Have a close look at the quality of internal audit by looking at its compliance with the spirit of the standards.

**Purpose, Authority, and Responsibility (standard 1000)**

1. To assure that the role of internal audit is clearly defined in a document (a law, an act or a charter).
   1. Check whether all founding documents that describe the role of internal audit are properly aligned and consistent.
   2. Assess whether there is a due process in place to update these documents whenever changes to standards occur.
   3. Assess whether management clearly understands the role, authority and responsibility of internal audit.
2. To assure that internal audit is not accountable for any operational activities.
   1. Check whether the responsibilities of internal audit are clearly defined in the founding documents.
   2. Assess whether the current responsibilities and job descriptions of the internal audit staff do not cover any operational activity.
   3. Assess whether internal audit does not play an excessive role in certain activities (e.g. fight against corruption, fraud prevention and investigation, ex-ante sign-off of contracts, etc.) which may create the perception that internal audit is also accountable for these activities.
   4. Assess whether internal audit is not taking part, in fact or in appearance, in any decision making process.
   5. Assess whether internal auditors are required to regularly sign a declaration of independence.
   6. Check whether there are/were cases where auditors were held accountable for operational activities.
3. To assure that internal audit has unlimited access to information, assets and people.
   1. Check whether the founding documents grant unlimited access to information, assets and people.
   2. Check whether the term ‘unlimited’ access has been properly defined.
   3. Check whether the access to information is linked to a classification of information (confidential, classified, etc.).
   4. Assess whether there is a due procedure with escalation in place when access is being denied to internal auditors.
   5. Check whether there are/were cases where access has been denied.
4. To assure that the reporting lines of internal audit are clearly defined.
   1. Check whether the founding documents foresee a reporting line of internal audit to the top official in the organization (e.g. the minister).
   2. Check whether the reporting line of internal audit to the Central Harmonization Unit (CHU) has been clearly defined.
   3. Assess whether these reporting lines also work in practice.
   4. Check whether the founding documents also describe the communication between internal audit and the auditees / audit objects.
   5. Check whether the founding documents also describe the responsibilities of the auditees / audit objects to react on audit findings.
   6. Assess whether internal audit produces periodic activity reports, highlighting capacity constraints, budgetary challenges, etc.
5. To assure that all employees are aware of the role and responsibilities of internal audit.
   1. Assess whether all employees have access and are knowledgeable of the founding documents describing the role and responsibilities of internal audit.
   2. Assess whether all employees are made aware of changes to these founding documents.
   3. Assess whether the role of internal audit is clearly explained during the induction training for new employees.
   4. Check whether internal audit has developed a brochure or a flyer, available on the intranet and including FAQ, explaining in plain words the role of internal audit and the rights / duties of the auditees.
   5. Assess whether internal audit as a standard procedure reiterates its role during the kick-off meetings of individual audit engagements.
6. To assure that there is a clear understanding of the various services (assurance vs. consulting) that internal audit can deliver.
   1. Check whether the founding documents foresee internal audit to deliver both assurance and consulting services.
   2. Check whether the founding documents clearly state that management is sole accountable for any action taken following the advice or recommendation received from internal audit.
   3. Assess whether there is a proper procedure in place for management to request consulting services from internal audit.
   4. Assess whether the internal audit plan foresees a proper balance between assurance and consulting services.
   5. Assess the activity reports on the delivery of consulting services.
7. To assure that the founding documents refer to national or international internal auditing standards.
   1. Check whether all founding documents that describe the role of internal audit are properly aligned with international standards.
8. To assure that the founding documents refer to a code of conduct for internal auditors.
   1. Check the founding documents for reference to a code of conduct for internal auditors.
   2. Check whether this code of conduct is in line with the international code of ethics for internal auditors.
   3. Assess whether internal auditors must confirm periodically their compliance with the code.

