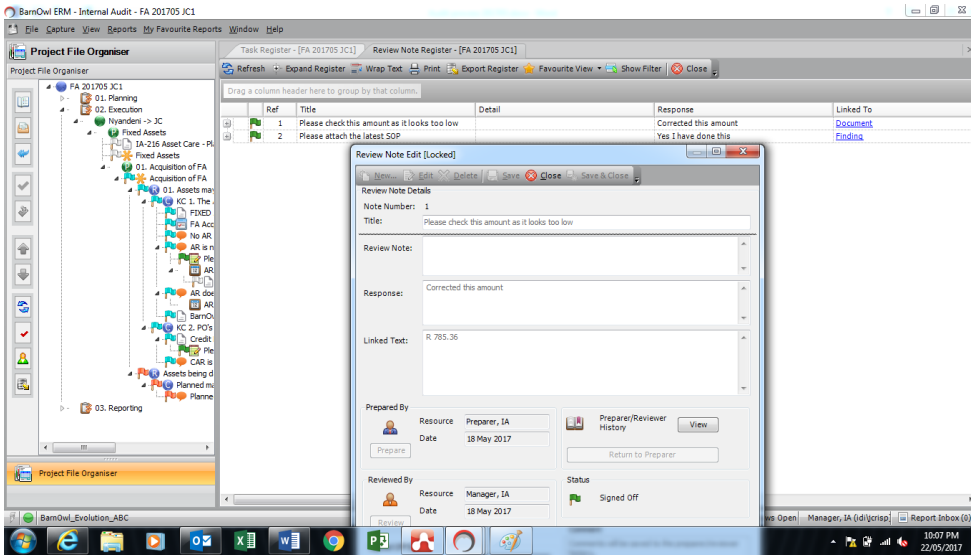
You as the Preparer can now respond to the reviewing note, correct and 'Prepare' the item again.



#### 4.2.12.3 Sign off / Close the review notes (the Reviewer)

The reviewer would then check your work again and sign off / close the review note:

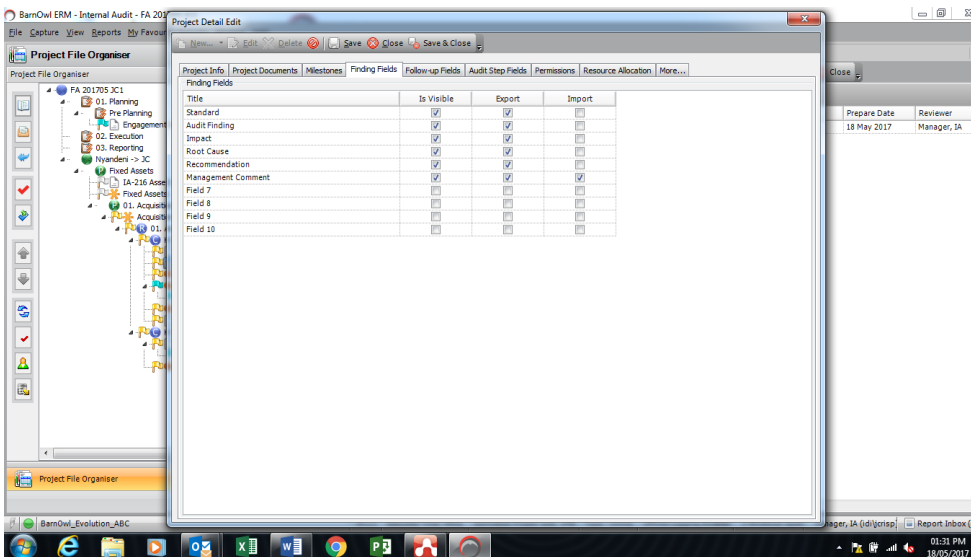




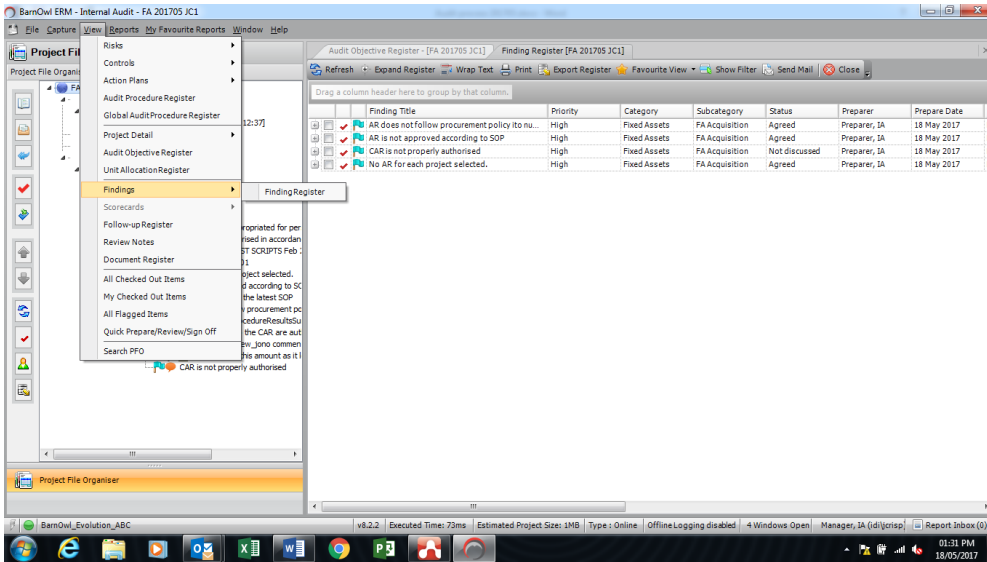
#### 4.2.13 Management Comments (from the auditee / management)

One of the most challenging tasks for any auditor is to get management (the auditee) to complete management comments on his / her findings in a timely fashion. BarnOwl greatly assists with this task by allowing the auditor to automatically send out an email to the relevant auditees with their findings attached and to keep reminding the auditee that he has outstanding management comments. The auditee can complete his / her management comments and send them back to the auditor to be 'imported' back into the project to automatically complete the 'management comments' tab in the relevant finding. Alternatively, BarnOwl can generate a draft audit report for the auditee to review and send back to the auditor with management comments, however the auditor will then have to manually capture these management comments into the system.

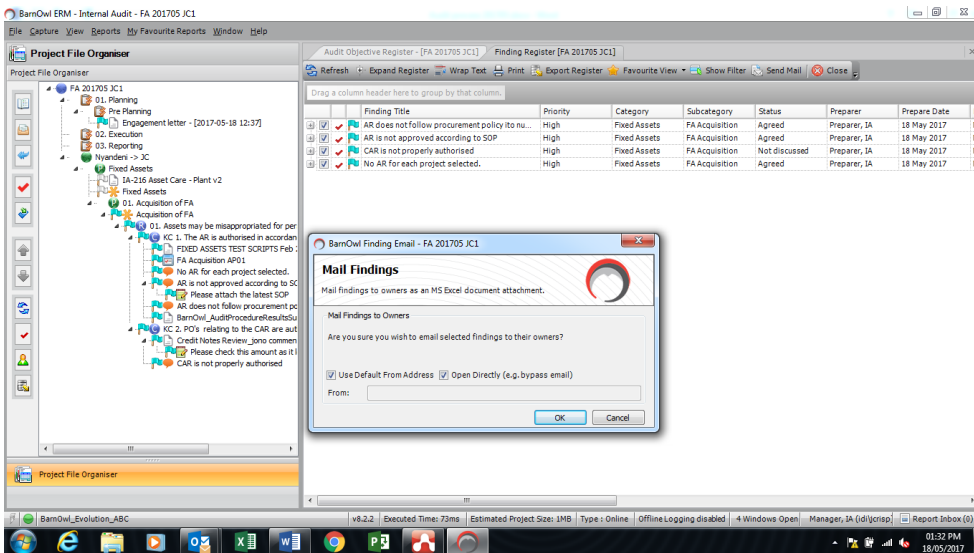
The 'Project detail' screen > Finding Fields tab enables you to set which finding fields are exported to management and which fields are imported from management:



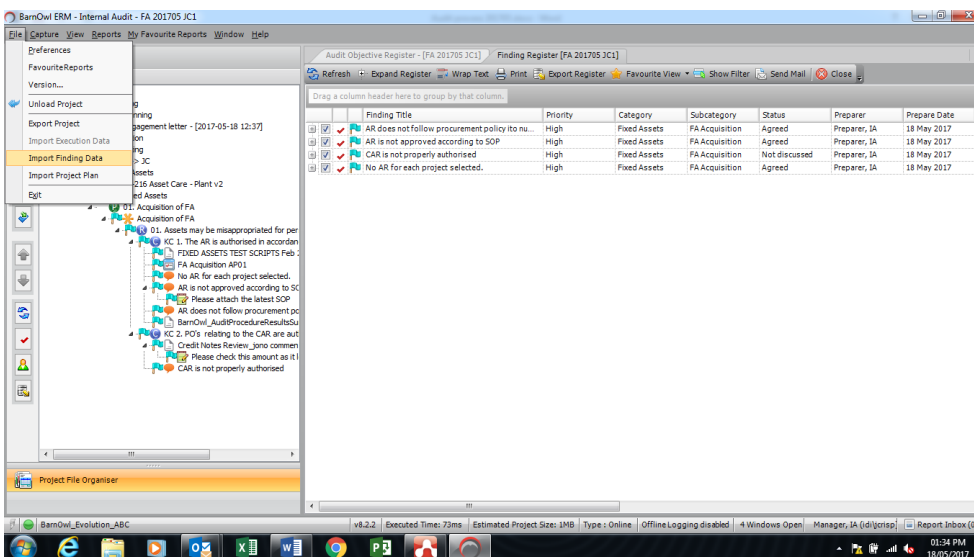
Show all findings, tick which findings to export and click the 'Send Mail' button:

