Hallmarks of a Strong Audit Function

October 4, 2010
Agenda

I. Visa Internal Audit’s Role, Mission and Charter
II. Visa Internal Audit Reporting Structure and Relationship with Stakeholders
III. Best Practices for Executive Reporting
IV. Audit Universe and Risk Assessment
V. Visa Audit Life Cycle and Methodology
VI. Visa Internal Audit Risk-based Audits and Computer Assisted Audit Tools
VII. Visa Internal Audit Quality Assurance
VIII. Visa Internal Audit Value Added Services
IX. Visa Internal Audit Professional Development and Training
X. Visa Internal Audit Professional Practices
I. Visa Internal Audit’s Role, Mission and Charter
Visa Internal Audit’s Role, Mission and Charter

Visa Internal Audit’s Role is to provide Management and the Audit and Risk Committee of the Board of Directors with an independent assessment of the quality of the system of internal controls.

Visa Internal Audit (IA) assists the Company in fulfilling its vision, mission, strategic initiatives, and objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management and control processes.

Ultimately, Visa IA helps ensure:
- Risk identification and management
- Accurate, reliable and timely financial, operational and managerial information
- Safeguarding of Company assets
- Effective internal control environment
Visa Internal Audit’s Role, Mission and Charter

Visa IA’s Mission is to provide the Audit and Risk Committee and Management with objective and insightful information on the state of the Company’s internal controls, governance and compliance systems, issues themes and trends, and emerging risks and “hot spots”

Visa IA’s mission also includes providing independent, objective assurance and advisory activities designed to “add value”

Mission statement addresses:
- Internal audit services and operation within the framework of COSO and COBIT
- Execution of internal audit activities with proficiency and due professional care consistent with IIA Standards, the internal audit Charter and operating policies

The mission of Internal Audit is to provide the Audit and Risk Committee and the Visa management team with objective, concise, and insightful information on the state of Visa’s control, governance, and compliance systems, and on emerging risk areas.

Internal Audit’s assessments give reasonable, but not absolute, assurance as to the adequacy of controls and operations, and also promote their improvement. Internal Audit helps the Organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.
The Visa IA Charter defines the department’s purpose, scope of work, accountability, independence, responsibility, authority and professional standards in supporting Visa’s Audit and Risk Committee and Management. The Charter establishes Visa IA’s authority to access records, personnel, and physical properties relevant to the execution of audit engagements. The Charter is reviewed with the Board of Directors and Management, and approved by the Board annually.
II. Visa Internal Audit Reporting Structure and Relationship with Stakeholders
Visa Internal Audit Reporting Structure

IIA Standard 1100 - The internal audit activity must be independent, and internal auditors must be objective in performing their work.

Reporting to Audit and Risk Committee

- Visa’s Chief Audit Executive has a direct reporting line to the Audit and Risk Committee to ensure objectivity and independence from bias or undue influence.
- The Audit and Risk Committee oversees Internal Audit to ensure independence, promote comprehensive coverage, and necessary consideration of audit recommendations by Management.

Reporting to Chief Enterprise Risk Officer

- Visa’s Chief Audit Executive reports administratively to the Chief Enterprise Risk Officer.
- Independence in fact and appearance is key.
Visa Internal Audit Relationship with Stakeholders

Chief Audit Executive meets regularly with the external auditors to coordinate audit activities, share audit results and discuss emerging company and industry risks.

IA meets with Executive and Senior Management regularly and during each audit to discuss business initiatives, changes to operations, key risks and audit activities. Chief Audit Executive attends Executive Management Committee and Corporate Risk Committee meetings.

IA maintains a strong relationship with the Company’s Regulators to facilitate their reliance and leverage of IA in support of Regulator safety and soundness reviews.

IA regularly meets with oversight groups such as Compliance, Legal, Enterprise Risk Management and Finance to discuss changes to business services, products, risks, controls, regulatory environment, and globalization of key audit themes, trends and emerging risks.
III. Best Practices for Executive Reporting
Visa’s Chief Audit Executive and Internal Audit provides periodic updates to the Audit and Risk Committee and to key Management Executives through several channels:

- Meetings with the Audit and Risk Committee including private sessions with only the Chief Audit Executive and the Audit and Risk Committee
- Executive Management Committee meetings
- Corporate Risk Committee meetings
- Monthly CEO reports
- Scheduled meetings with key business line management

| IIA Standards | IIA Standard 2060 – The Chief Audit Executive must report periodically to senior management and the board on the internal audit activity’s purpose, authority, responsibility, and performance relative to its plan. Reporting must also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the board. |
Visa Internal Audit reports on the internal audit activities to the Audit and Risk Committee and key Management executives. The following information are reported:

- Monthly report to Management executives detailing metrics for audit issues closed, outstanding, past due and recently identified. Report includes discussion on themes and trends observed by Internal Audit.