**Independence and objectivity (standard 1100)**

1. To assure that the independence of internal audit is granted.
   1. Check the founding documents for reference to the independence of internal audit.
   2. Check whether the head of internal audit has a direct and unrestricted access to senior management and the audit committee.
2. To assure that there are measures in place to guarantee the independence of the internal auditors.
   1. Check whether the regulations and procedures in place grant the independence. State which one(s).
   2. Check whether the regulations and procedures state both the organizational and functional independence.
   3. Assess whether any improvement is needed in the regulations and procedures.
3. To assure that internal audit is not only independent on paper but also in reality.
   1. Check whether internal audit is organizationally positioned under the head of the institution.
   2. Check, if the head of the institution has delegated the responsibility over internal audit to somebody else, i.e. secretary general or the deputy head of the institution, whether this delegation is in line with the regulations.
   3. Assess the regularity of meetings between the head of the institution and internal audit.
   4. Check whether internal audit has received any request from management to be involved in everyday activities of the institution.
   5. Assess how many requests were issued by the head of the institution to perform ad hoc audits in the period under review.
   6. Assess whether the ad hoc audits have an impact on the execution of planned audits.
   7. Identify any obstacles which threatened the independence in the past period.
   8. Assess whether the head of internal audit can negotiate improvements in independence if he/she has identified any deficiencies.
4. To assure that audit plans, budget and headcount are approved.
   1. Assess whether audit plans are based on an independent and objective risk assessment.
   2. Assess whether the audit plans, the budget and the headcount are approved without any serious delay on the planned audit activities.
   3. Assess what were the main obstacle not to approve the audit plans, the budget and the headcount.
   4. Assess whether internal audit is free to select audits without interference.
   5. Assess whether internal audit feels any pressure from the management/head of the institution to change its audit plan.
   6. Check whether there are cases where the head of the institution had not approved one of the audits planned in the audit plan (based on risk assessment). State the reason for that.
5. To assure whether the head of internal audit is appointed according to his/her merits.
   1. Check whether the provision on appointing the head of internal audit is specified in any binding document (a law, a rulebook, a charter). State in which document(s).
   2. Check whether any requirements exist on the required competencies and skills for the head of the internal audit unit.
   3. Check whether the current head has been appointed according to the requirements.
6. To assure that the head of internal audit cannot be dismissed in a random manner.
   1. Check whether the provision on dismissal of the head of internal audit is properly specified in any binding document (a law, a rulebook, a charter). State in which document(s).
   2. Check whether any such case occurred in the period under review.
7. To assure that a proper escalation process exists in case internal audit feels its independence threatened.
   1. Check whether the provision on escalation is properly specified in any binding document (a law, a rulebook, a charter). State in which document(s).
   2. Check whether any such case occurred in the period under review. Assess the results of these cases.
8. To assure that internal audit is allowed to tell the things as they are.
   1. Check what rules for independence and objectivity are stipulated in the Internal Audit Charter and assess whether these are adequate.
   2. Check whether the head of the institution signed the charter.
   3. Check whether the charter is published on the website or through any other means.
   4. Check whether there are cases in which the internal auditors have reported that attempts were made to interfere with their work.
9. To assure that the CHU can assist internal audit in case its independence is threatened by senior management.
   1. Assess the rights and possibilities for escalation to the CHU according to the legislation.
   2. Assess whether independence is being reviewed during the external assessments performed by the CHU
