

**State of Illinois
Internal Audit Quality Assurance Review Program**

Table of Contents

Description	Page Number
Purpose and Overview.....	2
Self-Study Report.....	3
Chief Audit Executive’s Questionnaire.....	10
Internal Audit Staff Survey.....	15
Director’s Questionnaire.....	16
Sample Team Letter.....	17
Sample Announcement Letter.....	18
Review Team Preparation.....	19
Preliminary Meeting.....	20
Summary of Findings.....	21
Review Reports and Resolution of Disputes.....	22

Purpose and Overview

The purpose of the Quality Assurance Review program is to help ensure compliance with the *Fiscal Control and Internal Auditing Act* (FCIAA), and with the ¹*International Standards for the Professional Practice of Internal Auditing* (the *Standards*), by the State of Illinois agency's internal audit organizations.

Review Components:

The Quality Assurance Review program consists of two major components:

1. Review for compliance with the FCIAA; and
2. Review for compliance with the ¹*Standards*.

Composition and Selection of Quality Assurance Review Teams:

A pool of qualified reviewers will be established based on a set of qualifications determined by the State Internal Audit Advisory Board (SIAAB). It will generally consist of two qualification levels:

1. Team leader; and
2. Team member(s).

Each review team shall be composed of at least one team leader and one team member. The review team must be approved by the SIAAB in accordance with the Peer Review Bylaws.

Quality Assurance Review Methodology:

Quality Assurance Review's will generally include:

1. Announcement letter to the auditee.
2. Preliminary survey.
3. Fieldwork.
 - a. Interviews.
 - b. Substantive testing.
4. Reporting.
 - a. Preliminary exit conference.
 - b. Auditee response.
 - c. Final exit conference.
 - d. Review report issuance.

Review Cycle:

Each Chief Audit Executive is responsible for scheduling a Quality Assurance Review at least once every five years.

Funding and Administrative Procedures:

Travel, lodging, and per diem costs will be funded by the reviewer's agency.

Self-Study Report

General Instructions:

Respond to all of the questions, requests for information, and requests for evaluative comments relevant to the scope and objectives of the external quality assessment (QA). Also, attach all requested documentation relevant to such scope and objectives or, if these documents are too bulky or are not readily available in a form which facilitates their attachment, ensure that they are current and will be available to the QA team leader no later than the date scheduled for the preliminary visit.

Whenever a brief response will suffice, in lieu of an attachment, write it in the space provided. The attachments furnished should be described briefly within the self-study and clearly labeled. If the requested document/information is not attached to the self-study (i.e., not considered relevant or to be made available later), note this on the self-study where the attachment is called for.

The Chief Audit Executive (CAE) may delegate the preparation of this self-study, but should review it for accuracy and completeness before submitting it to the external assessment team.

I. Organization and Environment

A. Background of the Agency

1. Briefly describe the major activities of the agency and attach a copy of the agency's most recent annual report.
2. Provide the following summary information about the agency:
 - a. Approximate number of employees;
 - b. Number of operating locations;
 - c. Geographical locations of major operations;
 - d. Revenues; and
 - e. Assets.

B. Risk Management, Governance, Accountability, and Oversight

1. Describe the extent to which the Internal Audit activity's priorities, scope of work, and use of resources are aligned with the agency's enterprise risk management framework; describe how the Internal Audit activity contributes to achievement of the agency's goals. Comment on potential or planned changes to the Internal Audit activity's priorities, scope, or use of resources to enhance that alignment.
2. Attach a copy of the Internal Audit Charter. (It should clearly set forth Internal Audit's mission, responsibilities, and it should have been approved by the Agency's Director or equivalent.) Comment as to the extent to which this current audit Internal

Audit Charter gives the Internal Audit activity adequate authority, scope, resources, information, and access to management to discharge its responsibilities. Comment on any proposed or potential enhancements to the Internal Audit Charter.