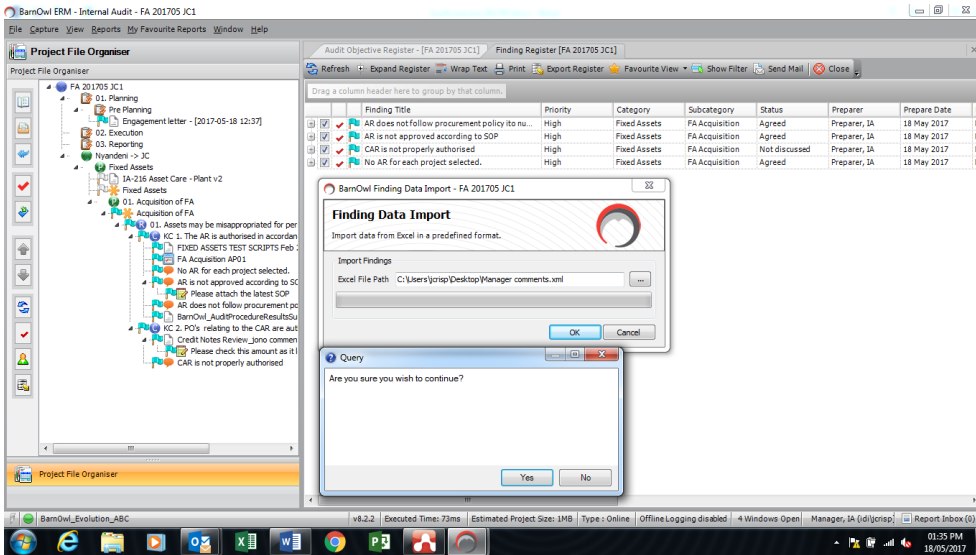


Findings are emailed directly to management as an attachment and / or can be opened directly by you to view them in Excel.

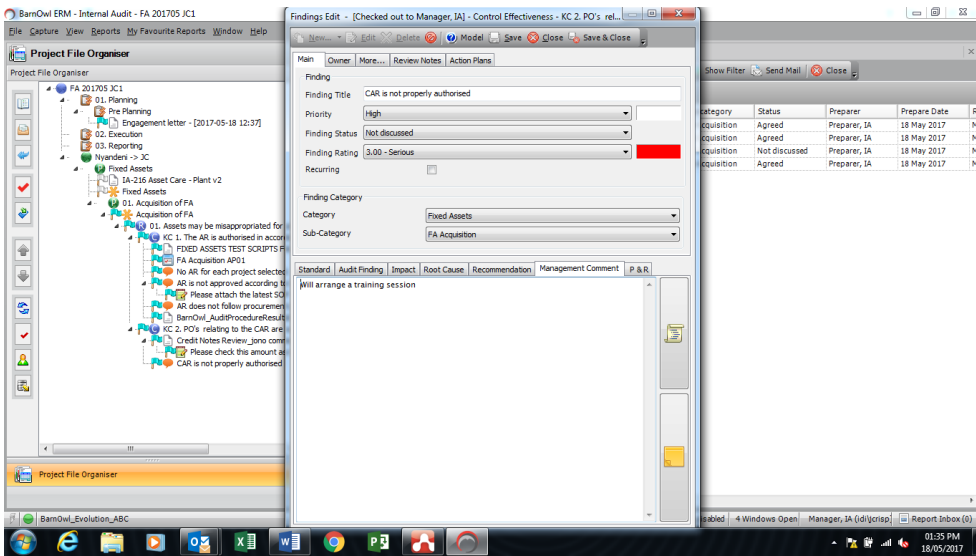


The auditee (management) completes his / her management comments and emails them back to you, where you are able to import them automatically back into the project as per the screen/s below:



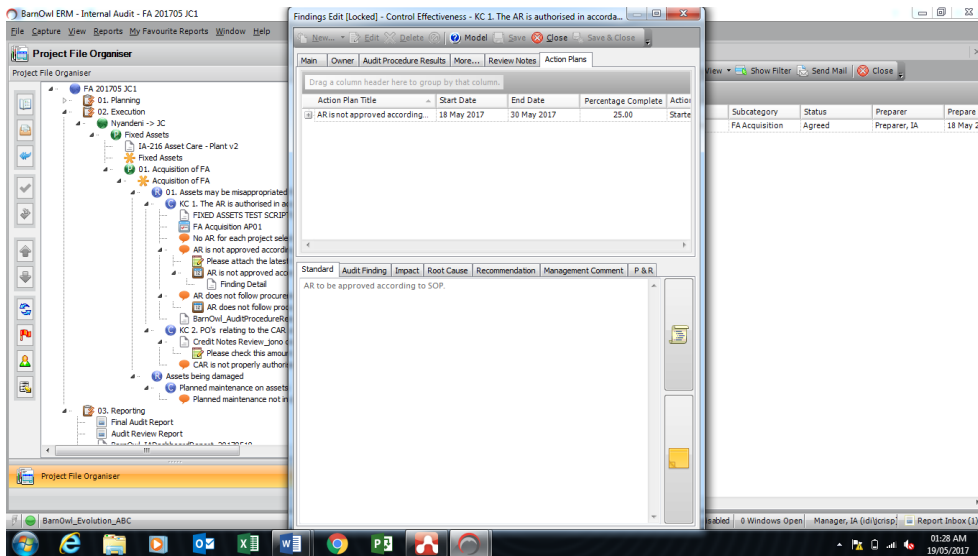


The 'management comment' tab is populated from the import:

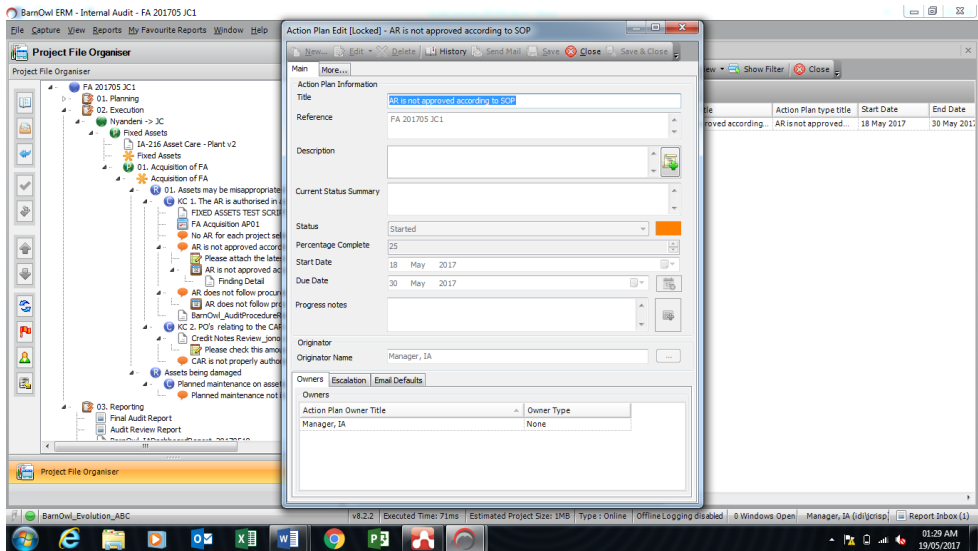


### 4.2.14 Raise Action Plans against Findings

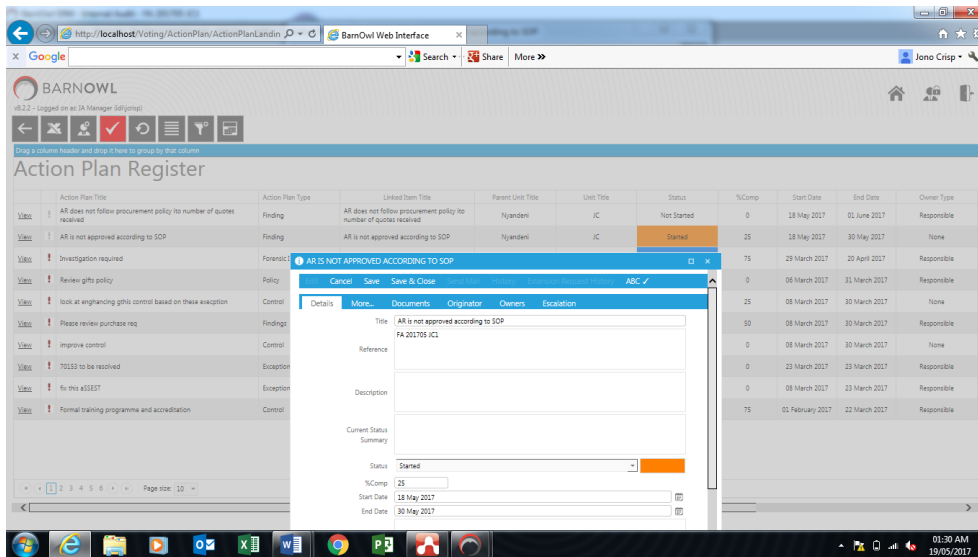
Once all management comments have been received, the findings can be discussed in more detail and agreed (or disagreed in some cases) with management in a close-out meeting between the Audit manager and the auditee. The audit manager raises a 'living' action plan with due dates and responsible owner/s (auditee) and signs off the finding. Right click in the "Action Plans" tab to raise a finding.