- Notable developments in audit work that may have control implications and impact to the Audit Plan.

- “Re-freshed” risk assessment and Audit Universe, and inputs considered during the review process.

- Changes to the Audit Plan including audits added or removed, which require approval from the Audit Committee.

- Audit Plan progress using percentage of completion in both hours and number of audit engagements.
Audit engagements in-process with estimated completion dates and those remaining with estimated start dates
- Audits completed each quarter including summary of key scope areas, issues, overall audit rating, and ratings for all issues identified
- Summary of each audit report
- Special reviews conducted including fraud
- Pre-implementation reviews performed for new products, services or systems
- Advisory projects requested by Management or oversight groups
- Staffing update including recruiting efforts
- Staff training and certification as appropriate
- Department budget targets and updates
IV. Audit Universe and Risk Assessment
Visa Internal Audit’s annual audit planning process involves a number of planned activities and inputs to evaluate the audit universe.

- Obtain current information such as cost centers, major applications, systems, vendors, functions, processes and geography of business operational areas
- Schedule discussions with key Management executives to identify and to validate risks
- Gather information from key internal (key business line management) and external (external auditors) sources to broadly evaluate “top-down” risks to the Company's strategy and processes
- Coordinate efforts with oversight groups (Compliance, ERM, Legal, Finance, etc.) to obtain additional risk perspectives
- Assimilate information into a proposed updated Audit Universe and annual Audit Plan for Audit and Risk Committee review focusing on key risks and taking into account prior years' coverage
- Finalize the annual Audit Plan and communicate to stakeholders

A pictorial representation of Visa Internal Audit’s annual audit planning process is provided on the next page.
Audit Universe and Risk Assessment

Visa Internal Audit’s Annual Planning Process

Consider Inputs:
- Risk discussions with Management Executives
- Company and Business Unit Strategic Plans
- External Auditors
- Risk assessment inputs from Compliance, Legal, Enterprise Risk Management, Finance and SOX PMO
- Internal Audit Judgment & history of audit activities
- Compliance Framework & Regulatory Requirements

Validate:
Audit Universe:
- Cost Centers
- Legal Entities
- Major Systems
- Major Vendors
- Business Processes

Prioritize:
- Prioritize Audit Areas
- Draft Plan (Based on risk and cycle)

Approve:
Audit Committee Approval

Execute:
Annual Internal Audit Plan

Output:
Audit Universe
Draft Plan
Final Plan

Visa Internal Audit’s Annual Planning Process Output

16
Audit Universe and Risk Assessment

Visa’s Audit Planning Process

Visa Internal Audit’s bottoms-up approach in the annual audit planning process yielded an updated audit universe that represents the Company and aligns with business organizations. The number of audit hours for “auditable units” within a business organization, based on historical audit information and current business activities, is used to determine total audit universe hours.

Throughout the year, Visa IA updates the audit universe based on Company and operational changes.

<table>
<thead>
<tr>
<th>Business Organization*</th>
<th>Auditable Unit *</th>
<th># of Hrs *</th>
<th>% of Hrs *</th>
<th># of Units *</th>
<th>% of Units *</th>
<th>Risk *</th>
<th>Cycle Due Date *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td></td>
<td>20,000</td>
<td>32%</td>
<td>35</td>
<td>37%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Example</td>
<td>Country Office Audit</td>
<td>1000</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>L</td>
<td>12/30/2010</td>
</tr>
<tr>
<td>- Example</td>
<td>Global Enterprise Risk Management</td>
<td>600</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>L</td>
<td>6/30/2011</td>
</tr>
<tr>
<td>Systems</td>
<td></td>
<td>25,000</td>
<td>40%</td>
<td>40</td>
<td>42%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Example</td>
<td>Change Management</td>
<td>600</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>H</td>
<td>12/30/2011</td>
</tr>
<tr>
<td>- Example</td>
<td>Mainframe Systems Platform - Database Management</td>
<td>800</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>H</td>
<td>12/30/2011</td>
</tr>
<tr>
<td>Finance</td>
<td></td>
<td>18,000</td>
<td>28%</td>
<td>20</td>
<td>21%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Example</td>
<td>Global Controller</td>
<td>1200</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>M</td>
<td>9/30/2011</td>
</tr>
<tr>
<td>- Example</td>
<td>Global Treasury</td>
<td>1000</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>M</td>
<td>9/30/2012</td>
</tr>
<tr>
<td>Total Universe Hours/Units:</td>
<td></td>
<td>63,000</td>
<td>100%</td>
<td>95</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Data for Illustrative Purposes Only
Audit Universe and Risk Assessment