C. Background of the Internal Audit Activity

1. Specify the following:
 - a. Name and title of the CAE;
 - b. Name (i.e., division, office, department, etc.) and address of the Internal Audit activity's principal office; and
 - c. Name and title of the person to whom the CAE administratively reports.
2. Background of the internal audit function. Provide:
 - a. Agency organizational chart that shows placement of the Internal Audit Department. Comment as to whether or not this is the optimum placement of the Internal Audit function to ensure independence, access to appropriate executives, ease of communication, support, and resources;
 - b. Organizational chart of the Internal Audit Department;
 - c. Total Internal Audit professional staff, and number of unfilled positions;
 - d. Brief written history of the Internal Audit function. Include recent changes of Chief Audit Executives, indications of growth, significant changes in reporting, authority, scope of work, relationships, and internal organization; and
 - e. If the Internal Audit function has an office at another location, provide address, name and title of person in charge of the office, and number of professional staff at that location.
3. List functions other than audits that are performed by the Internal Audit Department (conflict of interest coordinator, ethics officer, etc.).

D. Objectives

1. State the departmental objectives.

E. Internal Audit Practice Environment (Including Support, Authority, and Scope)

1. Attach a copy of the Internal Audit Charter. Comment on how the Internal Audit Charter fosters the independence, access, resources, etc., necessary to the effective functioning of the Internal Audit activity. Mention any proposed or potential enhancements to the Internal Audit Charter.
2. Attach a copy of the table of contents of the Policies and Procedures Manual. If feasible, attach the entire document. Provide any explanatory comments or future plans.

3. Describe the process used for risk assessment and engagement planning. Discuss how the Internal Audit activity's assurance/consulting universe is determined, and how the planning considers:
 - a. Alignment of the Internal Audit activity's risk assessment and engagement planning with the agency's strategic plans, objectives, and enterprise risk framework;
 - b. Technology plans, current systems, those under development, and technology management issues;
 - c. The management control environment and accountability processes;
 - d. Management input regarding their plans, concerns, priorities, etc.;
 - e. Potential partnering opportunities and other value-adding activities;
 - f. Staffing numbers/skills needed, along with opportunities to leverage Internal Audit resources through empowerment, joint efforts with customers, selective outsourcing, fostering self-assessment, etc.; and
 - g. Long-range engagement planning to achieve appropriate coverage of the Internal Audit activity's universe.
 4. Describe the process used by the CAE to determine what audits are conducted and whether major systems are reviewed in accordance with FCIAA requirements.
 5. Does the Internal Audit activity have full access to all areas of the entity? If not, describe restrictions on the Internal Audit activity regarding access to information considered necessary to conduct audits and consulting engagements or access to relevant managers and employees.
 6. Describe the procedures to ensure that the Internal Audit activity's staff are objective (e.g., conflict of interest statements, auditor rotation, etc.); describe the procedure for reporting conflicts of interest or bias to the CAE and subsequently dealing with them.
 7. Describe the philosophy of the Internal Audit activity, its mission, core values, goals, and objectives.
 8. Describe the objectives against which the Internal Audit activity periodically measures its performance and describe how management evaluates the performance of the Internal Audit activity.
- F. Relationship of the Internal Audit activity with the Director (or equivalent) and Senior Management
1. Describe how executive level management is kept informed about Internal Audit activities. Include how often the CAE is scheduled to meet with the Director (or equivalent) and senior management, who is present at such meetings, what is typically discussed, how often executive level management receives status reports, Internal Audit involvement in strategic and technology planning, periodic management briefings, etc.

II. Management of the Internal Audit Activity

A. Audit Planning and Financial Budgeting

1. Provide a copy of the following:
 - a. The current two-year plan, including audits currently in progress and details of audits completed and reports issued;
 - b. The prior two-year plan, with details of audits completed and reports issued;
 - c. The Internal Audit activity's financial budget vs. actual for the current period, if applicable; and
 - d. The Internal Audit activity's financial budget vs. actual for the prior period, if applicable.
2. List the special project requests made by executive management during the review period. The review period has been defined as the two-year plan that includes the current fiscal year and the prior completed fiscal year. For those undertaken, complete a table such as the following:

Identification/Title _____
Purpose _____
Source of Request _____
Total Staff Time Spent on Project _____
Hours Spent by Individual _____
Report Issued (Yes/No) and Date _____

3. Show the percentage of the Internal Audit activity's staff time and contract (outsourced) services applied to each of the following types of assurance and consulting activities. (Note: If the Internal Audit activity's timekeeping system does not facilitate classifying time in this manner, provide a rough estimate – and also show a separate breakdown based on the Internal Audit activity's system.)