The action plan title defaults to the finding title and the owner defaults to the auditee (i.e. the finding owner). These can be changed as required.



The auditee (management) can view and update his / her action plans at all times via BarnOwl 'portal / intranet' and complete the progress (including attaching evidence, viewing a progress audit trail). The system also sends out automatic email notifications, reminders and escalation (if selected) to the auditee's manager if an action plan is about to become overdue. Action plan progress can be tracked at all stages driving ownership and accountability to execute on management comments.



## 5. Reporting

A key differentiator is the flexibility of BarnOwl's reporting including powerful integrated Word reports which provide draft and final audit reports to meet your exact requirements. At the end of an audit or during an audit, a final or draft audit report can be generated automatically in Word by the system at the click of a button.

BarnOwl provides standard reports as well as highly customised audit reports and dashboard reporting for EXCO and the Board of Directors. Final audit reports, audit committee reports, EXCO and Board of Director audit reports can be generated from the system (in MS Word) at the click of a button. BarnOwl provides:

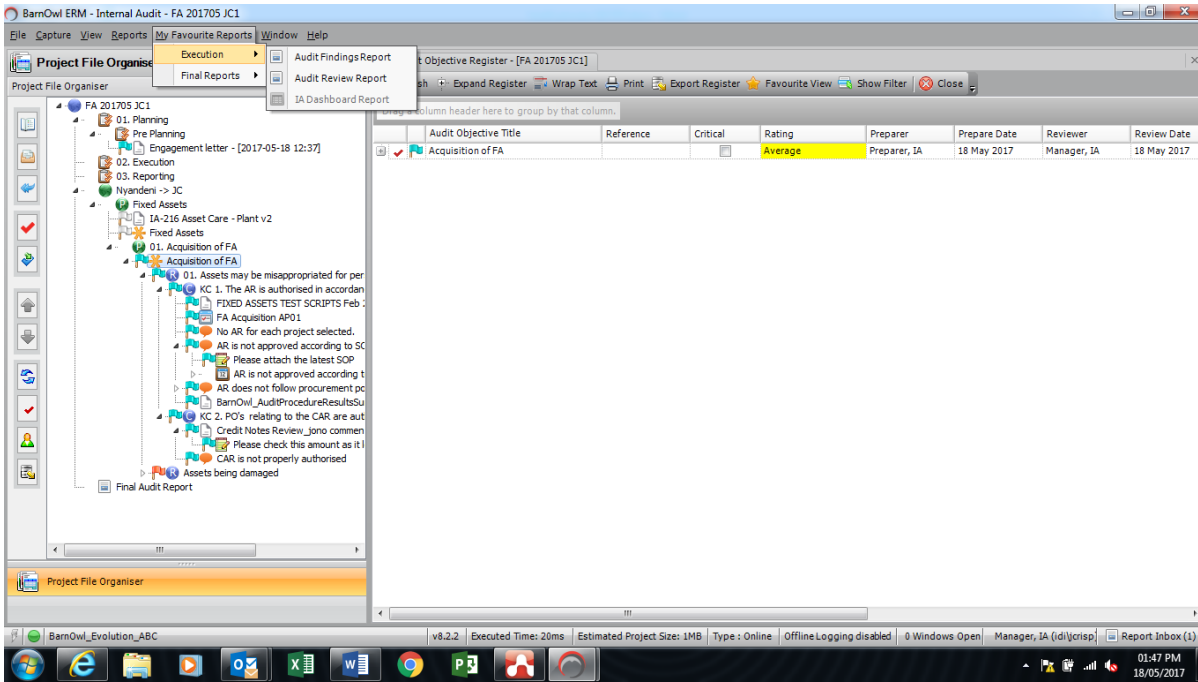
- Interactive dashboards showing aggregated audit information (findings, audit project rating, audit project status, timesheets) displayed as line charts, bar charts, pie charts, etc. with full drill down capability. Dashboard charts can be exported to Word.
- A "mail merge" Word report builder whereby database fields / snippets can be embedded in standard Word reports. This enables final audit reports and audit committee reports to be generated for the audit committee, EXCO and the Board of Directors.
- Audit activity reports showing the status and progress of audit projects, resource planning, timesheets (planned hours versus actual hours), expense tracking etc.
- Analysis of findings, root cause analysis, follow-up action plans, audit scorecards etc.
- Combined assurance reporting showing 1<sup>st</sup> line, 2<sup>nd</sup> line and 3<sup>rd</sup> line of defence ratings of risks and controls.
- A report builder wizard whereby the relevant database tables and fields can be selected and saved as a highly customised audit report / extract. The report output is into Excel.

### 5.1 Final Audit Reports (in an audit project)

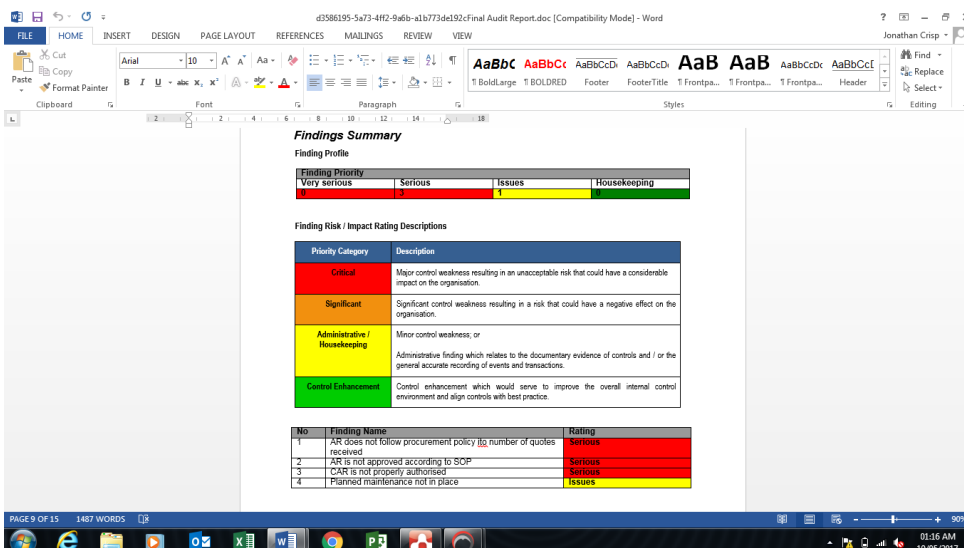
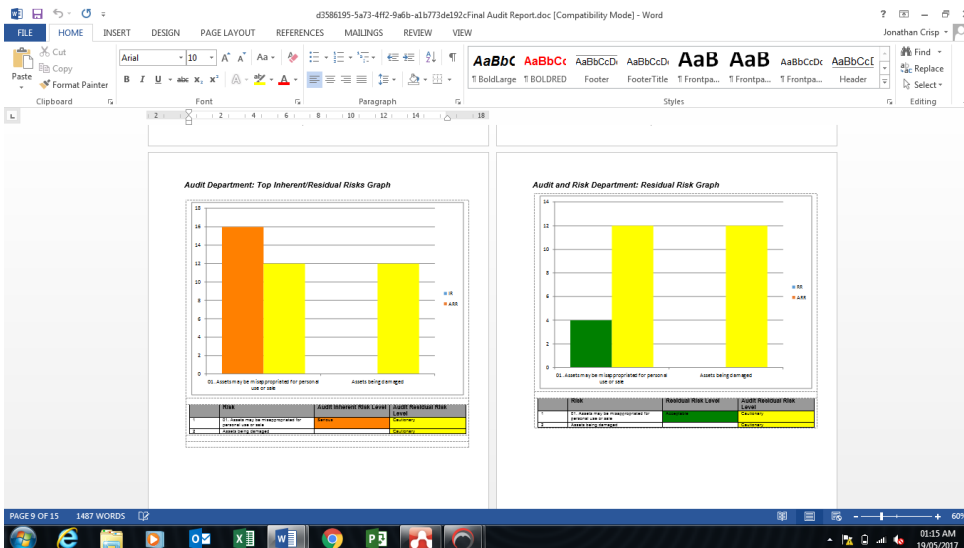
Custom Word reports can be designed in system console:

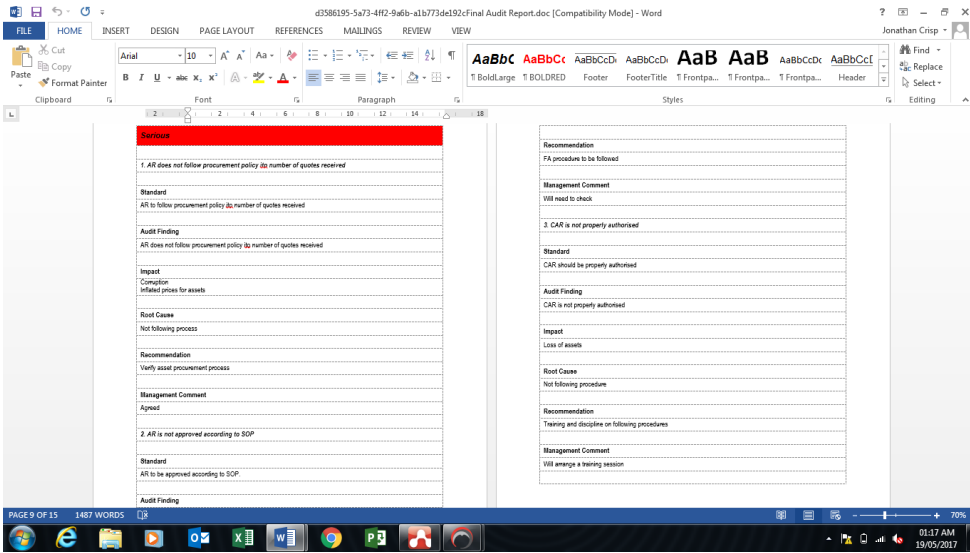
Audit Objective Title	Reference	Critical	Rating	Preparer	Prepare Date	Reviewer	Review Date
Acquisition of FA			Average	Preparer, IA	18 May 2017	Manager, IA	18 May 2017

The screenshot shows the BarnOwl ERM system console. On the left is the Project File Organizer showing a tree view of the audit project structure, including folders for Planning, Execution, Reporting, and Fixed Assets. On the right is the Audit Objective Register window, which displays a table of audit objectives. The table has columns for Audit Objective Title, Reference, Critical, Rating, Preparer, Prepare Date, Reviewer, and Review Date. A row for 'Acquisition of FA' is highlighted in yellow, with a rating of 'Average'. The system status bar at the bottom indicates 'Report Ready' and shows the time as 01:47 PM on 18/05/2017.

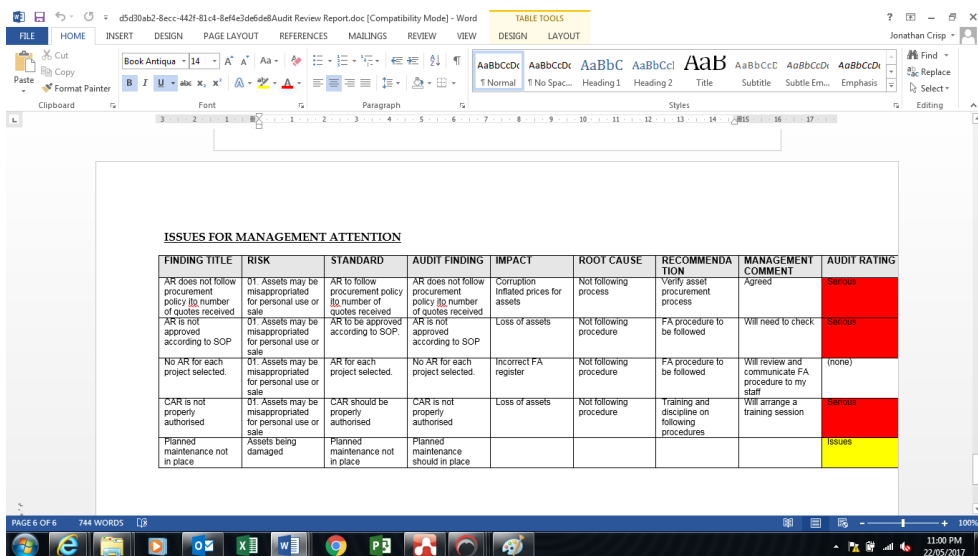
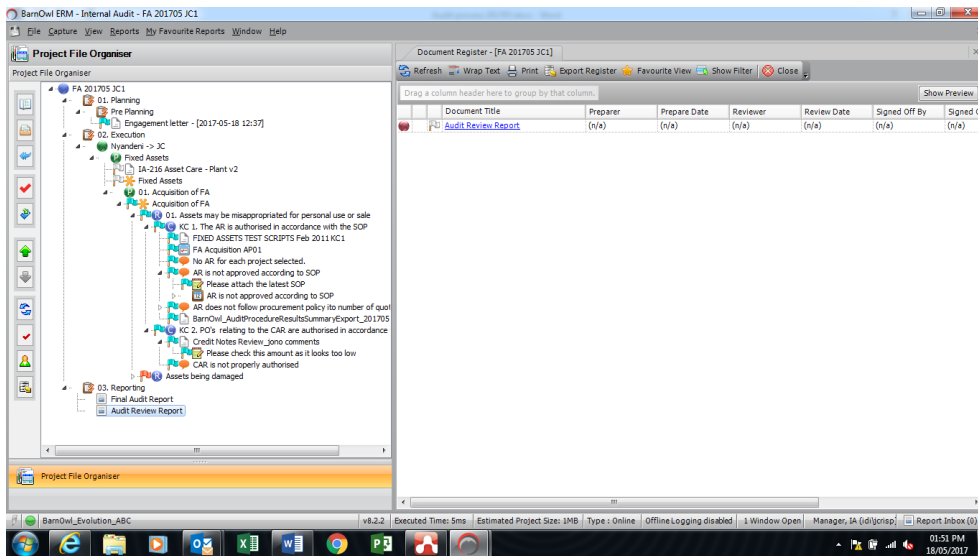


The generic final audit report shows management versus audit rating of the risks, summary of findings and ratings (priority) and the detailed findings per priority.



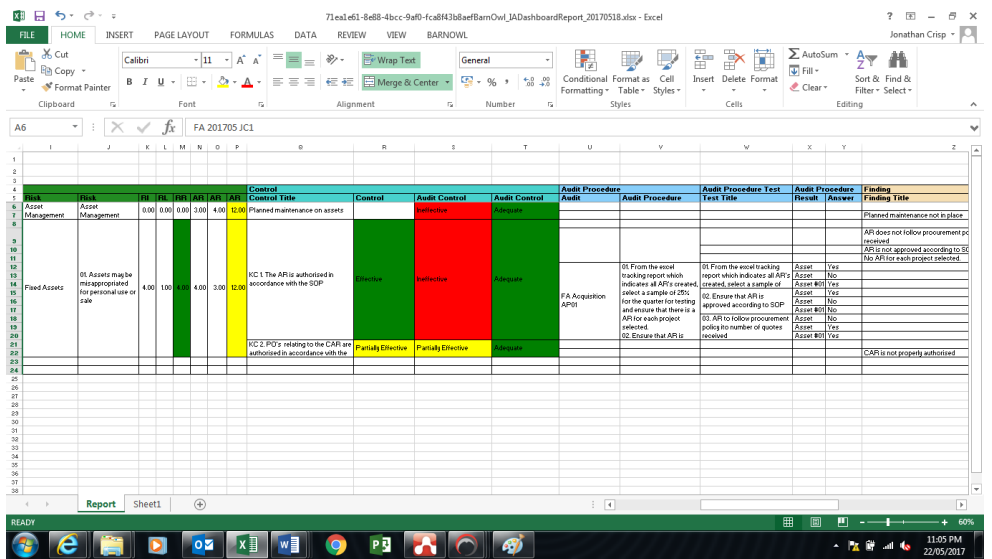
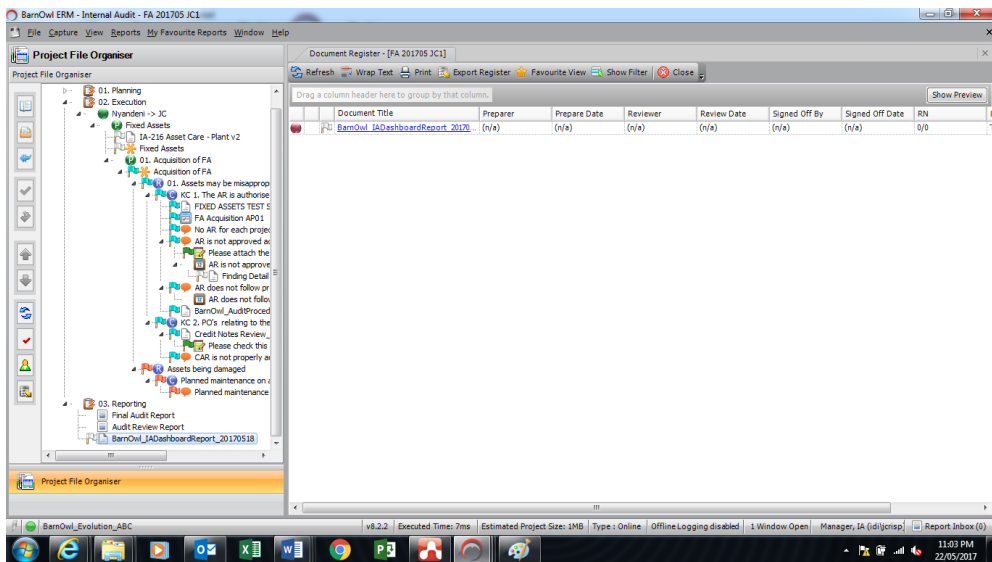
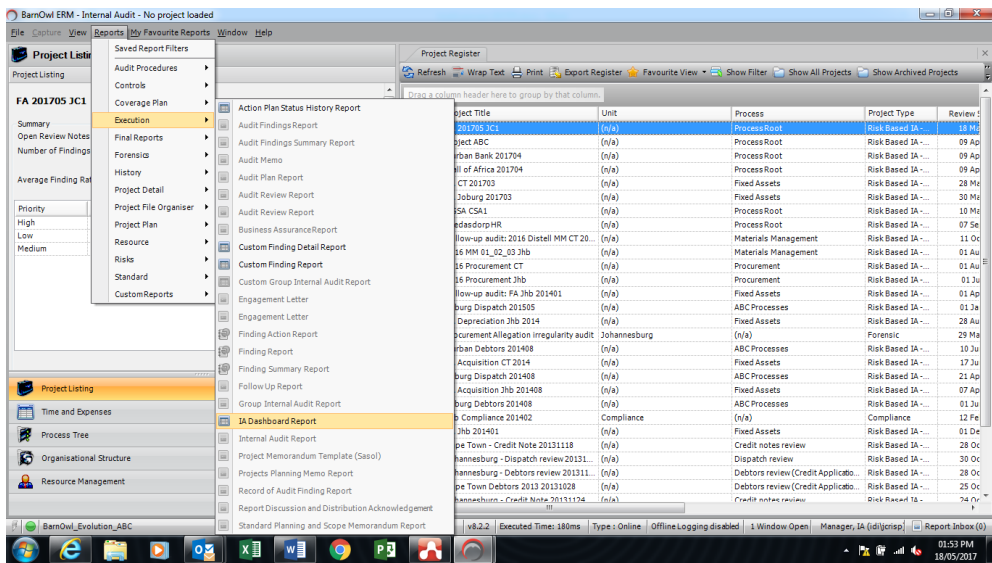