Visa’s Auditable Entity Assessment

- Align to Company’s enterprise risk assessment criteria
- Measure each auditable entity’s risk based on two major dimensions:
  1. Inherent Risk such as
     - Brand and Reputation
     - Legal and Regulatory
     - Operational
     - Financial
     - Strategic
  3. Vulnerability/Control Risk such as
     - Control History
     - Susceptibility to Internal Fraud
     - Location Risk
     - Control Environment
- Determine Residual Risk (Net Risk), which drives cyclical audit coverage

Visa Cyclical Audit Coverage

<table>
<thead>
<tr>
<th>Residual Risk</th>
<th>Cycle Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Within 18 months of prior audit</td>
</tr>
<tr>
<td>Medium</td>
<td>Within 30 months of prior audit</td>
</tr>
<tr>
<td>Low</td>
<td>Within 48 months of prior audit</td>
</tr>
</tbody>
</table>

Visa Annual Audit Plan

Visa Internal Audit assesses each “auditable entity” within the Audit Universe based on the Visa Internal Audit Risk Framework, which drives cyclical audit coverage and annual audit plan development.
Visa IA captures the risk-assessment results for each auditable entity in an Auditable Entity Profile (AE Profile), which is updated no less than annually. The AE Profile also captures key and relevant information about the auditable entity which may include the following:

- **General Information**
  - Examples: Auditable Entity name, Description, Cost Center, Region and Major policies owned by the Auditable Entity

- **Key Metrics**
  - Examples: Expense and Revenue information, Prior audit years, Prior Audit Ratings, Issues, and Business Impact Analysis Tier Level

- **Key IT Applications or Systems**

- **Regulatory Environment**

- **Major Auditable Activities or Processes**

- **Major Vendors**
V. Visa Audit Life Cycle and Methodology
Visa Audit Life Cycle and Methodology

Integration of the risk assessment framework into the end-to-end audit life cycle
Visa Audit Life Cycle and Methodology

**Audit Engagement Phases**

**Planning**
- 1 – 2 Weeks
  1. Data gathering & research
  2. Resource planning
  3. Perform risk assessment & draft RCE
  4. Prepare Planning Memo
  5. Coordination with oversight partners
  6. Engagement announcement
  7. Prepare Document Request List
  8. Prepare Kick-Off Meeting
  9. Design Initial Audit Program
- 2 – 4 Weeks
  1. Conduct Kick-Off Meeting
  2. Execute Audit Program steps
  3. Provide IA Management status update
  4. Provide Client status update
  5. Update RCE & Finalize Audit Program
  6. Record work done and audit issues in TeamMate
  7. Rate issues (using Audit Report & Issue Rating Guide)
  8. Conduct Fieldwork Exit Meeting
  9. Draft Audit Issues Memo
- 2 – 6 Weeks
  1. Prepare draft report
  2. Obtain Audit Management review of report
  3. Discuss draft report and issues with Client and obtain Management Action Plans
  4. Conduct Closing Meeting
  5. Internal QA of workpapers
  6. Issue Audit Report
  7. Finalize RCE
- Ongoing
  1. Export issues to tracking tool
  2. Finalize workpapers
  3. Complete review and approval of all TeamMate steps
  4. Prepare staff performance evaluation
  5. Complete Post-Engagement Debrief

**Fieldwork**
- 1. Conduct Kick-Off Meeting
- 2. Execute Audit Program steps
- 3. Provide IA Management status update
- 4. Provide Client status update
- 5. Update RCE & Finalize Audit Program
- 6. Record work done and audit issues in TeamMate
- 7. Rate issues (using Audit Report & Issue Rating Guide)
- 8. Conduct Fieldwork Exit Meeting
- 9. Draft Audit Issues Memo

**Reporting/QA**
- 1. Prepare draft report
- 2. Obtain Audit Management review of report
- 3. Discuss draft report and issues with Client and obtain Management Action Plans
- 4. Conduct Closing Meeting
- 5. Internal QA of workpapers
- 6. Issue Audit Report
- 7. Finalize RCE

**Wrap-Up**
- 1. Send Follow-up Notification
- 3. Conduct audit validation at IA Management’s discretion and document work in TeamMate
- 4. Review follow-up work by Auditor
- 5. Communicate results to Client
- 6. Update engagement risk assessment for annual risk assessment purposes

**Follow-Up**
- T1. Engagement Announcement
- T2. Planning Memo
- T3. Risk & Control Evaluation (RCE)
- T4. Document Request List
- T5. Kick-Off Meeting Agenda/Presentation
- T6. IA Management Status Update
- T7. Client Status Update
- T8. Fieldwork Exit Meeting Agenda
- T9. Closing Meeting Agenda
- T10. Internal QA Checklist
- T10.1 Draft Audit Issues Memo
- T10.2 Final Audit Issues Memo
- T11. Post Engagement Debrief
- T12. End of Audit Staff Performance Evaluation
- T13. Post Engagement Debrief
- T14. Audit Report
- T15. Follow-up Notification
- T16. Issue Clearance/Extension Request Form