   3. Assess whether the CHU has the possibility to give recommendations on independence to the head of the institution.
10. To assure that internal audit is timely aware of important decisions being taken in the institution.
    1. Check whether the head of internal audit takes part in the working meetings of the management of the institution.
    2. Check whether this participation and his/her role are described in some regulation or internal procedures.
    3. Assess whether his/her role is limited to an observer only.
11. To assure that there is a due process in place to deal with conflicts of interest.
    1. Check whether there are any regulations regarding the objectivity of internal audit.
    2. Check whether internal auditors need to sign a declaration on conflict of interest before starting an audit engagement.
    3. Check whether this declaration is effectively signed by all internal auditors before the execution of an audit engagement.
    4. Check whether there were cases of conflict of interest. In case there are, assess the way they were handled.
12. To assure that internal audit is not responsible for any operational activities that in principle should not be part of internal audit’s duties.
    1. Check whether there is a prohibition in the law or in any other regulation for internal audit to be assigned functions and activities other than internal audit activities.
    2. Check whether internal audit has been assigned functions other than internal audit activities.
    3. Check, in cases where internal auditors were assigned operational work, whether this was taken into account when planning future audit engagements. Assess the alternative solutions taken.
13. To assure that internal audit is not involved in the regular design of procedures for the auditees.
    1. Check whether there is a prohibition in the law or in any other regulation for internal audit to be assigned functions and activities other than internal audit activities.
    2. Check whether there is a procedure in place that, when internal audit occasionally design procedures for the auditees, the auditees take full ownership of the procedures when designed.
    3. Check, in cases where internal auditors have designed procedures, whether this was taken into account when planning future audit engagements. Assess the alternative solutions taken.
14. To assure that there is a process in place to disclose any potential impairment to independence and objectivity.
    1. Check whether the law, the charter or any other relevant regulation clearly defines the process of disclosure.
    2. Check whether the disclosure procedure includes a report to the CHU.
    3. Assess through conversation with the internal auditors whether they know what to do when independence and/or objectivity are compromised.
15. To assure that no significant scope limitation(s) exist.
    1. Check whether significant scope limitation(s) did occure in the period under review.
    2. Assess whether the auditees have been properly informed about the rights of internal auditors to fully access information, assets and people.
    3. Check whether the auditors inform the head of internal audit in case of imposed scope limitations during their work.
    4. Check whether the head of internal audit informs the head of the institution in case of imposed scope limitations during the internal audit work. Assess the measures taken.
16. To assure there is a process in place to deal with gifts received from auditees or others.
    1. Check whether the organization has established rules on gifts.
    2. Assess whether there has been any concrete situation where internal auditors were faced with the offering of a gift. Assess the appropriateness of the consecutive actions.
17. To assure whether there is a cooling-off period for auditors who transfer **from** operational units.
    1. Check whether a cooling-off period has been established for auditors who transfer from operational units.
    2. Check whether this cooling-off period is respected in practice.
18. To assure whether there is a cooling-off period for auditors who will transfer **to** operational units?
    1. Check whether a cooling-off period has been established for auditors who transfer to operational units.
    2. Check whether this cooling-off period is respected in practice.
19. To assure that, in case internal audit has a responsibility for operational activities, these activities are overseen by a third party.
    1. Check whether there is an appropriate procedure in place.
    2. Check whether this procedure is being respected in practice.