The generic 'audit review' report shows findings in tabular format:

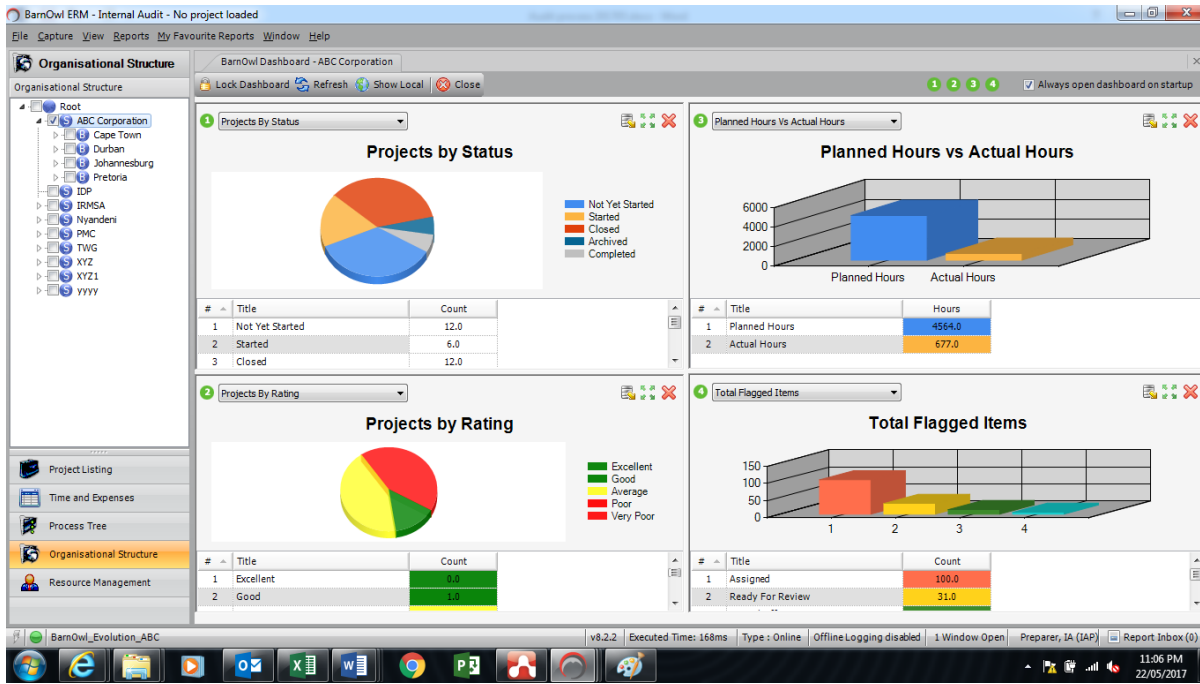




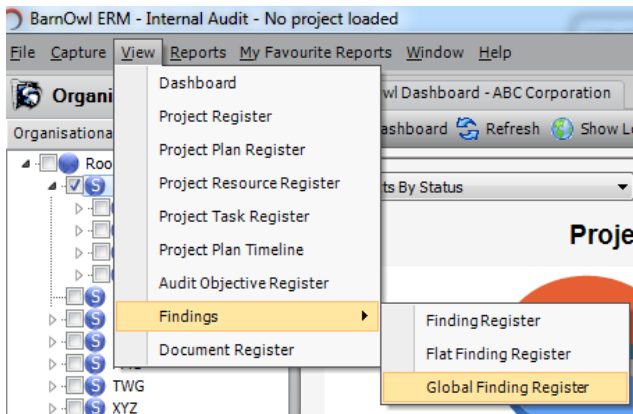
The flexible IA dashboard report needs to be run outside of a project; select the relevant project, save the Excel extract and then re-attach it in the project:



## 5.2 Audit Dashboards



## 5.3 Audit Finding Analysis (Global Finding Register across all Audit Projects)

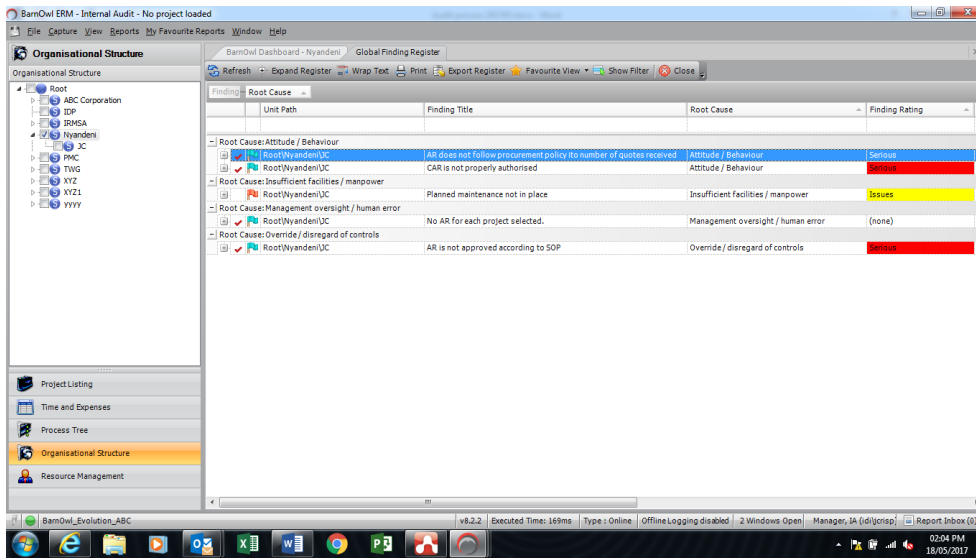


With a favourite view grouped by finding rating:

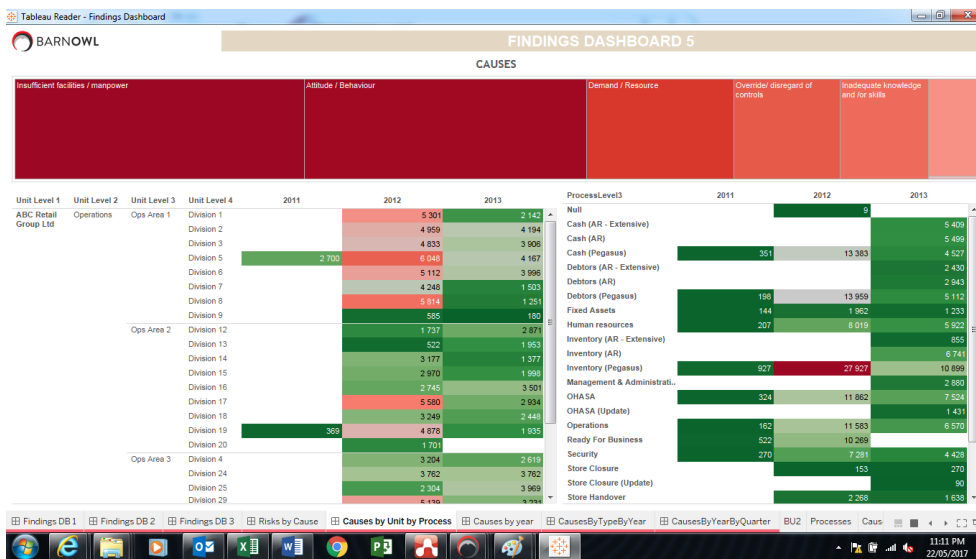
Recommendation	Recommendation Rating	Unit Path	Project Title	Recommendation Title	Category	Subcategory	Recommendat...	Status	Standard	Audit Finding	Impact
- Recommendation Rating: Serious											
Root\Wyandeni\JC	FA 201705 JC1	AR does not follow procurement policy by number of quotes received	Fixed Assets	FA Acquisition	Serious	Agreed	AR to follow procurement policy by number of quotes received	AR does not follow procurement policy by number of quotes received	Corruptio...	for assets	
Root\Wyandeni\JC	FA 201705 JC1	AR is not approved according to SOP	Fixed Assets	FA Acquisition	Serious	Agreed	AR to be approved according to SOP	AR is not approved according to SOP	Loss of as		
Root\Wyandeni\JC	FA 201705 JC1	CAR is not properly authorised	Fixed Assets	FA Acquisition	Serious	Not discussed	CAR should be properly authorised	CAR is not properly authorised	Loss of as		
- Recommendation Rating: Issues											
Root\Wyandeni\JC	FA 201705 JC1	Planned maintenance not in place	Fixed Assets	FA Acquisition	Issues	Not discussed	Planned maintenance not in place	Planned maintenance not in place	Planned maintenance should in place		
- Recommendation Rating: (none)											
Root\Wyandeni\JC	FA 201705 JC1	No AR for each project selected.	Fixed Assets	FA Acquisition	(none)	Agreed	AR for each project selected.	No AR for each project selected.	Incorrect F		