**Timing**
- Major Activities
- Deliverables

**Major Activities**
- 1. Data gathering & research
- 2. Resource planning
- 3. Perform risk assessment & draft RCE
- 4. Prepare Planning Memo
- 5. Coordination with oversight partners
- 6. Engagement announcement
- 7. Prepare Document Request List
- 8. Prepare Kick-Off Meeting
- 9. Design Initial Audit Program
- 10. Draft Audit Issues Memo
- 11. Final Audit Issues Memo
- 12. End of Audit Staff Performance Evaluation
- 13. Post Engagement Debrief
- 14. Audit Report
- 15. Follow-up Notification
- 16. Issue Clearance/Extension Request Form
Visa IA’s well-defined audit methodology helps drive development of standard work program steps and detail guidance, covering all areas of the audit life cycle, into each TeamMate audit file “shell.”

The TeamMate audit file “shell” is set-up for each audit engagement by the Visa IA Professional Practices Team to ensure consistency in file set-up.
VI. Visa Internal Audit Risk-based Audits and Computer Assisted Audit Tools
During the planning phase for an audit engagement, a risk assessment process is applied to:

- Identify risks associated with the audit area and its business processes, systems, outsourced functions and vendors used
- Identify and understand internal controls that are in place and any mitigating control activities
- Evaluate the design and effectiveness of internal controls implemented to manage risks

Activities such as performing process walk-throughs with the business unit, conducting business personnel interviews, contacting Legal and Compliance groups to discuss recent and relevant risk “hot topics” help auditors in their risk assessment.
Visa Internal Audit achieves consistency in the risk assessment approach through implementation of a:

- Standardized work program with procedures and specific guidance on the risk assessment process
- Standard documentation approach using a template (Risk & Controls Evaluation matrix) designed to capture risks identified and assessed, controls identified and evaluated, and results
- Workflow that facilitates linkage of audit issues between detailed work documentation in the TeamMate EWP Tool and the Risk & Controls Evaluation matrix
- Review process between the Auditor In-charge, the Audit Manager and the Chief Audit Executive during audit planning and fieldwork stages
- QA step to review the Risk & Controls Evaluation matrix for accurate representation of work performed and completeness

See next page for the Risk & Control Evaluation matrix
# Visa Internal Audit Risk-based Audits, continued

## Visa Internal Audit’s Risk & Control Evaluation Matrix

<table>
<thead>
<tr>
<th>Audit Engagement Name, #</th>
<th>Prepared By:</th>
<th>Prepared Date:</th>
<th>Approved By:</th>
<th>Final Approval Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;Name, Title&gt;</td>
<td>&lt;mm/dd/yyyy&gt;</td>
<td>&lt;Name, Title&gt;</td>
<td>&lt;mm/dd/yyyy&gt;</td>
</tr>
</tbody>
</table>

### Auditable Entity Risk Rating:

<table>
<thead>
<tr>
<th>Rating Selection:</th>
<th>Rating Selection:</th>
<th>Test Conclusion Selection:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adequate</td>
<td>Effective</td>
<td>Audit Issue</td>
</tr>
<tr>
<td>Not Adequate</td>
<td>Not Effective</td>
<td>Improvement Suggestion</td>
</tr>
<tr>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>No Exception</td>
</tr>
</tbody>
</table>

### Planning Phase

- What are the risks associated with the scope areas / process?
- What is the Company doing to mitigate the risk?

### Fieldwork Phase

- Are controls designed appropriately and operating effectively?
- Audit Program Test Step Ref (TeamMate Step #)
- Control Design Adequacy
- Control Oper Effect.
- Test Conclusion

### Reporting Phase

<table>
<thead>
<tr>
<th>Issue Tracking</th>
</tr>
</thead>
<tbody>
<tr>
<td>(10) TeamMate Exception #</td>
</tr>
<tr>
<td>(11) Audit Issue Number Tracked</td>
</tr>
</tbody>
</table>
## Visa Internal Audit Computer Assisted Audit Tools

### GRC Tools
Use GRC solutions to assist in mapping, authoring and distributing policy and controls to the appropriate regulation, and manage the exceptions to the given policy and regulation. Also, the tools assess technical controls that are appropriate to the regulation and identify deficiencies and gaps in the control.

- Oracle GRC
- Computer Associates GRC
- Approva

### Data Analysis Tools
Using an electronic workpaper documentation tool brings efficiencies to the audit documentation and review process. All documentation information such as program steps, findings, coaching notes, sign-offs and edit histories are contained in database tables.

