

# Exposure Draft

## Standard on Internal Audit (SIA) 250

### Internal Audit Documentation

The Internal Audit Standards Board of The Institute of Chartered Accountants of India (ICAI) invites comments on the draft Standard on Internal Audit (SIA) 250, Internal Audit Documentation.

Comments are most helpful if they indicate relevant paragraph number, a clear rationale and, where applicable, provide a suggestion for alternative wording.

Comments can be submitted at link:

<https://forms.gle/uMMuG9aBu2dN1vsd8>

Last date for sending comments is October 23, 2025.

# Standard on Internal Audit (SIA) 250

## Internal Audit Documentation\*\*

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**This Standard on Internal Audit (SIA) 250, “Internal Audit Documentation,” issued by the Council of the Institute of Chartered Accountants of India should be read in conjunction with the “Preface to the Standards on Internal Audit” issued by the Institute.**

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**\*\* Note:** This Standard on Internal Audit (SIA) supersedes Standard on Internal Audit (SIA) 330, Documentation, issued in November 2018.

## **1. Introduction**

- 1.1 “Internal Audit Documentation” refers to the written record (electronic or otherwise) of the internal audit procedures performed, the relevant audit evidence obtained, and conclusions reached by the Internal Auditor on the basis of such procedures and evidence (Terms such as “work papers” or “working papers” are also used to refer documentation).
- 1.2 The Internal Auditor is expected to record and collate all the evidence obtained in the form of complete and sufficient audit documentation. This Standard explains certain key requirements in the process of collection, preparation, retention and subsequent review of internal audit documentation.
- 1.3 Scope: This Standard applies to all internal audit assignments.

## **2. Effective Date**

- 2.1 This Standard is applicable for internal audits beginning on or after a date to be notified by the Council of the Institute.

## **3. Objectives**

- 3.1 The objectives of preparing complete and sufficient audit documentation are to:
  - (a) validate the audit findings and support the basis on which audit observations are made and conclusions are reached from those findings.
  - (b) aid in the supervision and review of the internal audit work, and
  - (c) establish that work performed is in conformance with the applicable pronouncements of the Institute of Chartered Accountants of India.
- 3.2 The overall objective of preparing audit documentation is to enable the internal auditor to demonstrate the basis for forming an opinion on the results of the audit assignment. The documentation should be sufficiently comprehensive and self-explanatory, eliminating the need for further clarifications or supplementary information to reach the same conclusions.

- 3.3 To strengthen the credibility of audit conclusions during regulatory inspections, peer reviews, or external evaluations, the internal auditor should maintain comprehensive, systematically organized, and time-stamped documentation that clearly evidences the procedures performed and the basis for key conclusions drawn.

## **4. Requirements**

### **4.1 Nature of Documentation (Refer Para. A1)**

The internal auditor shall document the nature, timing and extent of completion of all internal audit activities and testing procedures in the form of reproducible documents.

### **4.2 Content and Sufficiency of Documentation (Refer Para. A2)**

Documentation shall be complete, relevant and sufficient to support the analysis conducted on the audit evidence, the identification of findings, justify the formulation of audit observations and facilitate the drafting of the internal audit reports based on those findings. Documentation shall clearly state the purpose of the procedure, the source of evidence, the outcome of the audit work. It shall also identify the audit activity, the date of performance, the reviewer and the date of review.

The documentation shall clearly reflect the version history, date of completion, and any post-report updates or clarifications. All such revisions shall be justified, time-stamped, and formally approved. All significant oral discussions or explanations that influenced audit conclusions shall be contemporaneously documented and, where appropriate, acknowledged by the auditee.

### **4.3 Documentation Process (Refer Para. A3)**

The Internal Audit function shall maintain a documented process that outlines the procedures for the preparation, review, storage and final disposal of audit documentation to ensure quality and conformance to Standards on Internal Audit.

#### **4.4 Timely Completion and Retention of Documentation File (Refer Para. A4)**

The internal audit work paper file shall be completed within sixty days of the release of the final report.

The internal auditor shall not make changes in the documentation file after its final compilation.

In circumstances where the internal auditor finds it necessary to modify the existing documentation or add new document after the assembly of final audit file has been completed, the internal auditor shall, regardless of the modifications, or additions document:

- (a) The specific reasons for making them and
- (b) when and by whom they were made and reviewed.

The documentation file must be retained by the internal auditor for at least seven years from the date of issuance of internal audit report.

#### **4.5 Ownership of Audit Documentation (Refer Para. A5)**

The ownership and custody of the internal audit work papers shall remain with the Internal Auditor. In cases, where reliance is placed on work performed by an expert, the Internal Auditor shall assume ownership of the relevant working papers from the third party. However, where reliance is placed only on the report of the third party who insists on retaining ownership to their work papers, adequate provisions shall be made to have access to the work papers, when required (e.g., for quality review purposes).