Double click on a finding to view the detail.

Findings grouped by root cause:



## 5.4 BarnOwl Business Intelligence Module (optional)



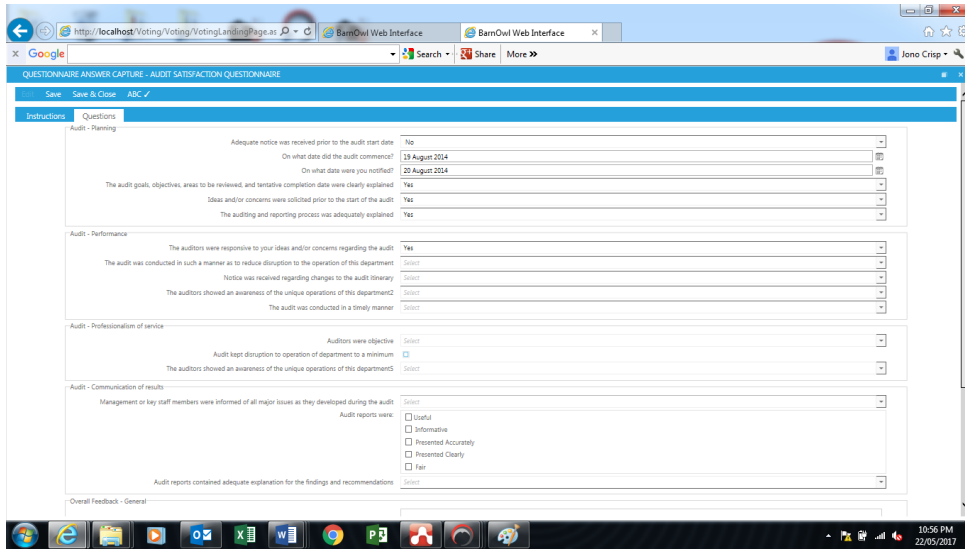
<http://www.barnowl.co.za/solutions/business-intelligence/>

<https://public.tableau.com/profile/madeleine.black/#!/vizhome/FindingsDashboard/Dashboard1>

## 6. Audit Finalisation

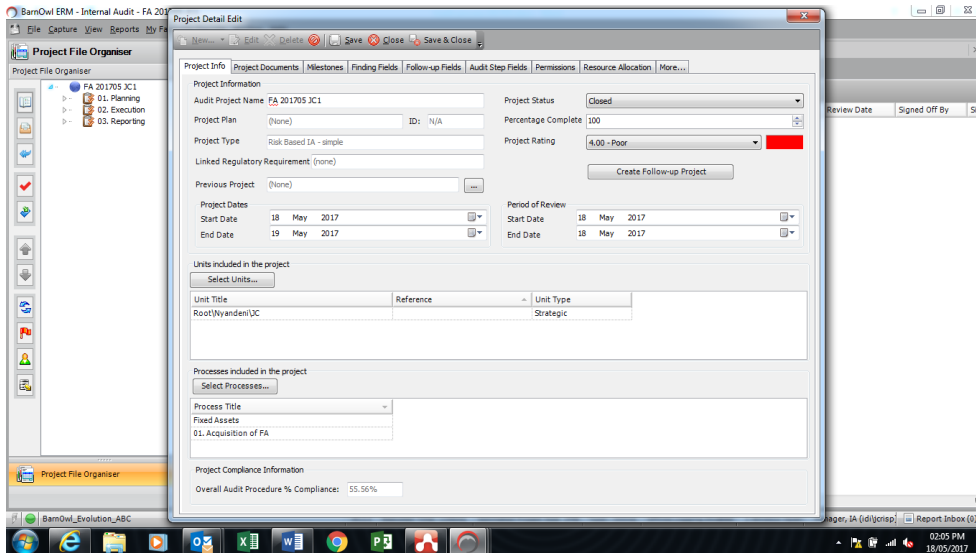
### 6.1 Audit Satisfaction Questionnaires

Audit satisfaction questionnaire can be setup in BarnOwl and send out automatically to the auditees



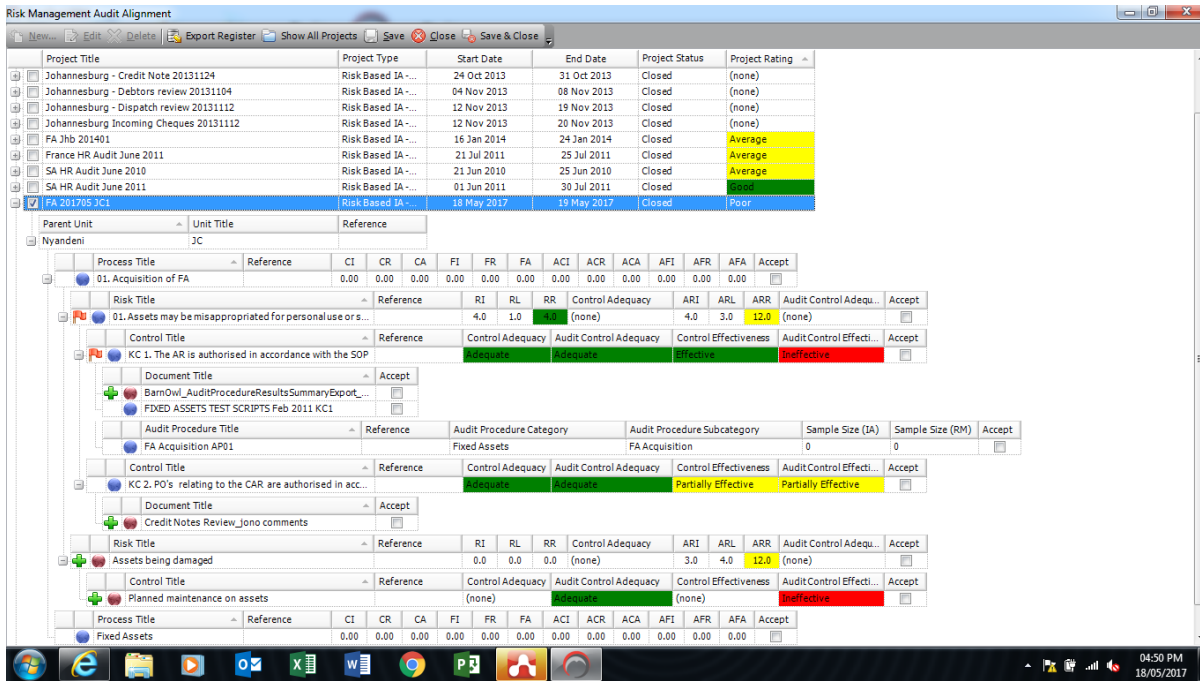
### 6.2 Closing an Audit Project

Set the project to complete and / or closed. Once closed, a project is locked and can be aligned back to risk management.