- ACL
- Guardiam
- HP Open View Select Audit
- Access
- Hyperion
- Excel

### CCH TeamMate EWP Tool
Using an electronic workpaper documentation tool brings efficiencies to the audit documentation and review process. All documentation information such as program steps, findings, coaching notes, sign-offs and edit histories are contained in database tables.

### Forensic Analysis Tools
Use of forensic tool to data mine, forensic image, password recovery, and restoring deleted messages. Hardware related tools to image hard drives, cell phones and smart phones.

- EnCase Forensic
- Email Examiner
- Transend Migrator
- UltraEdit
- Clearwell
- dtSearch Desktop
- Metadata Assistant
- Hardware Related Tools
- Trident Pro
- Passware Kit Enterprise
- Monarch Professional
- EasyRecovery
- Device Seizure
- BCWipe
VII. Visa Internal Audit Quality Assurance
Visa Internal Audit Quality Assurance

<table>
<thead>
<tr>
<th>Visa’s IA QA Components</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>QA activities improve internal audit activities by creating a foundation and a structured approach for an effective quality assurance program and developing actions to move forward on the path to quality</td>
<td></td>
</tr>
</tbody>
</table>

Visa Internal Audit’s Quality Assurance (QA) Program is comprised of several components:

- **Internal QA Reviews** – currently targeting 100% coverage of audit engagements
- **Internal Periodic Review** – will be conducted over the audit function as a whole approximately every 2 to 3 years
- **External QA Review** – will be conducted every five years

| IIA Standards | IIA Standard 1300 - The Chief Audit Executive must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. |
Visa Internal Audit Quality Assurance

A. Internal QA Reviews
Visa Internal Audit (Visa IA) instituted standard work program steps and guidance, covering all areas of the audit life cycle, into each TeamMate audit file “shell” to create consistency in approach and methodology.

Visa IA’s QA Program is integrated into every step of the audit life cycle and functioning of the department AND
Aligned with IIA Standard 1300
Visa’s IA QA Approach

Visa IA follows a structured QA review process to enable consistent approach in performing QA reviews of audit engagements. Visa IA’s process includes the following:

- Apply a two-phase QA review for each audit engagement that takes place before and after audit report issuance. The QA review compasses 20+ QA assessment points.
- Communicate QA purpose and clear expectations to Auditors through a QA Checklist built into the standard TeamMate audit file “shell”.
- Create QA review Template to track ratings, action items for gaps identified, and improvement suggestions.
- Assign overall QA rating that aligns to IIA Standards (Generally Conform/Partially Conform/Does Not Conform).
- Use independent and experienced audit professionals from the Visa IA Professional Practices team to perform QA reviews to ensure consistency in reviews and application of standards.
- Provide regular updates to Visa IA Leadership Team concerning QA ratings, performance trends, and training needs.
Visa Internal Audit QA Review Template

Visa Inc.
Internal Audit Department
Internal QA Review

Engagement #: [Blank]
Engagement Name: [Blank]
Auditor In-Charge: [Blank]
QA Auditor: [Blank]

<table>
<thead>
<tr>
<th>QA Review Date</th>
<th>Phase I</th>
<th>Phase II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debrief Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debrief Attendees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rating Communication Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reperformance Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reperformance Rating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reperformance Rating Communication Date</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

QA Ratings: Generally Conform (GC), Partially Conform (PC), Does Not Conform (DNC) or N/A (for Special Projects)

Overall Conclusion:

<table>
<thead>
<tr>
<th>QA Item #</th>
<th>QA Standard</th>
<th>Phase I Rating</th>
<th>Phase I Comments</th>
<th>Phase I Report</th>
<th>Report Comments</th>
<th>Phase I Disposition of Action Item (May Debrief with In-Charge)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Audit's record of work is documented in the appropriate TeamMate location in accordance with departmental standards and guidelines. Audit issues are documented in the Audit Issue Memo.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>The sample size selection and rationale are in accordance with departmental standards and guidelines.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Audit: Workpaper Review (To be reviewed prior to report issuance date):
## Visa Internal Audit Quality Assurance

Visa Internal Audit QA Review Template, continued

<table>
<thead>
<tr>
<th></th>
<th>TeamMate audit steps are signed-off by the Preparer and Reviewer.</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Coaching notes are properly responded to.</td>
</tr>
</tbody>
</table>

### Planning Phase (To be reviewed prior to report issuance date):

<table>
<thead>
<tr>
<th></th>
<th>The Announcement Memo was sent to the Client two weeks before the start of fieldwork.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Planning Memo is prepared and properly signed-off in TeamMate.</td>
</tr>
<tr>
<td>7</td>
<td>Kick-off Meeting Agenda/Presentation is prepared and used.</td>
</tr>
<tr>
<td>8</td>
<td>The Document Request List was prepared and sent to the client during the planning phase.</td>
</tr>
</tbody>
</table>