	<u>Percentage</u>
a. Results of operations, programs, or projects, including accomplishment of objectives and effective use of resources.	_____
b. Reliability and integrity of financial and operating information.	_____
c. Compliance with policies, laws, regulations, and ethical standards.	_____
d. The means to safeguard assets, prevent loss, and detect fraud.	_____
e. Management of technology and information systems audits.	_____
f. Process improvement and related consulting activities.	_____
g. Other productive time (describe).	_____
h. Training, vacations, illness, miscellaneous, and other unassigned.	_____
Total	_____
	100%

B. Relationship with Executive Management

1. Describe the relationship between the Internal Audit activity and the organization's external auditors, covering (1) coordination of audit work, (2) reciprocal review of audit universe and annual plans, (3) reliance placed on the work of the Internal Audit activity, (4) loaning or exchange of staff, (5) joint training, (6) joint engagements, (7) compatibility of methodologies and tools, (8) sharing of reports, and (9) remedial implementation follow-up.
2. Provide copies of status reports, etc., that have been sent to executive management in the period from the beginning of the review period to the present. Indicate distribution.

C. Internal Audit Personnel

1. Present a table with the following information for each member of current professional staff. List by levels (e.g., Chief Audit Executive, audit manager, supervising senior auditor, etc.) and working title.
 - a. Name;
 - b. Title;
 - c. Location (if the Internal Audit Department has many offices);
 - d. Years in the Internal Audit Department;
 - e. Years with the Agency;
 - f. Years of auditing experience;
 - g. Position and organization before joining Internal Audit Department;
 - h. Years of college education;
 - i. Educational degrees, institution granting the degree, and major;
 - j. Professional certification (CPA, CIA, CISA, etc.);
 - k. Areas of specialization (e.g., MIS, construction, etc.); and
 - l. Date of last performance review.
2. Complete a table such as the one below that includes each member of the professional staff who left the Internal Audit Department during the previous 12 months.
 - a. Name;
 - b. Last address;
 - c. Title;
 - d. Years in Internal Audits;
 - e. New position;
 - f. Title in organization; and
 - g. Reason for leaving.
3. List the position titles used in the Internal Audit Department (e.g., manager, supervisor, and auditor) and include a job description for each level.

4. Describe the policy and procedures used for evaluating audit personnel.
5. Describe the Internal Audit activity's staff development policies and programs, indicating:
 - a. Use of the Internal Audit activity as a part of management training in the agency and other staff rotation programs;
 - b. What records of training are kept;
 - c. How specific needs are determined;
 - d. The amount of time and dollars spent on training;
 - e. Who oversees the Internal Audit Department's training programs; and
 - f. Schedule of training courses by staff member.

E. Individual Audits

1. Describe how the Internal Audit Department conducts an audit:
 - a. Scheduling;
 - b. Selecting audit staff;
 - c. Planning the audit;
 - d. Notifying auditee and conducting entrance conferences;
 - e. Supervising the audit and reviewing audit work during the audit;
 - f. Reporting findings to auditees during the project;
 - g. Closing conference with the auditees;
 - h. Reporting results; and
 - i. Follow-up.
2. Describe the Internal Audit activity's quality improvement processes, including:
 - a. Internal quality assessments;
 - b. Benchmarking;
 - c. Measurement criteria;
 - d. Empowerment policies;
 - e. Accountability mechanisms; and
 - f. Procedures to assure that internal audit work is reviewed prior to release of the audit report.
3. If the Internal Audit Department has conducted an internal review, describe when and how it was conducted and provide copies of reports.
4. List all audit reports issued during the review period. Include:
 - a. Audit title (and identification number, if appropriate);
 - b. Audit manager or auditor in charge;
 - c. Date fieldwork started;
 - d. Date fieldwork ended (including supervisory reviews); and
 - e. Date report issued to auditee.

F. Specialized Skills

1. Describe EDP audit activities and their extent. Include progress in integrating EDP auditing and traditional audit activity and the Internal Audit Department's involvement in review of controls before system installation. Also, describe the EDP audit environment and the major technologies for the applications.

Chief Audit Executive's Questionnaire

Please respond, in brief narrative form and with relevant attachments, to the questions deemed applicable to your agency and internal audit activity.

Compliance with FCIAA

Section 2002. Qualifications of Chief Internal Auditor

1. Do you report directly to the agency Director and governing board, if applicable, in the exercise of auditing activities?
2. Do you or your staff (full-time members) have any operational duties besides internal auditing?

