Quality **Procedure**

Reviewed by:

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Approved by:

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Purpose

This procedure is established and maintained to ensure that internal audit is implemented effectively as well as meeting the stated quality objectives.

Scope

The scope of internal auditing encompasses the examination and evaluation of the adequacy and effectiveness of the Pustaka's system of internal control.

Process

1.0 Preparation of the Audit Plan

1.1 Internal Auditor (IA) is responsible to prepare the Annual Audit plan annually to be presented in the last quarter Audit Committee (AC) meeting of the year. The annual audit plan is subjected to be reviewed and endorsed by the AC.

2.0 Preparation of Audit Planning Memorandum and Audit Program

2.1 The preparation of an Audit Planning Memorandum (APM) which outlines important details regarding the auditing strategy. After the APM is approved, an Audit Program is prepared to show each step that needs to be taken and provide an estimated time for each step.

2.2 Both Audit Planning Memorandum (APM) and Audit Program will be prepared by Internal Assistant Internal Auditor (AIA) and approved by IA 1 week prior to the audit exercise.

2.3 Auditing will be carried out based on the Audit Program that has been prepared.

3.0 Notification of Audit

3.1 Before the audit is conducted, an entrance conference meeting will be held with the auditee to explain the objectives, scope, and methodology of the audit to be conducted.

3.2 The notification to the auditee should be issued as soon as possible before the date of the entrance meeting. IA will send audit notification to the auditee via email 1 week prior to the date of entrance meeting.

4.0 Performing the Audit

4.1 I A/AIA will identify, analyze, evaluate, and record sufficient information to achieve the audit objective. It is a very important process to obtain audit evidence.

4.2 Based on the audit program, the IA/AIA shall conduct the audit with the following methodologies but not limited to:

a) Review relevant procedures and supporting documents.
b) Interview the auditee on the practices against documented procedures and supporting documents.
c) Observe the relevant practice/processes.
d) Check the relevant retained documented information as evidence of implementation.

5.0 Preparation and Issuance of Audit Report

5.1 The Head of Internal Audit is responsible for the Internal Audit Report. The AIA is responsible for preparing the draft audit report, format, presentation, revision, and production of the report. The IA will review the draft audit report before distributing to the auditee via e-mail.

5.2 The IA will send out notice for exit conference meeting to the auditee via email.

5.3 The IA shall brief the findings to the auditee and seek their agreement (if possible) on their acceptance of the findings during the exit conference meeting.

5.4 The auditee is required to prepare a response to the audit findings and inform the Internal Auditor of the actions and corrective measures they are implementing either during the meeting or a week prior to the meeting. These responses will be included in the final audit report.

6.0 Control of Documented Information

6.1 After preparing the Audit Program, the IA shall immediately place it in the Internal Audit file and keep the file at the Central Registry room.

6.2 The Audit Program is categorised as "Open" and can be accessed by every staff.

6.3 The Audit Program shall be retained for a minimum of 7 years from the date of its creation.

6.4 After Audit Report was issued, the IA shall immediately place it in the Internal Audit file and keep the file at the Central Registry room.

6.5 The Audit Report is categorised as "Confidential" and can only be accessed with permission from the CEO and Authorised Officer.

6.6 The Internal Audit Report shall be retained for a minimum of 7 years from the date of its creation.

6.7 When the Audit Program and the Audit Report have passed their retention periods, the QMR shall within 30 days and through e-mail seek the permission of the CEO to dispose them in accordance with Pustaka Negeri Sarawak records management guidelines and practices based on Sarawak State Library Ordinance 1999.