### Fieldwork Phase (To be reviewed prior to report issuance date):

<table>
<thead>
<tr>
<th></th>
<th>Fieldwork Exit Meeting Agenda is prepared and used.</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>IA Management Status Update is prepared and used during the course of the audit engagement.</td>
</tr>
<tr>
<td>11</td>
<td>Client Status Update is prepared and used during the course of the audit engagement.</td>
</tr>
<tr>
<td>QA Item</td>
<td>QA Standard</td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
</tr>
<tr>
<td>12</td>
<td>Closing Meeting Agenda is prepared and used.</td>
</tr>
<tr>
<td>13</td>
<td>Risk &amp; Control Evaluation (RCE) is prepared during the planning and fieldwork phase and finalized during the reporting phase.</td>
</tr>
<tr>
<td>14</td>
<td>The Audit Issues Memo was prepared and sent to the client for management action plan and target resolution date.</td>
</tr>
<tr>
<td>15</td>
<td>Audit issues documented in TeamMate Exceptions with final verbiage. (TeamMate verbiage must match verbiage in issues tracking database.) These issues are properly mapped in the RCE.</td>
</tr>
<tr>
<td>16</td>
<td>Final Audit Report: - included all High and Medium issues - was reviewed with the Chief Audit Executive - was in the format consistent with the departmental template</td>
</tr>
<tr>
<td>17</td>
<td>Final Audit Report was sent via email to the client within 30 days after end of fieldwork (email was archived in TeamMate).</td>
</tr>
</tbody>
</table>
Visa Internal Audit QA Review Template, continued

<table>
<thead>
<tr>
<th>Wrap-up Phase (To be reviewed after the report issuance date):</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 All audit issues (except for the improvement suggestions) were sent to the issues tracking database.</td>
</tr>
<tr>
<td>19 In-Charge sent a list of Client contacts (no more than 5) to the Professional Practices group for the purpose of sending out the Client Feedback Form (audit team documented in TeamMate that the names were sent to Professional Practices).</td>
</tr>
<tr>
<td>20 The End of Audit Staff Performance Evaluation was completed (Completed by the In-Charge and Audit Manager. Do not archive in TeamMate)</td>
</tr>
<tr>
<td>21 All audit program steps and schedules were signed-off as &quot;Preparer&quot; and &quot;Reviewer&quot;.</td>
</tr>
<tr>
<td>22 Auditable Entity Profile is updated.</td>
</tr>
<tr>
<td>23 All coaching notes are deleted from TeamMate.</td>
</tr>
</tbody>
</table>
### Visa Internal Audit Quality Assurance

#### Internal Periodic QA Reviews for Visa IA
- Perform every two-to-three years
- Review for performance in accordance with internal audit policies and with IIA Standards
- Review of internal audit performance metrics and benchmarking of best practices, prepared and analyzed in accordance with Audit Policies and Procedures
- Periodic activity and performance reporting to the Audit Committee & Executive Management

#### External QA Reviews for Visa IA
- Conduct by an external firm (or self-assessment with an independent validator to appraise and express an opinion about internal audit’s conformance with the IIA Standards
- Perform every five years
VIII. Visa Internal Audit Value Added Services
Visa IA, in addition to providing meaningful assurance services to the Company, IA actively provides additional services that “add value” to the business line or to the Company as a whole. Value added services provided by Visa IA include the following:

- Assessment of the development life cycle and management of the project plan for new product and service initiatives
- Pre-implementation reviews of new or changed systems
- Fraud investigations and forensic reviews
- Vendor reviews
- Due diligence and integration activities for selected M&A opportunities
IX. Visa Internal Audit Professional Development and Training
Visa IA Professional Development & Training

Visa’s IA Training Commitment

Visa Internal Audit’s (Visa IA’s) training commitment fosters an environment of continuous professional growth and builds effective and competent internal audit team members. IA’s vision is to be a world-class, standard-setting organization, comprised of highly skilled, energetic, diverse, and sought-after professionals. Training objectives are to provide timely, relevant and quality training that will support Visa IA team members’ professional development and to provide them with the tools and knowledge to:

- Improve existing core competencies and professional skills
- Strengthen internal audit technical skills and deepen specialized knowledge
- Enhance client service skills and business acumen
- Develop management skills for career progression

IIA Standards

IIA Standard 1230 - Internal auditors must enhance their knowledge, and other competencies through continuing professional development.
Visa IA Professional Development and Training

Each staff member on the Visa IA team has ownership for continuing their education to enhance and maintain their proficiency and in creating an individual development plan, based on a number of factors, including:

- Performance feedback
  - End-of-audit engagement performance evaluation
  - Semi-annual performance discussion
  - Annual performance feedback
- Audit Manager consultation
- Skills gaps assessed between the Auditor’s skills and the Visa IA Competency Framework
- Individual aspirations and longer-term goals

- Minimum annual training hour requirement is set at 60 hours
- Each employee’s professional development plan is agreed to with the Audit Manager
- Regular dialog occurs between the Auditor and Manager to ensure that a development and training plan is achieved
- Skills inventory is maintained

Professional Development and Training is a mutual obligation – Visa Internal Audit is committed to professional development, and auditors are expected to be active learners and to share learnings.
Visa IA Professional Development and Training

Visa IA End-of-Audit Staff Performance Rating Areas

**Rating Scale:**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Far exceeds all performance criteria</td>
</tr>
<tr>
<td>4</td>
<td>Exceeds in most performance criteria, meets all others</td>
</tr>
<tr>
<td>3</td>
<td>Consistently meets all performance criteria</td>
</tr>
<tr>
<td>2</td>
<td>Does not consistently meet all criteria / New to role</td>
</tr>
<tr>
<td>1</td>
<td>Does not meet performance criteria</td>
</tr>
</tbody>
</table>

**Rating Areas**

<table>
<thead>
<tr>
<th>Areas</th>
<th>Rating (1,2,3,4,5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Knowledge of the area / process being audited</td>
<td></td>
</tr>
<tr>
<td>2. Risk &amp; Control Evaluation of the area / process being audited (RCE)</td>
<td></td>
</tr>
<tr>
<td>3. Analytical review, sampling techniques, effective usage of audit tools, and quality of workpaper documentation</td>
<td></td>
</tr>
<tr>
<td>4. Client relationship management</td>
<td></td>
</tr>
<tr>
<td>5. Quality of communication (written, oral, and interviewing)</td>
<td></td>
</tr>
<tr>
<td>6. Problem solving &amp; decision making</td>
<td></td>
</tr>
<tr>
<td>7. Working with others / Teamwork</td>
<td></td>
</tr>
<tr>
<td>8. Time management, organizing, and meeting target dates and budget</td>
<td></td>
</tr>
<tr>
<td>9. Quality of audit execution and planning (thought leadership in constructing the audit) — RATING CRITERIA FOR IN-CHARGE ONLY</td>
<td></td>
</tr>
<tr>
<td>10. Coaching, developing and managing staff — RATING CRITERIA FOR IN-CHARGE ONLY</td>
<td></td>
</tr>
</tbody>
</table>
## Visa IA Competency Framework

### I. Professional Ethics
- Integrity and Trust
- Visa Standards and Code of Conduct
- Visa Code of Business Conduct and Ethics

### II. Professional Skills
#### Problem Solving (Analytical, Decision Making)
- Basic
- Developing
- Proficient
- Exceptional

#### Strategic Thinking and Planning
- Basic
- Developing
- Proficient
- Exceptional

#### Conflict Management
- Basic
- Developing
- Proficient
- Exceptional

#### Complexity & Ambiguity Management
- Basic
- Developing
- Proficient
- Exceptional

#### Teamwork & Collaboration
- Basic
- Developing
- Proficient
- Exceptional

#### Time Management (Multi-Tasking)
- Basic
- Developing
- Proficient
- Exceptional

### III. Internal Auditing / Tools
#### Internal Control Knowledge & Theory
- Basic
- Developing
- Proficient
- Exceptional