Section 2003. Internal Auditing Program Requirements

3. Do you have freedom to access any and all information to carry out your responsibilities as Chief Internal Auditor?
4. Are there any restrictions placed on you as to what areas or functions you may audit?
5. In developing your biennial audit plan, do you:
 - a. Identify your audit universe or auditable units in the Agency?
 - b. Use risk analysis to determine audit priorities for auditable units?
6. Does your audit plan cover:
 - a. All major accounting and administrative control systems every two years?
 - b. The testing of obligation, expenditure, receipt, use of public funds, and funds held in trust?
 - c. The testing of grants received or made?
 - d. Pre-implementation reviews of major new EDP systems and major modifications?
 - e. Do you receive any special audit or formal consulting requests from the Director?
 - (1) Do you include them in your audit plan?
 - (2) Do you issue reports covering them?
 - (3) Did you complete any special request audits during the last fiscal year?

7. Do you feel that your audit plan complies with all the provisions of the FCIAA?
8. Were there any audit findings pertaining to the internal audit activity in the last compliance audit conducted by the Auditor General's Office?
 - a. If "yes" provide a copy of the findings and their current status.
9. Do you have an Internal Audit Charter? (Obtain and review it.)
10. Do you have an Audit Procedures/Policies Manual? (Obtain and review it.)

Section 2004. Consultations by Internal Auditor

11. Do you have the freedom to consult with those outside agencies in accordance with FCIAA?

Section 2005. Internal Audit Advisory Board

12. Did you adopt the IIA's ¹*International Standards for the Professional Practice of Internal Auditing*?
13. Do you or someone else maintain CPE documentation for yourself and your audit staff? (Obtain and review it.)

Compliance with ¹Standards

Board and Management Oversight

1. Are you satisfied with the method and the frequency of reporting to the Director or equivalent?
2. Are you content with executive management's expectations, support, and satisfaction?
3. Are you satisfied with management's involvement in the annual planning/budgeting for the Internal Audit Department? Do you get adequate input on business strategy, risk, operating effectiveness, etc.?
4. Are the nature, frequency, and content of meetings with your Director or equivalent satisfactory?
5. Is your position in the agency demonstrated through participation in strategic planning meetings, other executive gatherings, and receipt of timely communications?

Audit Practice and Consulting Environment

6. Does the Internal Audit Charter set the tone for the mission of the Internal Audit activity and your interaction with the Director and senior management, and does it have the Director's formal approval?
7. Is the Internal Audit Charter current and relevant in view of any significant changes in the organization and in the IIA ¹*Standards*?
8. Does the Internal Audit Charter establish an adequate role, authority, and scope of work of the Internal Audit activity, including nature of consulting activities, and provide unrestricted access to records, information, locations, and employees?
9. Do the environment, culture, and empowerment within the Internal Audit activity promote a value-added orientation by providing appropriate interaction with senior management on assurance and consulting activities?
10. Does the Internal Audit activity foster an identifiable culture of professionalism, objectivity and independence?
11. Does staff exhibit an awareness and understanding of risks, goals, and objectives, as well as opportunities for service beyond traditional audit activities?

Planning

12. Is risk management used in a systematic manner to arrive at the annual and longer term Internal Audit activity plan?
13. Were the agency's risk framework, strategic plan, and technology plan all used in the planning process?
14. Was sufficient attention given to the Internal Audit activity's approach to auditing information technology?
15. Was the need for extensive and productive use of technology by the Internal Audit activity taken into account?
16. Are funding, staff mix and skills, technology, and other resources sufficient to fulfill the plan?
17. Do planned engagements include appropriate statements of risks, control objectives, compliance with policies, plans, laws, and regulations; reliability/integrity of information, safeguarding assets, effective use of resources, and accomplishment of objectives/goals for operations/programs?

Organizing

18. Does your agency structure promote achievement of the Internal Audit activity's missions and goals?
19. Do your policies, procedures, and practices contribute to achieving the missions and goals of the Internal Audit activity?
20. Are there position descriptions, performance standards, or other means used to enunciate the expectations and accountabilities of the staff?