**Proficiency (standard 1200)**

1. To assure that the internal auditors collectively possess the necessary knowledge and skills to assume their role.
   1. Check whether a competency model has been made of all necessary skills and knowledge critical for the execution of audit engagements. Check whether this model is regularly updated.
   2. Check whether proper job descriptions exist for the internal auditors.
   3. Assess whether the internal auditors are knowledgeable about their role and responsibilities.
   4. Check whether the internal auditors have the necessary experience and professional certificate.
   5. Assess whether the internal auditors possess the necessary knowledge to perform their job.
   6. Assess whether less internal auditors are trained on the job?
2. To assure that there is a proper process in place to ensure that the auditors possess the necessary knowledge and skills to conduct the individual internal audit engagements.
   1. Check the existence of a competency matrix, whereby the needs are matched with the knowledge of the current staff.
   2. Check whether the required knowledge is assessed prior to the internal audit engagement.
   3. Check the existence of an annually updated training plan.
3. To assure that the internal auditors are capable to apply the internal audit methodology.
   1. Check whether the CHU audit manual has been adapted to the environment of the institution.
   2. Assess whether the internal auditors fully understand the methodology.
   3. Check whether appropriate training is dedicated to the methodology and to its updates.
   4. Check whether appropriate internal audit procedures and templates exist.
   5. Assess whether the auditors are aware of these procedures and templates.
4. To assure that the internal auditors are attentive to fraud indicators (red flags).
   1. Assess whether the auditors are aware that fraud is an important factor (risk) to consider in audit engagements.
   2. Assess whether the auditors know what fraud is and how it may occur.
   3. Assess whether the auditors know how to react to fraud indicators.
5. To assure that the internal auditors are competent enough to audit the IT environment.
   1. Assess whether the auditors possess an appropriate knowledge of the IT environment.
   2. Check whether the internal audit unit has a certified IT specialist.
   3. Assess whether a framework like CobIT is being applied.
   4. Check whether IT audit is being outsourced.
   5. Check whether proper IT audit trainings are provided to the internal auditors.
   6. Check whether the methodology contains adequate guidance on IT audit.
6. To assure that the internal auditors apply IT tools and techniques to perform their audit engagements.
   1. Check whether the usage of IT tools and techniques is properly described in the internal audit manual.
   2. Check which IT tools and techniques are currently used by the auditors to conduct audit engagements.
   3. Assess whether the auditors are fully aware of the advantages of using proper IT tools and techniques.
   4. Check whether proper training on IT tools and techniques is included in the training plan.
7. To assure that the internal auditors know how to deal with the auditees.
   1. Check whether training on problem resolving is included in the training plan.
   2. Assess how the auditors deal with problems and obstacles.
8. To assure that the internal auditors possess the necessary communication skills.
   1. Check whether training on oral and written communication is included in the training plan.
   2. Assess whether the audit findings prove the professionalism of the auditors.
   3. Assess whether the audit recommendations are useful and practical for the institution.
   4. Interview employees of the organization in order to assess the professionalism of the auditors.
9. To assure that there is a certification and professional development program in place for the internal auditors?
   1. Check whether certification and training of internal auditors is regulated.
   2. Check whether training program are actually implemented.
   3. Assess the auditors’ satisfaction with the training program.
   4. Check whether certification is sustained by adequate continuing professional development.
10. To assure that external experts are used when the internal auditors lack the appropriate knowledge and skills.
    1. Check whether the regulations and procedures foresee the right and the process to invite experts.
    2. Assess in which domains experts are needed. Match these needs with actual usage of experts.
    3. Check whether the budget foresees for the use of external experts.
    4. Check whether the role and the objectives of the external experts are clearly defined in a contract or agreement.
    5. Assess whether the experts are not only delivering a job but also transfer knowledge to the internal audit unit.
11. To assure that the audit objectives are focused on the main risk(s).
    1. Assess whether internal audit has adequate procedures in place to identify, assess and prioritize risks.
    2. Assess whether the auditors have an independent and unbiased approach to the assessment of risks.
    3. Assess whether auditors can distinguish between critical and less critical risks.

