**A6b: Planning Questionnaire**

INSTRUCTIONS: You **MUST** provide a response for each question below.

You can provide a workable link to information on the Web, or reference to document you provide to complete A6a to support your response; however; this will not replace providing a response.

**Background**

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| **Agency Information** |
| 1. Provide a link to your agency's website |
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| 1. Provide the following summary information about your State agency: |
| 1. Address of your agency location |
| 1. Number of operating locations of your agency |
| 1. Approximate number of employees in the State agency |
| 1. Current year budget for the State agency you audit |
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| **The Internal Audit Function** |
| 1. CAE name, phone number and email address |
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| 1. Address of the Internal audit location |
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| 1. Name and title of the person to whom the CAE administratively reports (name and title) |
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| 1. Name and title of the person to whom the CAE functionally reports (name and title) |
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| 1. Name, title and address of the chair of the audit committee, or other board / commission member(s) with oversight of the IA function. |
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| 1. Name of the State agency’s external auditor |
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| 1. Give a brief history of the IA function, including when it was started, any change(s) of Internal Audit Directors during the past 10 years, an indication of its growth in the past 10 years, and significant changes in its lines of reporting, authority, scope of work, and internal organization. Comment on how these changes have enhanced the IA function’s effectiveness |
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1. **Governance:**

**Standard 1000 – Purpose, Authority and Responsibility**

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| 1. Please describe the CAE’s vision for the internal audit activity and the internal audit activity’s core values, client service objectives, and strategies. (1000) |
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| 1. Describe how the CAE ensures that internal audit activity management and staff understand these attributes. (1000) |
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| 1. Please comment on how the internal audit activity develops effective working relationships with internal audit stakeholder groups and understands their expectations and appetite for value-added internal audit services. (1000) |
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| 1. Please comment on how the internal audit activity is viewed within the organization. Are they viewed as a necessity or as a valued business partner? Do key stakeholders understand the purpose, authority, and responsibilities of the internal audit activity? (1000) |
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| 1. Is the internal audit charter consistent with the Mission of Internal Audit and the mandatory elements of the IPPF (i.e., Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing, Code of Ethics, and the Standards), and does it specifically describe their mandatory nature? (1010) |
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| 1. How does the internal audit charter differentiate between performing assurance and consulting services? (1000) |
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| 1. Does the internal audit charter specifically describe the nature of the functional reporting relationship with the board, and is this description consistent with the current practice? (1000) |
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| 1. How frequently is the internal audit charter reviewed by the CAE and presented to senior management and the board for approval? (1000) |
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**Standard 1100 – Independence and Objectivity and the Code of Ethics**

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| 1. Please describe how the functional reporting relationship for the CAE supports independence and objectivity. (1110) |
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| 1. Please describe how this functional reporting relationship allows the CAE to communicate sensitive audit results and significant risks without fear of retribution. (1110) |
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| 1. Please describe how the administrative reporting relationship for the CAE allows the internal audit activity to fulfill its responsibilities. (1110) |
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| 1. Is the internal audit activity free from interference in determining the scope of internal auditing, performing work, and communicating results? If not, please describe the impairment (in fact or in appearance). (1110) |
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| 1. Please comment on how the internal audit organization structure promotes the achievement of the internal audit activity’s mission and goals. (1110) |
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| 1. How does the CAE specifically confirm the organizational independence of the internal audit activity annually? What form does the confirmation take, and where is it documented? |
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| 1. Describe the frequency and the manner in which the CAE and the internal audit activity interact with the board. (1111) |
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| 1. Describe other areas of responsibility for the CAE beyond internal auditing, and comment on how these areas are managed to support independence and objectivity. (1112) |
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| 1. Are there any significant impairments (in fact or in appearance) to the internal audit activity’s independence objectivity? If yes, have the impairments been disclosed to the appropriate parties? (1120 and 1130) |
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| 1. How does the CAE support the expectation that the audit staff will conform to the Code of Ethics requirements? Is periodic training conducted? Do internal audit activity management and staff affirm that they are operating independently and objectively? Do internal audit activity management and staff sign off annually that they have read, understand, and agree to abide by the Code of Ethics? (1120 and Code of Ethics) |
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**Standard 1300 – Quality Assurance and Improvement Program**

