

Internal Auditor Techniques

Data Gathering

There are six basic methods of gathering information during an audit. Depending on the type of information that needs to be obtained, the Internal Auditor will need to determine which method, or combination of methods, should be used.

Interviews

Interviewing is a powerful data collection technique, which works well on its own and is often used to support other techniques, such as observation. The interviewee's insights can guide the Internal Auditor's decisions about what to observe.

The most important thing to remember when interviewing is to always talk to the right person. It

sounds obvious but talking to the person who has the information you need can save a lot of time and confusion.

In addition, as an Internal Auditor, being prepared for interviews is vital. Having a list of questions ready in advance and using them to guide the interviewee through the discussion in a neutral way will result in an informative, constructive and positive discourse.

Communication is a key element to the success of any audit. The more effectively the Internal Auditor interviews personnel, the more useful information will be gathered.

The objective of an interview is to get the person to talk. Open-ended questions will allow the interviewee to demonstrate his or her understanding of the requirements, procedures and show evidence of compliance.

Questions may be asked several times in different ways or to different people depending on their level of responsibility (Operator, Supervisor, etc.) in order to get a complete answer.



Inspections

When inspecting something, it is good practice to start with general observations and proceed to more specific elements. First, the Internal Auditor will have a good overall look around the facility and then examine specific items more closely, noting anything that does not seem quite right.

It is important to ask questions throughout the inspection. The big picture must make sense and any detail that doesn't fall into place needs to be scrutinized.

If a problem is found, the Internal Auditor must investigate (dig deeper) to explore the extent of the finding. This can involve looking at similar processes in other areas, talking to more people and checking more examples. The aim is to determine if this is an isolated case or a systemic problem, and if possible, the extent of the issue and any impact or potential impact on product.

Reviewing Documents

When reviewing company records, the Internal Auditor can use a number of techniques. Random sampling is one of them. It gives a general idea of the quality of record keeping and exposes the potential problem areas. However, one sample taken in one given period of time is usually not enough to form accurate conclusions. It may be more effective to check records based on a common characteristic that seems to be problematic and systemic.

When reviewing documents, the Internal Auditor should check them for currency and validity. Another important aspect of record keeping is clarity. Documents should be clear regardless of who reads them. Details vary but, in general, every document should carry a title, an owner and a revision status. If any of this information is missing, the Internal Auditor should ask why. The revisions noted should be checked against the master record. Changes must be authorized, signed and dated by an authorized person.



Observations

The simplest way to check how a process works is to observe it in action. Observing a routine activity for a couple of hours can give the Internal Auditor the opportunity to see how something is done under normal circumstances. He or she should ask questions about what they see, making sure at all times not to interfere with the processes they are observing, as that may cause the personnel not to carry out their tasks as they usually do.

Vertical Tracking

This method, which is also referred to as “vertical auditing”, consists of following a specific development from the beginning until the end, simultaneously checking all the records that are produced in the process. Applying the vertical tracking technique can lead the Internal Auditor to areas that were not initially part of the scope, but it does facilitate a bigger picture view, as this allows the Internal Auditor to see how the various parts of a given program work together.

Exercises

The aim of an exercise is to test something that is usually done at the facility as part of the routine. However, the Internal Auditor gets to pick the time and the circumstances for the test. The subject of testing can be the personnel, the program, or the equipment.

An Internal Auditor should not run an exercise without the knowledge and cooperation of the auditee. Doing so is likely to have

negative consequences as unannounced actions may breach certain facility-specific rules or regulations which the Internal Auditor is unaware of.



Taking Notes

A good Internal Auditor must have his or her own efficient way of taking notes.

This is an extremely important part of the job that cannot be neglected. Notes must get reviewed and refined along the way. In situations where taking notes is inconvenient, a mental note-taking technique should be used. Notes are used to organize thoughts and observations which will in turn help the Internal Auditor reach accurate conclusions throughout the audit. Notes need to be reviewed and completed at the end of each audit day.

Conclusion

Knowing how to look, where to look, and what to look for is the key to meeting the audit objectives. Therefore, data gathering is a big and highly important part of any internal audit. It is up to the Internal Auditor to decide which method or methods of collecting information to use for the audit and how to coordinate his or her actions with the auditee.

An Internal Auditor should always support his or her conclusions about an audit with information gathered by as many different methods as possible. Restricting oneself to only one viewpoint is unlikely to produce an accurate result. When a problem is found, it is important to dig deeper and identify the extent and the root cause of the problem.

Carrying out all the chosen data gathering tasks diligently will help the Internal Auditor conduct a successful audit.

PRI offers professional development opportunities online, at convenient regional locations or at your facility. *Internal Auditing & Internal Auditing Systems* are just two of the courses on offer. For additional information and complete schedules, [contact us](#).