**Quality assurance and improvement (standard 1300)**

1. To assure that internal audit has an adequate quality assurance and improvement program in place.
   1. Check whether the head of internal audit has established and maintains a quality assurance and improvement program.
   2. Check whether all auditors are acquainted with the quality assurance and improvement program.
2. To assure that the quality assurance and improvement program is embedded into all internal audit policies and procedures?
   1. Check whether the quality assurance and improvement program is specified in the law on internal audit and/or any other relevant document.
   2. Check whether the concept of quality assurance and improvement is embedded throughout all steps of the internal audit methodology.
3. To assure that the quality assurance and improvement program includes ongoing supervision, periodic internal quality assessments and periodic external quality assessments.
   1. Check the content and methodology of the quality assurance and improvement program.
   2. Check whether ongoing supervision is defined as a part of everyday monitoring of the activities of internal audit.
   3. Assess the responsibilities with regard to ongoing supervision.
   4. Assess the templates and tools that are used for ongoing supervision.
   5. Assess the quality and consistent approach of ongoing supervision.
   6. Check whether periodic internal quality assessment is well defined as part of the quality program.
   7. Assess whether the internal auditors responsible for internal quality assessment are independent, objective and exercise due professional care.
   8. Check whether the periodic internal audit assessment is included in the annual audit plan.
   9. Assess the templates and tools that are used for periodic internal assessment.
   10. Assess the overall quality of the periodic internal assessment.
   11. Check whether the results of the periodic internal assessment are properly reported.
   12. Check whether due consideration has been given to the recommendations resulting from the periodic internal assessment.
   13. Check whether external quality assessment is well defined as part of the quality program.
   14. Check whether the program envisages that external assessment could be performed as complete independent external assessment or as a self assessment with independent external validation.
   15. Check whether the program envisages who can perform an external assessment (the criteria for the persons who may perform an external assessment).
   16. Check whether the results of the external assessment are properly reported.
   17. Check whether due consideration has been given to the recommendations resulting from the external assessment.
   18. Check whether the external assessment has been budgeted for.
4. To assure that the quality assurance and improvement program covers all aspects of the internal audit unit (role, risk assessment, planning and execution of engagements, reporting and training).
   1. Assess the content and methodology of the quality assurance and improvement program.
   2. Assess whether the actual performance of the quality program is in line with the methodology.
5. To assure that internal audit has meaningful key performance indicators to measure its performance.
   1. Check whether key performance indicators are defined in the internal audit methodology and procedures..
   2. Assess the content of the indicators, especially with regard to their usefulness.
   3. Check whether regular reporting on key performance indicators occurs.
6. To assure that the results of the quality assurance and improvement program are regularly communicated to senior management.
   1. Assess whether senior management is aware of the existence of a quality assurance and improvement program.
   2. Check whether regular reporting exists.
   3. Check whether the head of internal audit regularly reports on the implementation of the action plans resulting from the various assessments.
7. To assure that internal audit periodically solicits feedback from the auditees and from senior management.
8. Check whether an audit survey is sent to the auditee after the execution of each audit engagement.
9. Check whether an audit survey is sent periodically to senior management.
10. Check whether the results of the audit survey are properly analyzed and concluded upon.
11. Check whether the results of the surveys are periodically communicated to senior management.
12. To assure that internal audit periodically benchmarks itself against comparable units nationally and internationally.
    1. Check whether internal audit participates in national and international events where best practices are presented and discussed.
13. To assure that internal audit brings real value to the institution.
    1. Assess how internal audit measures its value.
    2. Interview a few beneficiaries of internal audit services.
14. To assure that any statement on compliance with international internal audit standards is supported by internal and external quality assessments.
    1. Check whether the usage of this statement is defined in the methodology.
    2. Assess whether internal audit is acquainted with the usage of this term.
    3. Check a few internal audit reports on the presence of this statement
    4. Check whether this statement is supported by positive results of internal and external quality assessments.
15. To assure that any non-conformance with international internal audit standards is properly disclosed.
    1. Check whether a disclosure of non-conformity is defined in the methodology.
    2. Check a few internal audit reports on the presence of such a disclosure.
    3. Check whether the reason for nonconformance has been clearly explained.
    4. Check whether the impact on non-conformance is described.