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| 1. Has a QAIP been established for the internal audit activity? If so, is it formally documented? (1300) |
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| 1. Describe how the internal audit activity satisfies the ongoing monitoring of performance components of the QAIP to ensure quality on an audit-by-audit basis. (1311) |
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| 1. Describe the performance metrics used to measure ongoing monitoring of performance for the internal audit activity. (1311) |
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| 1. Describe the frequency and process used for the periodic internal assessment component of the QAIP. (1311) |
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| 1. Comment on the frequency and form of the external assessment component of the QAIP. (1312) |
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| 1. When was the last external assessment performed? Was it a full external assessment or a self-assessment with independent external validation? (1312) |
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| 1. Please comment on how the CAE encouraged board oversight over the external assessment to reduce perceived or potential conflicts of interest. (1312) |
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| 1. Describe how the frequency and manner in which results of the QAIP (internal and external assessments) are communicated to senior management and the board. (1320) |
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| 1. Do you state that the internal audit activity “conforms with the *International Standards for the Professional Practice of Internal Auditing*”? (1321) |
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| 1. If yes, which documents include the conformance notations (e.g., internal audit charter, engagement reports)? (1321) |
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**Governance Successful Practices or Opportunities for Improvement**

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| 1. Please list and comment on any successful practices related to Standards 1100 or 1300 and the Code of Ethics that you identified as part of this planning process and that should be considered by the assessor or assessment team in their overall evaluation. |
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| 1. Please list and comment on any opportunities for continuous improvement related to Standards 1100 or 1300 and the Code of Ethics that you identified as part of this planning process and that should be considered by the assessor or assessment team in their overall evaluation. |
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1. **Internal Audit Staff**

**Standard 1200 – Proficiency and Due Professional Care**

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| 1. What documents (e.g., job descriptions, competency frameworks, or models) are used to identify and evaluate the core competencies, knowledge, skills, and specialized areas of knowledge that the internal audit staff must possess or obtain? (1210) |
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| 1. Please comment on how the core competencies in these documents are kept current and used in internal audit annual/strategic planning. How does the internal audit activity keep current in terms of trends and emerging issues to enable relevant advice and recommendations? (1210) |
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| 1. Are specialized areas of knowledge (e.g., IT, treasury, engineering, or legal/compliance) required on some audit engagements? If yes, what are the specialized areas of knowledge and how do you staff these engagements (e.g., subject matter experts on staff, guest auditors, or rotation programs, co-sourcing)? (1210) |
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| 1. Please comment on whether the internal audit activity is viewed as a source of talent in the organization. (1210) |
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| 1. Please provide your perspective on the level of competency within the internal audit activity related to the categories below. The description should include areas of strength as well as opportunities for continuous improvement. (1210) |
| 1. General competencies (communication, ability to promote the value of internal audit, and problem identification and solution skills) |
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| 1. Behavioral skills (confidentiality, objectivity, judgment, works well with all management levels, governance and ethics sensitivity) |
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| 1. Technical skills (e.g., understand the business, risk analysis and control assessment techniques, business process analysis, risk analysis and control assessment techniques) |
|  |
| 1. Knowledge (e.g., auditing and standards, organizational culture, governance and risk management, industry knowledge) |
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| 1. Please describe how the internal audit activity considers the use of technology-based audit and other data analysis techniques for risk assessment, planning, and engagement execution. (1220) |
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| 1. Describe how individual audit staff members are made aware of their due professional care responsibilities. How do you monitor conformance? (1220) |
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| 1. Please describe how internal audit management is kept aware of changes in professional guidance and responsibilities related to the Core Principles and Code of Ethics. |
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| 1. How is continuing professional development for internal audit management and staff supported? How is professional development linked to performance evaluation? (1230) |
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| 1. Please describe your process for onboarding or induction of new personnel into the internal audit activity. (1230) |
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**Internal Audit Staff Successful Practices or Opportunities for Improvement**

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| 1. Please list and comment on any successful practices related to Standard 1200 that you identified as part of this planning process that should be considered by the assessor or assessment team in their overall evaluation. |
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| 1. Please list and comment on any opportunities for continuous improvement related to Standard 1200 that you identified as part of this planning process that should be considered by the assessor or assessment team in their overall evaluation. |
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1. **MANAGEMENT**