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### **Application and Other Explanatory Material**

- A1. Nature of Documentation (Refer Para. 4.1):** Documentation includes written records (electronic or otherwise) of various audit activities and procedures conducted, including evidence gathered, information collected, notes taken and meetings held. It includes, for example, internal memoranda, letters of confirmation and representation, checklists, external reports and correspondence (including e-mail)

concerning significant matters. Abstracts or copies of the entity's records, significant and specific contracts and agreements, may be included as part of internal audit documentation, when appropriate.

These documents need not necessarily be printed on paper and soft/ electronic/ digital version may be used and filed. However, where alternate method of recording and storage is used, it must be reproducible in print form if required, similar in nature to the original documents.

Compliance with relevant data protection regulations such as the Digital Personal Data Protection (DPDP) Act, 2023 is essential, ensuring personal data is processed lawfully, stored securely, and retained only as long as necessary. Digital working papers—ranging from memos and annotated documents to voice notes and structured digital logs—offer flexibility and real-time collaboration. However, such documentation must be properly version-controlled, securely stored, and backed up to maintain confidentiality, reliability, and regulatory compliance.

- A2. Content and Sufficiency of Documentation (Refer Para. 4.2):** The content and extent of documentation is a matter of professional judgment since it is neither practical nor necessary to document every matter or observation. However, all significant matters which require exercise of judgment, together with the Internal Auditor's conclusion thereon, shall be included in the internal audit documentation.

Documents shall be:

- (a) sufficient and complete to avoid the need for follow-up inquiry.
- (b) useful and relevant to the objectives of the audit procedure.
- (c) undergo at least one level of review or approval.
- (d) dependable and reliable such that another experienced auditor with no prior connection to the engagement can clearly understand:
  - The nature, timing, and extent of audit procedures performed,
  - The evidence obtained

- The basis for the auditor's conclusions and judgments and
- (e) the documentation should capture deviations from the planned audit procedures along with justifications for such deviations. Such deviation should be done only after consultation with those who approved the original plan.
  - (f) where checklists or templates are utilized for documenting audit procedures, they shall be appropriately tailored to reflect the nature and extent of the actual work performed. The use of standardized formats without necessary customization shall be avoided to ensure documentation remains relevant and representative of the engagement conducted.
  - (g) the adoption of structured documentation formats—such as standardized workpaper indices and digital tagging encouraged to enhance the traceability of audit evidence and to support efficient future reviews or assessments.

**A3. Documentation Process (Refer Para. 4.3):** Internal audit documentation shall be collated and arranged systematically in files as audit work papers and retained in accordance with a documented process to support the performance of the internal audits as per the process. It shall include various quality checks, e.g., completeness check (list of contents of all work papers), relevance check (cross reference to findings and reports), conformance with Standards of Internal Audit. (reference to relevant SIAs)

All audit work papers shall be retained in accordance with the legal and company's retention policy and only be shared with the authorised personnel. Internal audit documentation systems should be designed to enforce access controls based on the audit team's hierarchy and the sensitivity of information. Where technically feasible, the system shall maintain audit trails recording user access and modifications to documentation. Advice of legal counsel and/or approval of senior management or engaging authority (for outsourced engagements) shall be obtained (if required) prior to releasing any audit documentation to external parties.

**A4. Timely Completion and Retention of Documentation (Refer Para. 4.4):** QSIA 1 requires internal audit to establish policies and

procedures for the timely completion of the assembly of internal audit files.

Assembly of the final internal audit documentation file should be completed within 60 days of the internal auditor's report.

The completion of the assembly of the final internal audit file after the date of the internal auditor's report is an administrative process that does not involve the performance of new internal audit procedures or the drawing of new conclusions. Changes may, however, be made to the audit documentation during the final assembly process if they are administrative in nature.

Examples of such changes include:

- ◆ Deleting or discarding superseded documentation.
- ◆ Sorting, collating and cross-referencing working papers.
- ◆ Signing off on completion checklists relating to the file assembly process.
- ◆ Documenting audit evidence that the auditor has obtained, discussed and agreed with the relevant members of the engagement team before the date of the auditor's report.

QSIA 1 requires firms to establish policies and procedures for the retention of engagement documentation. The retention period for audit engagements cannot be shorter than seven years from the date of the auditor's report.

- A5. Ownership of Audit Documentation (Refer Para. 4.5):** Audit work papers can only shared with those who are authorised to access them. Internal audit documentation systems should be designed to enforce access controls based on the audit team's hierarchy and the sensitivity of information. Where technically feasible, the system shall maintain audit trails recording user access and modifications to documentation. Advice of legal counsel and/or approval of senior management or engaging authority (for outsourced engagements) shall be obtained (if required) prior to releasing any audit documentation to external parties.



**A6. Confirmation of Compliance:** To confirm compliance of audit procedures with this SIA, a list of the documents required is, as follows:

- (a) Written documentation policy and process on audit work papers, as part of the Internal Audit Manual.
- (b) Work paper files for each audit assignment, reviewed and approved with cross reference to the Internal Audit Program, where appropriate.