**Managing the internal audit unit (standard 2000)**

1. To assure that a complete, meaningful, manageable and sustainable audit universe exists.
   1. Check whether the audit universe exists and is regularly updated..
   2. Check whether the audit universe consists of all relevant objectives, processes, activities and departments/units of the institution.
2. To assure that the internal audit activities are driven by a risk-based plan.
   1. Check whether there are adequate procedures for the elaboration of a risk-based audit plan.
   2. Check whether the risks associated with the objectives, processes and activities of the institution have been identified and assessed.
   3. Check whether the risk assessment process has been properly documented.
   4. Check whether proper risk factors, criteria for assessment, risk weights and scores been defined.
3. Check whether the strategic and annual plans are updated periodically.
4. Check whether changes in objectives, activities, resources, operational environment; are taken into account when developing the risk assessment and the plan.
5. Check whether the plans are discussed with senior management before its final release.
6. To assure that the internal audit plan takes into consideration any risk management framework that exists within the institution.
   1. Check whether a risk management framework exists within the institution.
   2. Check whether the existing risk management framework and its results have been assessed by internal audit.
7. To assure that input from senior management has been solicited and considered for the development of the internal audit plan.
   1. Assess the way that management input is solicited and discussed.
   2. Assess the justification to include areas for audit as proposed by management in the audit plan.
8. To assure that adequate risk factors are used for the risk assessment process.
   1. Check whether the risk factors are in accordance with the specifics of the processes of the institution.
   2. Check whether key risk factors have been defined.
   3. Check whether proper criteria for the assessment of the selected risk factors have been identified.
   4. Check whether the significance/ weight of each risk factor has been rated.
9. To assure that key controls are identified.
   1. Check whether controls that address a key risk or a number of risks are properly identified.
   2. Check whether the adequacy of key controls are discussed and assessed.
10. To assure that internal audit gives appropriate audit coverage to all areas of the institution.
    1. Check whether the audit unit coverage has been identified in the strategic plan.
    2. Check whether a classification/prioritization of the processes/activities (audit units) has been made in accordance with the risk level identified.
11. To assure that the audit plan is reviewed periodically.
    1. Assess whether the audit plan has been reviewed in the event of significant changes in the audit universe or when new risks arise.
    2. Check whether senior management is involved in the review of the audit plan.
    3. Check whether the head of the institution approves the changes.
12. To assure that internal audit has appropriate and sufficient resources.
    1. Check whether internal audit makes a periodic analysis of the resources needed to perform the audit activities according to its plan.
    2. Check whether the analysis considers both the skills as well as the number of auditors needed to perform the internal audit activities according to the plan.
    3. Check whether IT knowledge and fraud indicators are also part of the assessment of skills needed.
    4. Check whether succession planning is incorporated in the assessment process.
13. To assure that the impact of resource limitations is communicated to senior management.
    1. Check whether an assessment has been made of the quality and quantity of resources needed to implement the audit plan.
    2. Check whether an assessment has been made of the impact of resource limitations.
    3. Check whether senior management has been timely informed about the resource limitations and its impact on the institution.
14. To assure that internal audit makes use of ‘guest’ auditors, coming from other parts of the organization.
    1. Check whether the policies and procedures allow internal audit to invite experts (non-auditors) from other parts of the organization to assist the audit team on technical matters.
    2. Check whether these experts have no conflict of interest with the audited area.
15. To assure that internal audit has adequate audit policies and procedures, and that these procedures are updated on a regular basis.
    1. Check whether the existing procedures are sufficient to perform various types of audit engagements.
    2. Check whether the current procedures prescribe the usage and organization of working papers.
    3. Check whether the procedures prescribe the retention of and access to audit files.
    4. Check whether the procedures are updated on a regular basis.
16. To assure that internal audit activities are properly coordinated with other internal assurance providers.
    1. Check whether the organization and mandate of other internal assurance providers are documented.
    2. Check whether internal audit has made an assessment of the work of these internal providers.
    3. Check whether information and reports are exchanged.
    4. Check whether the internal audit activities are coordinated in order to avoid duplication.
    5. Check whether internal audit relies on the results of their work.
17. To assure that internal audit coordinates its activities with the supreme audit institution.
    1. Check whether cooperation between internal and external auditors is described in any official document.
    2. Check whether the activities of external audit are already considered in the planning process.
    3. Check whether external audit has access to all internal audit files.
18. To assure whether the external auditors esteem the work of internal audit reliable.
    1. Interview the external auditors in charge of the audit of the institution.
    2. Interview the head of internal audit about the view of the supreme audit institution on the internal audit unit.
19. To assure whether internal audit plays an appropriate role in the development and maintenance of a risk register or assurance map.
    1. Check whether a risk register exists and what the contribution of internal audit is.
    2. Check whether an assurance map exists and what the contribution of internal audit is.
20. To assure whether the second lines of defense within the institution receive proper audit coverage.
    1. Check whether the second lines of defense are part of the audit universe.
    2. Check whether appropriate consideration has been given to the second lines of defense during the risk assessment process.
21. To assure that internal audit activities are properly coordinated with other external assurance providers.
    1. Check whether the organization and mandate of other external assurance providers are documented.
    2. Check whether internal audit has made an assessment of the work of these external providers.
    3. Check whether information and reports are exchanged.
    4. Check whether the internal audit activities are coordinated in order to avoid duplication.
    5. Check whether internal audit relies on the results of their work.
22. To assure that internal audit periodically reports to senior management on its activities?
    1. Check whether the charter and the procedures define the content and the frequency of audit activity reports to the head of the institution.
    2. Assess the usefulness of these reports in the eyes of senior management.