**Standard 2000 – Managing the Internal Audit Activity**

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| 1. Is there a strategic plan specific to your internal audit activity? If so, please describe how the strategic plan is developed and executed. The description should include inputs into the plan, communication, and approval of the plan, and monitoring and reporting on the progress of initiatives included in the plan. (2000) |
|  |
| 1. Describe how the internal audit activity ensures the completeness of the audit universe. Also comment on potential auditable activities that have been excluded from your plan or are placeholders (i.e., have not been audited) for future coverage. How are areas of emerging risk captured and included in the audit universe? (2010) |
|  |
| 1. Describe the process used to develop the risk-based audit plan, including inputs into the plan from key stakeholders, senior management and the board; consideration of the organization’s strategies, key business objectives, associated risks, and risk management processes; the process used to prioritize items in the audit universe; and approval of the risk-based plan by the board. (2010 and 2020) |
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| 1. Please describe the process for communicating and obtaining approval for significant changes to the approved annual audit plan. Have thresholds been established to determine the level of significance? Is approval of changes reflected in audit committee meeting minutes? (2010) |
|  |
| 1. How is time allocated between financial, operational, compliance, IT, and consulting activities in the annual audit plan? (2010) |
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| 1. Please describe how internal audit activity resources are linked to the annual audit plan objectives in terms of numbers, skills, and competencies. How does the CAE communicate the impact of resource limitations, if any, to senior management and the board? (2010 and 2030) |
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| 1. Briefly describe the process that is used to develop, maintain, and implement the internal audit policy and procedure manual. (2040) |
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| 1. Please list the other assurance providers within the organization (e.g., ERM, compliance, quality, or environmental) and briefly describe how the internal audit activity shares information and coordinates activities with these groups. (2050) |
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| 1. Please comment on any use of assurance maps, internal audit’s reliance on the work of other assurance providers, and the interaction with subject matter experts from within the organization (e.g., guest auditors). (2050) |
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| 1. Please describe the level of interaction and coordination with the external auditors. What level of reliance is placed on the work of the internal audit activity by the external auditors? (2050) |
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| 1. Briefly describe your periodic reporting to senior management and the board (i.e., frequency and content of meetings, informal contacts, frequency of private sessions with the board/audit committee, etc.). Also, comment on senior management and the board expectations regarding overall opinions and any other comments about communication and reporting practices. (2060) |
|  |
| 1. Briefly describe the communications that take place between the internal audit activity and senior management and the board related to the areas below. Include the date when the communication last took place and where the communication is documented. (2060) |
| a. Internal audit charter. |
|  |
| b. Independence of the internal audit activity. |
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| c. The audit plan and progress against the plan. |
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| d. Resource requirements. |
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| e. Results of audit activities. |
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| f. Conformance with the Code of Ethics and the Standards, and action plans to address any significant conformance issues. |
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| g. Management’s response to risk that, in the CAE’s judgment, may be unacceptable to the organization. |
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| 1. Please list any third-party providers of outsourced or co-sourced internal audit services used by the organization. If the internal audit activity is outsourced, describe how the third-party provider has made the organization aware that the organization has the responsibility for maintaining an effective internal audit activity. If internal audit services are co-sourced, please briefly describe the interaction with the third-party provider. (2070) |

**Standard 2100 – Nature of Work**

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| 1. Please comment on how internal audit contributes to the improvement of the organization’s governance processes related to: |
| a. Making strategic and operational decisions. (2110) |
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| b. Overseeing risk management and control. (2110) |
|  |
| c. Promoting appropriate ethics and values within the organization. (2110) |
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| d. Ensuring effective organizational performance management and accountability. (2110) |
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| e. Communicating risk and control information to appropriate areas of the organization. (2110) |
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| f. Coordinating the activities of, and communicating information among, the board, external and internal auditors, other assurance providers, and management. (2110) |
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| 1. Describe how the internal audit activity evaluates the design, implementation, and effectiveness of the organization’s ethics-related objectives, programs, and activities. (2110) |
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| 1. Describe how the internal audit activity assesses whether the IT governance of the organization supports the organization’s strategies and objectives. (2110) |
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| 1. Please describe the internal audit activity’s role in risk management in the organization. Specifically comment on the interaction with the ERM activity and the role (if any) that the CAE plays, including any management responsibilities. (2120) |
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| 1. Please describe internal audit’s role in evaluating control within the organization. Specifically comment on the use of control frameworks by internal audit. (2130) |
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| 1. Please provide examples of how the internal audit activity has contributed to the improvement of the organization’s governance, risk management, and control processes. Comment on current priorities and any future plans for increasing the value of the internal audit activity’s services. (2110, 2120, and 2130) |
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**Standard 2450 – Overall Opinions**

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| 1. Does the internal audit activity provide an overall opinion related to any of their activities? If so, describe how the overall opinion takes into consideration the strategies, objectives, and risks of the organization, and the expectations of senior management, the board, and other stakeholders. (2450) |
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| 1. If an overall opinion is provided, describe how the communication is structured and the process used to ensure the overall opinion is supported by sufficient, reliable, relevant, and useful information. (2450) |
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**Standard 2600 – Communicating the Acceptance of Risks**

