

Compliance Audit Program Segmentation

Sectional Format

Section 1: Introduction

Provide background information about the audit, including its scope, objectives, and the regulatory or policy requirements being assessed. State the purpose and significance of program segmentation in the compliance audit.

Section 2: Segmentation Criteria

List and explain criteria used for segmenting the audit program. Common criteria may include:

- Business unit or department
- Geographical location
- Process or activity type
- Regulatory requirement or compliance area

Section 3: Segment Profiles

Define each identified segment and its characteristics. Include:

1. **Segment Name/ID:** e.g. Finance Department
2. **Description:** Overview of responsibilities and key compliance areas.
3. **Associated Risks:** Summary of inherent and residual risks.
4. **Key Controls:** Main controls in place to ensure compliance.

Repeat format for each program segment.

Section 4: Audit Program for Each Segment

Sample Table Format

Segment	Audit Objectives	Control Activities	Test Procedures
Finance Department	Ensure compliance with financial reporting standards	Review of reconciliation process	Inspect sample reconciliations & supporting documentation
Operations	Verify adherence to operational policies	Monitoring of process logs	Examine random process logs for completeness

Section 5: Reporting and Follow-Up

Summarize the reporting process for segmentation results, identified issues, and recommended corrective actions. Outline mechanisms for tracking follow-up and resolution for each segment.

Important Notes

- Sectional format promotes clarity and organization in compliance audits.

- Segmentation allows effective risk assessment and targeted testing.
- Regular updates to segmentation are vital as business structures and compliance requirements evolve.
- Document should be tailored to the organization's specific regulatory and operational context.