**Nature of work (standard 2100)**

1. To assure that internal audit reviews the design and effectiveness of ethical programs within the institution.
   1. Check whether internal audit evaluates objectives, programs and activities of the institution with a focus on ethical issues.
   2. Check whether ethics are sufficiently emphasized in audit reports..
2. To assure whether internal audit reviews how risk ownership and accountability are ensured within the institution.
   1. Check whether internal audit provides an opinion on the alignment of various programs, processes and activities with the mission and objectives of the institution.
   2. Assess whether the concepts of risk ownership and accountability are reflected throughout the internal audit reports.
3. To assure that internal audit provides assurance on the risk management process.
   1. Check whether the risk management process is part of the audit universe.
   2. Check whether appropriate consideration has been given to the risk management process during the risk assessment exercise.
   3. Assess whether internal audit reviews the effectiveness of the risk management process.
   4. Assess whether internal audit reviews the alignment of residual risk with the risk appetite of the organization.
   5. Assess whether internal audit reviews the existence and completeness of the risk registers.
   6. Assess the role that internal audit plays in the risk management process.
4. To assure that internal audit pays sufficient attention to the risk of fraud.
   1. Check whether the risk of fraud is duly considered during the risk assessment process.
   2. Check whether the risk of fraud is duly considered during the planning process of individual audit engagements.
5. To assure that internal audit reviews the effectiveness and the efficiency of the internal control system.
   1. Check whether internal audit systematically reviews the effectiveness (does the control addresses the risk?) and adequacy (does the control work in practice?) of controls.
   2. Check whether internal audit advises proactively on effective and adequate controls during the development of new processes and systems.
6. To assure that internal audit contributes to the delivery of an opinion on the adequacy and the effectiveness of the overall internal control system.
   1. Check whether an overall opinion is required by the head of the institution.
   2. Assess the role of internal audit within the process of an overall opinion.
   3. Check whether internal audit can express an opinion based on sufficient audit coverage.
7. To assure that internal audit provides assurance on the reliability and the integrity of information.
   1. Check whether information integrity and reliability are part of the audit universe.
   2. Check whether appropriate consideration has been given to information integrity and reliability during the risk assessment exercise.
   3. Assess whether internal audit reviews the effectiveness of information integrity and reliability.
   4. Assess the role that internal audit plays in information integrity and reliability.
8. To assure that internal audit provides assurance on the privacy of information.
   1. Check whether privacy of information is part of the audit universe.
   2. Check whether appropriate consideration has been given to privacy of information during the risk assessment exercise.
   3. Assess whether internal audit reviews the effectiveness of information privacy.
   4. Assess the role that internal audit plays in information privacy.

**Planning the engagement (standard 2200)**

1. To assure that internal audit develops a detailed plan for every audit engagement.
   1. Check the existence of detailed plans for a few audit engagements.
   2. Check whether these plans have been signed off by the team leader.
   3. Check whether these plans have been signed off by the head of the internal audit unit.
   4. Check whether these plans include the required information to conduct the audit.
2. To assure that the engagement plan includes clear audit objectives and an appropriate definition of the audit scope.
   1. Assess whether the audit objectives are aligned with the risk identified during the risk assessment process.
   2. Assess whether the risk(s) identified during the risk assessment process have been updated with information acquired during the preliminary survey.
   3. Check whether a proper preliminary survey took place.
   4. Assess whether all structural units, documents and assets that will be subject to the audit have been defined, including the people who will be interviewed.
   5. Assess whether the period in scope has been defined.
   6. Check whether the impact of possible scope limitations has been assessed.
3. To assure that operational management is properly informed about the upcoming audit engagement.
   1. Check whether a procedure is in place to inform management about the upcoming audit engagement.
   2. Assess whether this procedure is consistently and fully applied.
   3. Check whether the objectives and the scope of the audit engagement are presented to the management of the audited process/structure as early as possible.
   4. Check whether the audit team members and the duration of the audit have been specified.
   5. Check whether a kick-off meeting was held to discuss issues related to the audit engagement.
4. To assure that a preliminary survey is conducted before developing the audit objectives.
   1. Check whether the methodology prescribes a standard approach for conducting a preliminary survey.
   2. Check whether appropriate questionnaires exist for the preliminary survey.
   3. Check in a few files whether a preliminary survey has been conducted.
5. To assure that internal audit considers the probability of significant errors and fraud before developing the audit objectives.
   1. Check whether internal audit assesses the probability of significant errors and fraud when conducting its own risk assessment before developing the audit engagement plan.
6. To assure that the audit scope includes significant systems, records, assets and people.
   1. Review a few audit files and check whether significant systems, records, assets and personnel are included in the scope.
7. To assure that appropriate and sufficient resources are allocated to perform the audit engagements.
   1. Check whether auditors with appropriate skills have been selected.
   2. Check whether external experts with particularly skills have been hired.
   3. Check whether the resources are sufficient to deal with the nature and complexity of the audit engagements.
8. To assure that a detailed audit program is developed, identifying all steps needed to achieve the audit objectives.
   1. Check whether the audit program includes methods and techniques to be used during the audit engagement.
   2. Check whether the execution of the steps in the audit program have been allocated to the individual internal auditors.
9. To assure that the audit programs are properly approved.
   1. Check whether the detailed audit programs, prepared by internal auditors, are approved by the head of the internal audit.

