*[The format of this worksheet is optional. It is provided to guide a team on the key elements to include in documenting their work. As needed create one worksheet for each control evaluated. Refer to OAG Audit 4025 Internal controls.]*

**Purpose:** To evaluate the suitability of the design and implementation of a key control in the planning phase of an audit. The conclusions are carried forward into the *Risk and Control Assessment* template (RCAT).

|  |  |
| --- | --- |
| **Control (system and practice)** | **Associated risk(s)** |
| [The control(s) (or system and practice) evaluated on this worksheet – i.e. Control 1; Control 2; etc. from the RCAT] | [The risk(s) that this control is expected to mitigate] |
| **Summary of work done** | **Link to work done** |
| Interviews with appropriate entity officials | [Reference (or hyperlink) to the evidence work done to support the evaluation and conclusion. If needed add a brief description.] |
| Review of the relevant documentation |  |
| Walkthrough(s) |  |

|  |
| --- |
| **A—Evaluation of the suitability of the design of the control**The audit team considers many factors when evaluating the suitability of design of a control. Several factors for consideration are listed below. These factors are considered together and are often inter-related. No element is necessarily more important than another; however, sometimes one fatal flaw can render a control unsuitable. For more information, refer to section OAG Audit 4025 Internal controls.* **Existence**. A key control that is missing or non-existent has by definition an unsuitable design
* **Purpose and relevance**. Is the control aligned with the risks? Will it do what it is intended to do?
* **Completeness and/or coverage.** Is it being applied to all required elements? Are all relevant factors or elements considered? In cases where a control is applied against a sample of transactions instead of against the entire population, does the entity have an adequate risk-based approach?
* **Timeliness**. Is the control applied in a timely manner to respond to related events?
* **Frequency.** Is the control performed at the right frequency (daily, monthly, annually)?
* **Clarity.** Is the control well documented and communicated to those responsible?
* **Degree of consistency, discretion, and/or subjectivity**. Is its application pre-defined or subject to interpretation and judgment? Is it clear what is and what is not a deviation and what the required actions are in response?
* **Level of segregation.**  Is the control’s operation segregated from the process being controlled? Are the various activities involved in the control itself separated?
* **Reliability of the information used by the control.** Is the information used to perform the control reliable?
* **Competence of people involved.** Do the people involved have appropriate knowledge and experience?
* **Follow-up actions taken to respond.** Are identified issues or anomalies acted upon appropriately and in a timely fashion? Is it enforceable?
 |
| [Evaluate whether the design of the control(s) is suitable in mitigating the risk(s) under consideration. Explain the rational.] |
| **OVERALL CONCLUSION ON THE SUITABILITY OF DESIGN**Based on work performed, conclude on the suitability of the **design** of the control(s) or controls in mitigating the risk(s) under consideration |
| [ ]  | Control design is suitable |
| [ ]  | Control design is NOT suitable. [If the team has concluded that the design of the control is not suitable, there may be no need to consider implementation.] |
| **Rationale**  | [Briefly add any additional rationale required to support the overall conclusion on design suitability. If the overall sense is that the above assessments are clear, it may not be necessary to add additional text here. However, if some assessments above suggest the control is suitably designed and others suggest it is not, consider adding text here to describe how the team assessed this inconsistent information to form its conclusion.]  |

|  |
| --- |
| **B—Evaluation of the implementation of the control**Arrange a minimum of one walkthrough to allow the team to evaluate the implementation of the control under consideration |
| [Based on walkthrough(s), has the control(s) been implemented as documented in the “Design” work?If not, do the differences adversely affect the ability of the control(s) to mitigate the risk(s) under consideration? Describe and provide an explanation, including any other considerations.] |
| **OVERALL CONCLUSION ON THE IMPLEMENTATION**Based on work performed, conclude whether the control was **implemented** in a way that mitigates the risks under consideration: |
| [ ]  | Control has been implemented properly |
| [ ]  | Control has NOT been implemented properly |
| **Rationale** | [Briefly add any additional rationale if required in support of the overall conclusion on implementation.] |