#### Risk & Control Evaluation (to prepare, review & approve the ROA)
- Basic
- Developing
- Proficient
- Exceptional

#### COSO (Financial - Operations Auditors)
- Basic
- Developing
- Proficient
- Exceptional

#### COBIT (IT Auditors)
- Basic
- Developing
- Proficient
- Exceptional

#### Risk and management as audit
- Basic
- Developing
- Proficient
- Exceptional

#### Sampling Techniques
- Basic
- Developing
- Proficient
- Exceptional

#### Analytical Review (Trend & Trend Analysis)
- Basic
- Developing
- Proficient
- Exceptional

#### Oral Communication
- Basic
- Developing
- Proficient
- Exceptional

#### Written Communications
- Basic
- Developing
- Proficient
- Exceptional

#### Interviewing Skills
- Basic
- Developing
- Proficient
- Exceptional

#### Workpaper Documentation
- Basic
- Developing
- Proficient
- Exceptional

#### TeamWork
- Basic
- Developing
- Proficient
- Exceptional

#### Audit Tools (ACL, Excel, Access, etc.)
- Basic
- Developing
- Proficient
- Exceptional

### IV. Client Focus
#### Client Relationship Management
- Basic
- Developing
- Proficient
- Exceptional

#### Ability to influence management and provide
- Basic
- Developing
- Proficient
- Exceptional

#### Thought Leadership
- Basic
- Developing
- Proficient
- Exceptional

### V. Staff Development
#### Coaching and Empowerment
- Basic
- Developing
- Proficient
- Exceptional

#### Performance Review/Feedback
- Basic
- Developing
- Proficient
- Exceptional

#### Rewarding and Recognizing Contributions
- Basic
- Developing
- Proficient
- Exceptional

### VI. Business Acumen
#### Visa Products
- Basic
- Developing
- Proficient
- Exceptional

#### Organization & Industry Knowledge
- Basic
- Developing
- Proficient
- Exceptional

#### Organizational Systems and Processes
- Basic
- Developing
- Proficient
- Exceptional
Visa IA Professional Development & Training

- Visa IA-provided internal training programs (including staff-led training)
- Professional certifications study and examinations
- Visa Inc.’s corporate training courses provided for various business tools/skills and specific business line offerings
- Courses offered by accredited colleges and universities
- Professional membership organization conferences, workshops, courses, seminars or teleconferences
- Self-study (e.g., interactive and non-interactive web-based training)
- Third party or external vendor training, including technical and industry groups

Individuals who attend external training have the obligation to share information with the department if such information is appropriate to enhance the skills of others within the department.
Visa IA Professional Development & Training

Visa’s IA Training Criteria

- Training hours are granted for professional education which contributes to the "professional competency" of the individual
- Training hours are granted for "structured learning activities" that are:
  - Measurable
  - Verifiable
  - Designed to impart specific technical and general knowledge
- Training hours can be granted for an instructor role, discussion leader or speaker
- Training criteria and guidance are documented and communicated to staff
Training information is captured in a Master File to track individual staff training information and to track at the department level.

| Course Title | Date of Course | Training Hours (attended, planned, goal, gap) | Sponsoring Organization | Location | Instructor Name | Proof of Attendance | Course Description | Comments on vendor training |

Training hours are reviewed at mid-year and at the end of third quarter to identify Auditors who may be “at risk” of meeting required training hours. The Auditors’ Managers are contacted to ensure a training plan is in place to help each Auditor achieve their annual training requirement.
X. Visa Internal Audit Professional Practices
The Visa Internal Audit Professional Practices Team is comprised of experienced audit professionals who support the Chief Audit Executive and the Internal Audit department in the design and implementation of a strategic framework aimed at ensuring an effective internal audit operation. Primarily, Professional Practices is responsible for the overall development and maintenance of audit methodology, standards, practices and technologies that are aligned with the department’s strategy and are focused on strengthening performance and continuous delivery of high-value audit services.
Visa Internal Audit Professional Practices

Professional Practices is responsible for the development, maintenance and management of functions that support the overall Visa Internal Audit operating model.

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Reporting &amp; Communications</th>
<th>Audit Execution &amp; Support</th>
<th>Quality Assurance</th>
<th>Personnel</th>
<th>Professional Development &amp; Training</th>
<th>Strategic Projects and Regulators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mission &amp; Charter</td>
<td>Audit &amp; Risk Committee Reports</td>
<td>Universe risk assessment</td>
<td>Engagement independent QA Reviews and resultant improvement opportunities</td>
<td>Recruiting</td>
<td>Competency framework</td>
<td></td>
</tr>
<tr>
<td>Audit Policies &amp; Procedures Manual</td>
<td>Management Reports</td>
<td>Annual audit planning and management</td>
<td></td>
<td>On-boarding</td>
<td>Skills inventory and gap assessment</td>
<td></td>
</tr>
<tr>
<td>Resource Model</td>
<td>CEO Reports</td>
<td>Audit life cycle and methodology</td>
<td></td>
<td>Orientation Training</td>
<td>End of Audit Staff Performance Evaluations</td>
<td></td>
</tr>
<tr>
<td>Technology Framework (i.e., TeamMate EWP, GRC tool, audit management solutions, data analysis tools, forensic investigation tools, etc.)</td>
<td>Performance metrics/benchmarking reporting</td>
<td>TeamMate shell design/update</td>
<td></td>
<td>Internship program</td>
<td>Training program and curriculum design</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Standards for execution, documentation and review</td>
<td></td>
<td>Department and staff goal setting</td>
<td>Professional Certifications Support</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Issues tracking, reporting and resolution</td>
<td></td>
<td>Corporate performance evaluation, talent assessment and succession planning processes</td>
<td>Participation in industry groups</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Resource scheduling</td>
<td></td>
<td>End of audit client feedback</td>
<td>Issues themes and trends analysis and reporting</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Time tracking</td>
<td></td>
<td>Post-audit engagement debrief</td>
<td>Regulatory examination preparation, support and coordination</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>T&amp;E management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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