**Performing the engagement (standard 2300)**

1. To assure that internal audit has a process in place to identify relevant, sufficient, reliable and useful information during its engagements.
   1. Check whether internal auditors get information by holding interviews and making useful enquiries from relevant employees, by observing the current processes and by studying relevant reports.
2. To assure that internal auditors use analytical procedures in performing their engagements.
   1. Check whether the methodology describes what analytical procedures can be used in specific circumstances.
   2. Assess whether internal auditors understand the usage and usefulness of analytical procedures.
3. To assure that internal auditors prepare and use adequate working papers to document their audit work.
   1. Check whether the methodology clearly defines the format and content of working papers.
   2. Review a few audit files for the adequacy (proper cross-reference) and completeness of the working papers.
   3. Review a few audit files for evidence of adequate supervision over the working papers.
4. To assure whether access to the working papers is properly controlled.
   1. Check whether appropriate policies exist on access to working papers.
   2. Check whether manual working papers are properly secured.
   3. Check whether access to electronic working papers is controlled by proper access rights.
   4. Assess whether the internal auditors are aware of the safety requirements for the working documents.
5. To assure that proper retention requirements exist for audit working papers.
   1. Check whether appropriate policies exist on the retention of working papers.
   2. Assess whether the head of the internal audit unit obtains legal advice in case of doubt over longer than prescribed retention requirements.
   3. Check whether the internal auditors comply with the requirements of the retention procedure.
6. To assure that the audit engagements are adequately supervised.
   1. Check whether the methodology prescribes that all audit engagements should be adequately supervised.
   2. Interview staff about how supervision and coaching take place.
7. To assure that evidence of supervision is documented.
   1. Review a few audit files and check for evidence of proper supervision.

**Communicating results (standard 2400)**

1. To assure that internal audit clearly communicates the impact of its findings.
   1. Assess whether the audit findings distinguish between significant and less significant issues.
   2. Assess whether internal audit clearly states what the impact on the institution may be should the conditions not be taken care of.
   3. Interview senior management about the significance of audit findings.
   4. Assess whether the audit conclusion includes a clear and substantiated message.
2. To assure that internal audit acknowledges satisfactory performance of the auditees.
   1. Assess whether internal audit is not only focusing on what went wrong.
   2. Assess whether a satisfactory opinion is based on sufficient evidence.
   3. Check whether internal audit clearly provides positive or negative assurance.
3. To assure that the internal audit reports are accurate, constructive, objective, clear, concise, complete and timely.
   1. Review a number of audit reports on the defined quality criteria.
4. To assure that audit recommendations are pragmatic.
   1. Assess whether the recommendations contain some constructive proposals on how to improve the audit findings.
   2. Assess whether the recommendations are trying to improve the institution’s activities?
5. To assure that management response is included in the final audit reports.
   1. Assess whether the auditee has the opportunity to express his disagreement with audit findings and recommendations.
   2. Assess whether this disagreement, if not resolved, is included in the final audit report.

**Follow-up (standard 2500)**

1. To assure that internal audit has a process in place to monitor management actions with regard to the audit findings.
   1. Check whether the methodology prescribes a specific process to be respected.
   2. Check whether internal audit has a manual or automated system in place to follow up on audit findings.
   3. Check whether internal audit takes proper action when the implementation of recommendations is overdue.
   4. Check whether internal audit reviews the adequacy of management remediation.
2. To assure that it is clear for the auditees that they assume the risk for the timely implementations of remediating actions.
   1. Check whether this responsibility is clearly defined in the internal audit charter and other relevant documents.
   2. Interview some auditees and assess whether they are aware of their responsibility in this regard.

**Risk acceptance (standard 2600)**

1. To assure that there is an escalation process in case management is accepting a risk level which is above the risk appetite of the institution.
   1. Check whether the methodology defines the steps to be taken by internal audit.
   2. Assess whether internal audit has actually undertaken these steps when needed.