

# **(Our Approach in Conducting Performance Audit & Environmental Audit)**

## **JORDAN**

**\* Prepare strategic plan:** list of audits proposed for the next two or three years in potential areas for performance audit.

**\* Determine the Audit Topics:** look annex 1.

**\* Carrying out the Preliminary survey:** Conduct this survey in order to understand the goals and tasks of the auditee... Includes reviewing laws, legislation and regulations. Analyze the financial figures.

**\* Prepare the audit proposal:** consist of the following:

- The scope of the audit.
- Introduction about the Auditee.
- Take account of previous audits and evaluations.
- Audit questions (Main and sub-question).
- Description of the Audit methodology.
- Determine the resource requirements of the Audit.
- Prepare Issue Analysis.

**\* Methodology (Take action):**

### **Phase 1:**

1. Senior management approval to audit
2. Prepare the necessary correspondence.
3. Meet with officials in the Auditee and introduce them with the task of auditing intended.

### **Phase 2:**

1. Study the legislation and regulations and the relevant conventions.
2. Review the strategic and annual plan of Auditee and its Executive Plan.

3. Study of previous reports (whether by the Directorate of Internal Control or by other units)
4. Examine the systems of internal control.
5. See the progress of the operational programs of the projects.
6. Conduct of field visits to some areas of projects.
7. Prepare and use of questionnaires and checklists for data collection and analysis.
8. Follow the work procedures by drawing operations using the Visio system, to identify imbalances, distortions, defects or other deviations and duplication of work

**Phase 3:**

1. Study the financial records, files and contracts related to projects.
2. Make sudden field examinations.
3. Examine indicators of project performance.
4. Using the standards set cited or benchmark if not available.

**Phase 4:**

1. Writing the initial report.
2. Discuss the report with officials in the Auditee.
3. Include the Auditee notes in the report.
4. Prepare the report in final form (including the findings and recommendations).

## **Annex 1 (Selection Individual Audit Topics)**

(**Note:** we still have a **gap** in a selection of topics for audit, where we need scientific and practical criteria, and also we need tools to analyze the materiality and the risks to get the accurate standard to select.)

Topics are selected according to the following:

**A. Importance (Materiality):** Activities of interest that have a large budget, have the greatest impact in the field of auditing or (topics that have a huge impact on the economy, citizens and public money).

**B. Ability to audit:** Select the scope to audit, to be included in the audit plan in terms of availability requirements and methodologies, information and evidence documented.

**C. Experience of Audit:** Resulting from a previous practice of control processes, and previous reports.

**D. Performance risk:** some of the following aspects:

- A significant change in the movement of staff.
- Do not specify the objectives.
- Reduction or a significant increase in spending.
- The activity that is complex or where the environment is more vulnerable to problems.
- Legal and regulatory constraints.
- Lack of clarity of responsibility of each employee .

**E. Media attention:** The hot issues of focus for the media and the press.

**F. Orientations of Parliament:** Audit Topics requested by the Parliament.

**G. Possibility of change:** Take into account the choice of programs that have the ability to change when you discover problems with them (flexibility).