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| 1. Please describe the process to communicate situations where the CAE concludes that senior management has assumed a level of risk that may be unacceptable to the organization. (2600) |
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**Management Successful Practices or Opportunities for Improvement**

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| 1. Please list and comment on any successful practices related to Standards 2000, 2100, 2450, and 2600 that you identified as part of this planning process that should be considered by the assessor or assessment team in their overall evaluation. |
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| 1. Please list and comment on any opportunities for continuous improvement related to Standards 2000, 2100, 2450, and 2600 that you identified as part of this planning process that should be considered by the assessor or assessment team in their overall evaluation. |
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1. **PROCESS**

**Standard 2200 – Engagement Planning**

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| 1. Please describe your approach to engagement-level planning in terms of establishing objectives and scope. How is engagement-level planning linked to the overall annual audit plan? (2201 and 2220) |
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| 1. Please describe how you approach engagement-level risk assessment. How is engagement-level risk assessment linked to the objectives, scope, and work program? Is a risk and control matrix used? (2201, 2210, and 2220) |
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| 1. Please describe how you consider the potential for fraud during the engagement-level planning process. (2201) |
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| 1. What are the documents that you require as a component of your planning process (e.g., planning memo, risk and control matrix, work program)? (2201) |
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| 1. Do you differentiate between assurance and consulting engagements from a planning perspective? If so, please describe the differences. (2201) |
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| 1. How do you ensure that the resources assigned to the engagement are sufficient in terms of numbers, skills, and competencies? (2230) |
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| 1. Please describe the process for establishing the work program to link planning with fieldwork. Is the work program and significant changes to the work program approved in advance and documented? (2240) |
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**Standard 2300 – Performing the Engagement**

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| 1. Describe how information captured during the audit process is sufficient, reliable, relevant, and useful to meet the engagement’s objectives. (2310) |
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| 1. Describe how information is analyzed to support engagement observations. Describe the use of data analytics and root-cause analysis. (2320) |
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| 1. Please comment on how work performed during an engagement (assurance or consulting) is documented. Are electronic workpapers used? Are checklists and templates used to support consistency, quality, and sustainability? (2330) |
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| 1. Please describe how the CAE controls access to engagement records. Is there a retention policy specific to internal audit activity workpapers? (2330) |
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| 1. Please describe the critical points where supervisory review and approval is demonstrated in the workpapers. Is this review and approval process specifically documented? (2340) |
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**Standard 2400 – Communicating Results**

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| 1. Describe the standard elements in your engagement reports. Is a template used to ensure consistency of the reporting process? (2400) |
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| 1. Are there different reporting mechanisms for assurance engagements and consulting engagements? (2400) |
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| 1. Describe the basis for the ratings or conclusions in engagement reports. Is an overall rating or conclusion provided? Are individual observations rated by significance? Are rating criteria specifically defined in the report? Is an executive summary used? (2410) |
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| 1. Please comment on the level of acceptance of reported observations shown in engagement reports. Do stakeholders view reports as being valuable and insightful? (2420) |
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| 1. Describe your view of quality related to the engagement reporting process. Are reports accurate, objective, clear, concise, constructive, complete, and timely? How do you deal with circumstances where there may be error or omission in communicated results? (2420 and 2421) |
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| 1. Do you use the term “conducted in conformance with the International Standards for the Professional Practice of Internal Auditing”? If so, what is the basis for its use? (2430) |
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| 1. Describe how you manage distribution of audit reports to ensure results are given due consideration. Who receives copies of all audit reports? (2440) |
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**Standard 2500 – Monitoring Progress**

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| 1. Describe the process to monitor results of engagements. Is there a tracking mechanism to monitor the status of all reported observations? Are open items communicated to senior management and the board? (2500) |
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| 1. Please describe the process to modify the due date for reported observations. Are changes reported to senior management and the board? Does anyone specifically approve the changes? (2500) |
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| 1. Describe the actual follow-up process for open observations. Is there a specific follow-up audit performed? Are desktop procedures performed? Are follow-up procedures customized for significance of reported observations? (2500) |
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**Process Successful Practices or Opportunities for Improvement**

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| 1. Please list and comment on any successful practices related to Standards 2200, 2300, 2400, and 2500 that you identified as part of this planning process that should be considered by the assessor or assessment team in their overall evaluation. |
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| 1. Please list and comment on any opportunities for continuous improvement related to Standards 2200, 2300, 2400, and 2500that you identified as part of this planning process and that should be considered by the assessor or assessment team in their overall evaluation. |
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