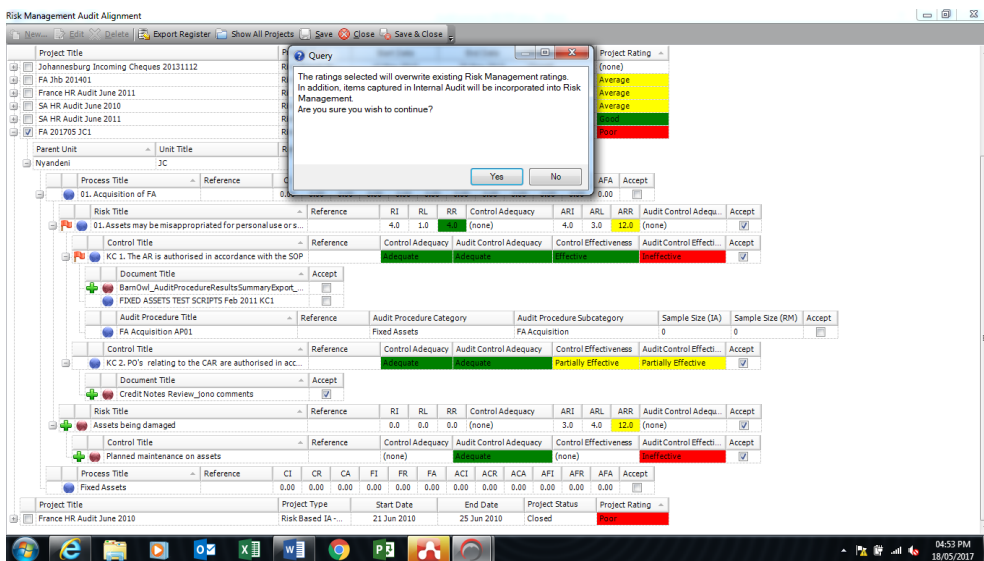


### 6.3 Audit Alignment

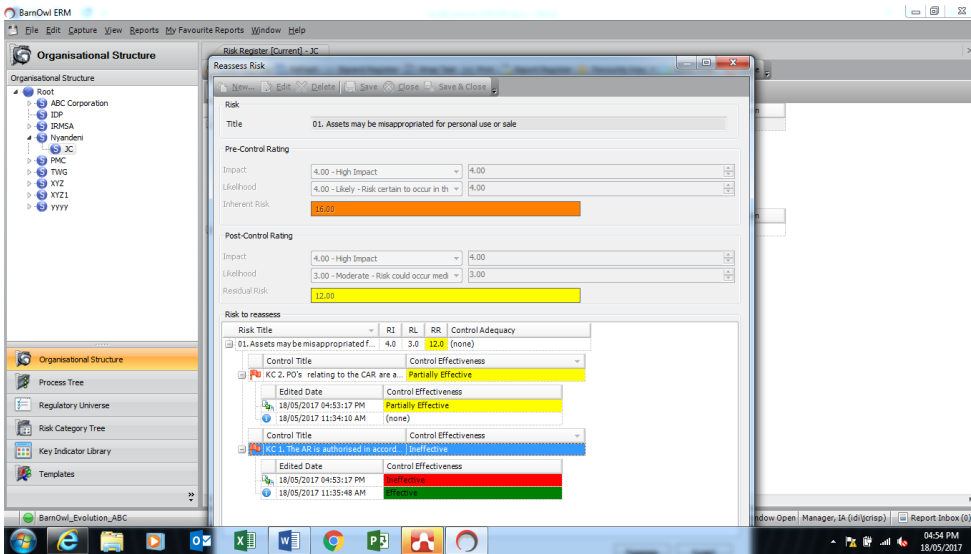
This action is normally performed by management (auditee) together with audit. Perform audit alignment for 'closed' audit projects from Process tree > Capture > Audit Alignment. Ensure that you are on the process root:



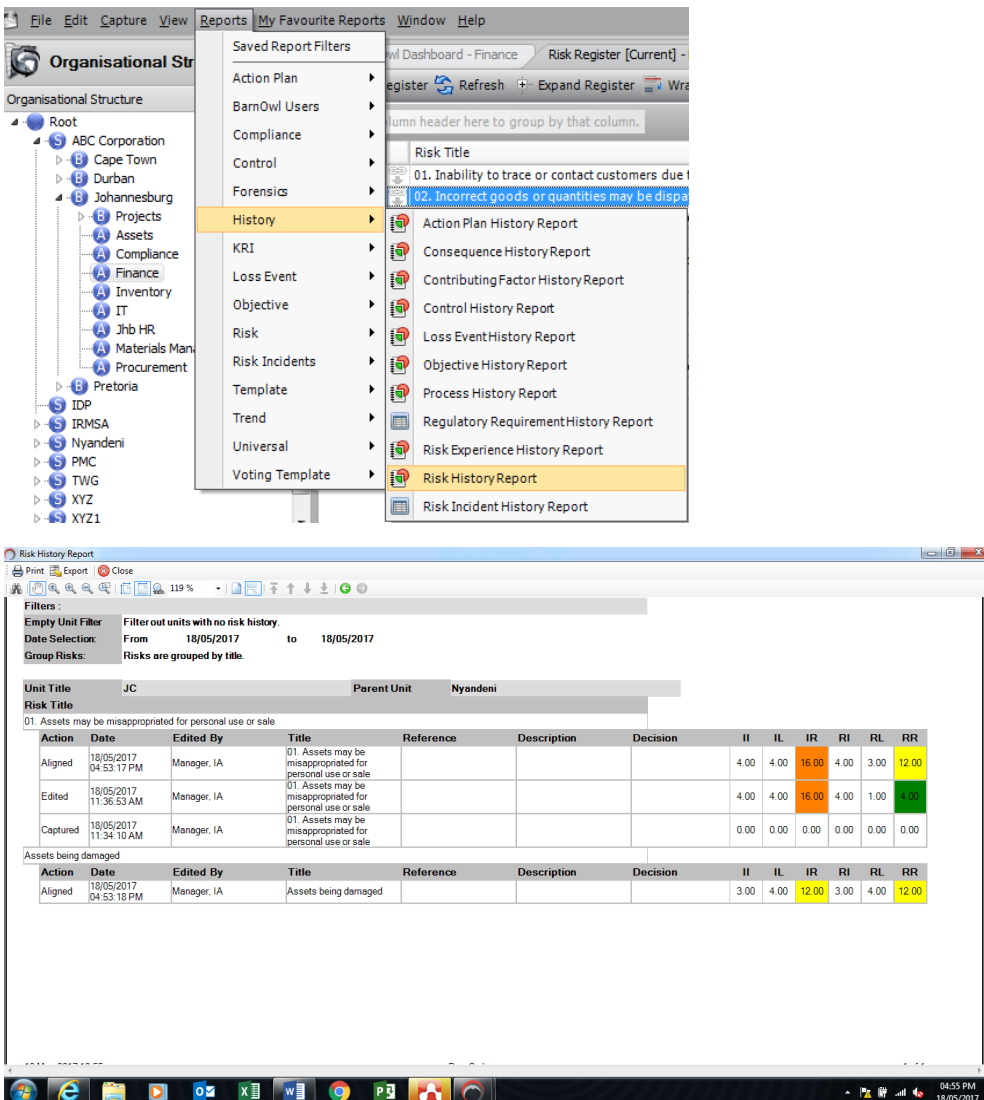
The risk and control registers (in risk management) are updated with audit's ratings if management click to 'accept' audit's ratings. An audit trail of rating changes are maintained at all times.



You will notice below that a risk reassessment is triggered based on audit's control ratings. Double click on the to view the audit trail of rating changes:



Alternatively you can see all audit trails in risk management:



And the Controls audit trail:

**Control History Report**

Unit Title: JC Parent Unit: Nyandeni

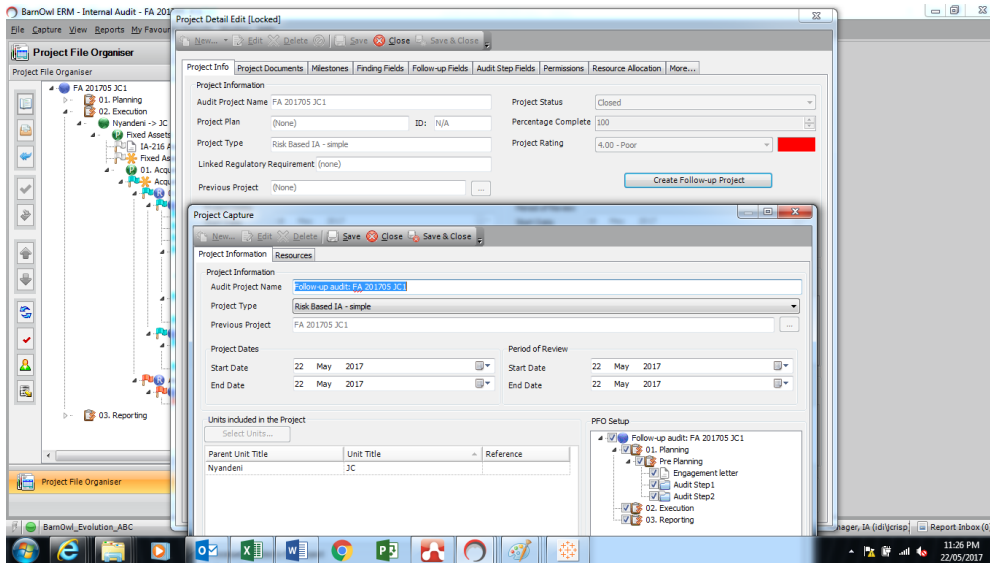
Control Title: KC 1. The AR is authorised in accordance with the SOP

Action	Date	Edited By	Title	Reference	Nature of Control	Control Timing	IT Control	Compliance Control
Aligned	18/05/2017 04:53:17 PM	Manager, IA	KC 1. The AR is authorised in accordance with the SOP		Operational	Detective	No	No
<b>Control Effectiveness</b>			<b>Ineffective</b>					
<b>Control Procedure</b>	01. From the excel tracking report which indicates all AR's created, select a sample of 25% for the quarter for testing and ensure that there is a AR for each project selected.							
<b>Effectiveness Procedure</b>	02. Ensure that AR is approved according to SOP 03. Each AR follows procurement policy, its number of quotes received per asset.							
<b>Owners</b>								
Action	Date	Edited By	Title	Reference	Nature of Control	Control Timing	IT Control	Compliance Control
Edited	18/05/2017 11:35:48 AM	Manager, IA	KC 1. The AR is authorised in accordance with the SOP		Operational	Detective	No	No
<b>Control Effectiveness</b>			<b>Effective</b>					
<b>Control Procedure</b>	01. From the excel tracking report which indicates all AR's created, select a sample of 25% for the quarter for testing and ensure that there is a AR for each project selected.							
<b>Effectiveness Procedure</b>	02. Ensure that AR is approved according to SOP 03. Each AR follows procurement policy, its number of quotes received per asset.							
<b>Owners</b>								
Action	Date	Edited By	Title	Reference	Nature of Control	Control Timing	IT Control	Compliance Control
Captured	18/05/2017 11:34:10 AM	Manager, IA	KC 1. The AR is authorised in accordance with the SOP		Operational	Detective	No	No

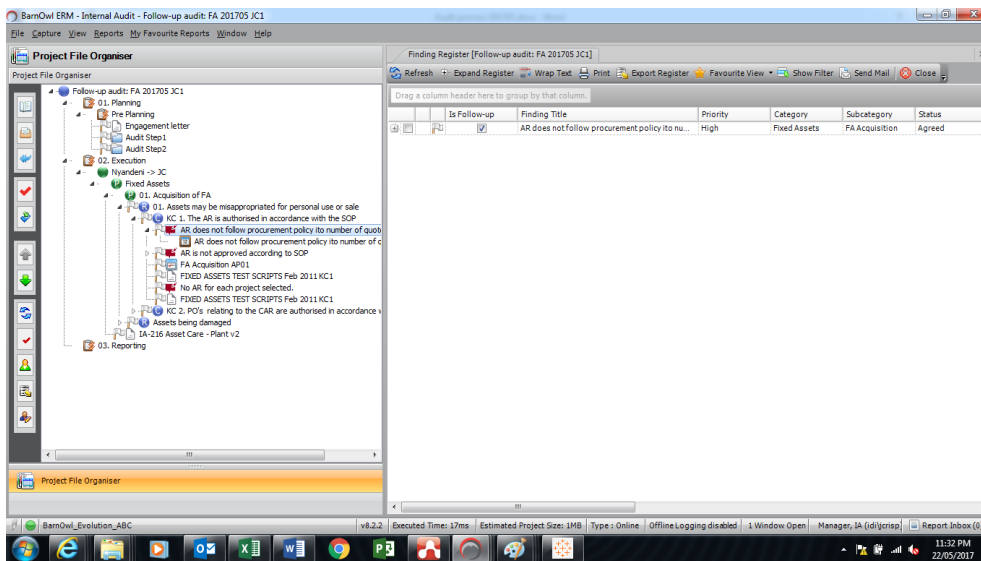
18 May 2017 16:56 BarnOwl 1 of 3

## 7. Follow-up Audits

Follow-up audits are generally performed months later to check on the progress / resolution of the original findings that were raised. Click on the 'Create Follow-up Audit' button which is active only on 'Completed' or 'Closed' audit projects:



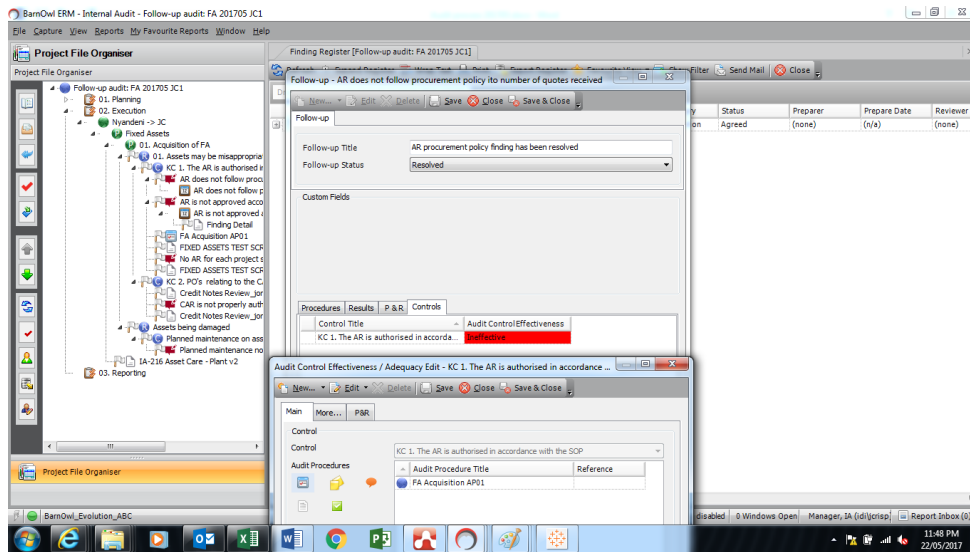
You will notice in the PFO below that the l.h.s. bar is dark grey indicating that you are in a follow-up audit. By clicking on the icon at the bottom l.h.s. you can toggle between the original audit project and the follow-up audit project:



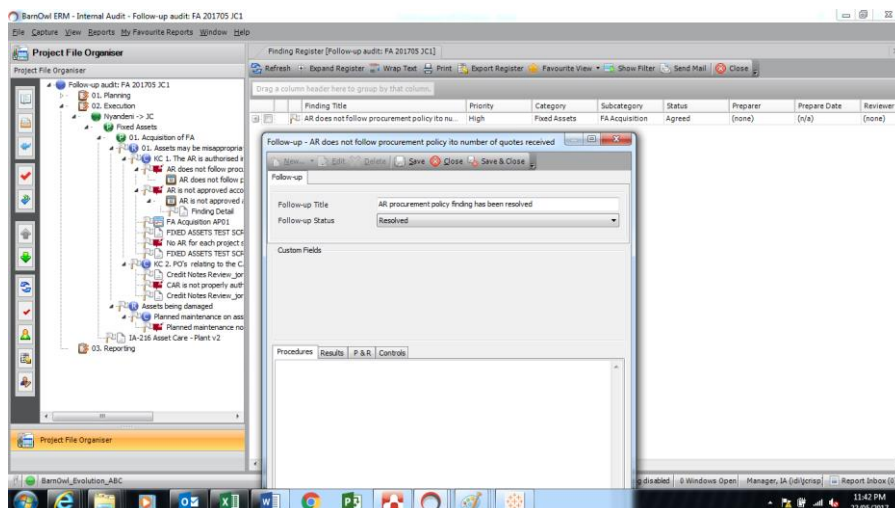
You will also notice that the system brings through a copy of all risks, controls, audit procedures, test samples etc. from the original audit project and creates a new follow-up finding (red icon and 'Is Follow-up' indicator) for you to retest. The original action plan is also attached for you to review progress of what the auditee (management) has done to resolve the original finding.



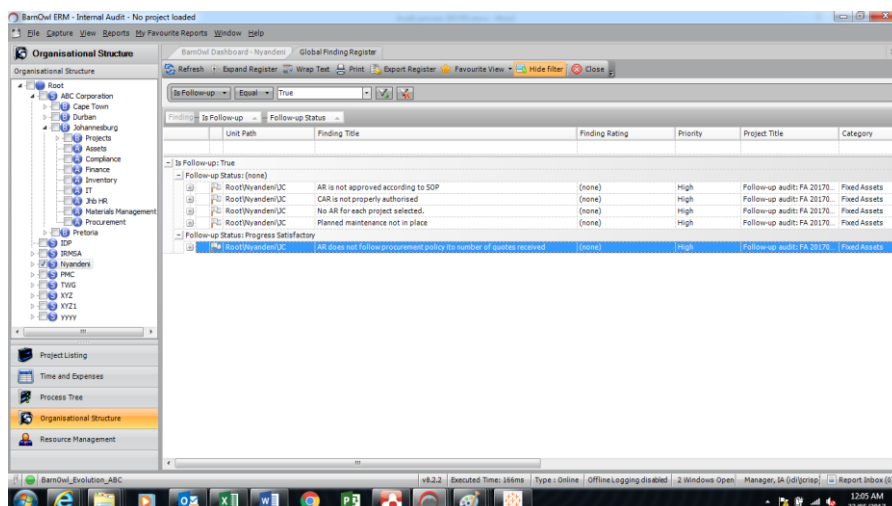
You can retest the controls, audit procedures (with the same tests and samples or additional samples), prepare and review as per the normal audit process.



You can re-rate the follow-up finding (housekeeping, serious etc.) as well as create a follow-up record against the follow-up finding to indicate whether the finding was resolved, unresolved, progress is satisfactory, unsatisfactory etc. Additional findings and / or new action plans can also be raised if required. A follow-up project can be 'closed' and re-aligned once signed off.



You can view your follow-up findings and their resolution status:



## 8. System Settings

The Internal Audit application parameters and settings can be configured in the BarnOwl Server Management Console, by selecting the Internal Audit menu option.