Staffing

21. Are you satisfied with the staff's understanding of your vision, goals, and objectives?
22. Do the Internal Audit activity's recruitment and development policies and practices provide the necessary numbers and skills mix, giving particular attention to information technology skills?
23. Are staffs' views sought and considered for management and audit policy/planning deliberations?
24. Do supervisory practices support staff in improving their empowerment and accountability in areas such as the scope of audit coverage during the audit, rather than relying on a post-audit review?
25. Is the Internal Audit activity involved in an executive development, rotation, or similar program using Internal Audit as a management resource for the organization? Explain.
26. Do your auditors comply with the IIA's ¹*Standards* and ¹*Code of Ethics*?

Directing and Coordinating

27. Are audit planning procedures and control assessments used to understand the organization's risk and control processes to assure significant coverage/focus on the important business processes?
28. Does the scope of work in the individual audits satisfy the broader objectives set out in the annual planning process?
29. Are issues disclosed in audit and consulting engagements reported in a timely manner?
30. Do your reports include management's comments, and are the issues presented in a manner to best serve management, with the focus on managing risk and improving business processes?

31. Do follow-up actions taken by the Internal Audit activity determine, in a timely manner, whether or not management's corrective actions actually achieve the desired results?
32. Is the work of the Internal Audit activity adequately coordinated with the external auditors? Does this include sharing plans, training, audit reports, and working papers, as well as coordinated follow-up?
33. Are you satisfied with the extent to which the external auditors rely on your work?

Quality/Process Improvement

34. What are the significant quality/process improvement actions currently underway or planned for the near term in the following areas:
 - a. Auditee relations (e.g., self-assessment, consulting on management processes, etc.)?
 - b. Reducing audit cycle time (e.g., early and frequent auditee involvement in audit planning and audit results, reduction of reporting and follow-up intervals, and streamlining audit procedures)?
 - c. Empowerment of staff and auditees (e.g., self-review and accountability, organizational flattening and reduction of supervisory time, and team auditing)?
 - d. New technology and other enhancements to audit techniques?
 - e. Describe other quality processes and "best practices."
35. Describe the Internal Audit activity's internal review and quality assessment program. Has it had an external assessment? How recently?

Internal Audit Staff Survey

Please rate the activity by checking the appropriate box or by drawing a line through any that are not applicable. Part I asks you to rate areas important to you in your job. Parts II and III ask you to evaluate whether the activity has provided you with appropriate opportunities in those areas.

		High		Low	
		4	3	2	1
I	Evaluation Criteria				
	Importance to Auditors of Knowledge/Skills to Perform Work				
	1 Audit committee expectations				
	2 Management expectations				
	3 Understanding of governance and mission				
	4 Understanding of the activity's mission and goals				
	5 Internal Audit Department policies and procedures				
	6 Relationships with auditees				
	7 Internal auditing standards				
	8 Knowledge of the agency operations and processes				
	9 Documentation and review of systems or processes				
	10 Evaluation of internal control				
	11 Objectivity and independence of internal auditors				
	12 Audit risk				
	13 General auditing tools/techniques				
	14 Current technology, equipment and software				
	15 Information technology auditing tools/techniques				
	16 Interviewing skills				
	17 Performance audit concepts				
	18 Report writing				
II	Auditor Evaluation of Training/Experience Alternatives				
	19 In-house training seminars; specific subjects				
	20 In-house training seminars; broad topics				
	21 Outside seminars; audit topics				
	22 Outside seminars; other				
	23 Receiving specific training for auditing assignments				
	24 On-the-job training				
	25 Membership/participation in professional organizations				
III	Auditor Evaluation of Activity Practices				
	26 Ability to be objective/activity independence				
	27 Understanding/application of activity's core values				
	28 Staff involvement in audit planning				
	29 Input into individual audit scope				
	30 Consulting and partnering with management				
	31 Helpfulness of supervision to strengthen auditing work				
	32 Satisfaction with performance review process				
	33 Career satisfaction				

Director's Questionnaire

1. Does your Chief Audit Executive (CAE) report directly to you on all matters? If "No" to whom, and on what matters?
2. Does your CAE have direct access to you whenever it is necessary? If not, why not?
3. Do you receive copies of all Internal Audit reports and responses to them?
4. Does your CAE or any of his/her staff perform any operational duties besides internal auditing?
5. Are you familiar with the general provisions of the *Fiscal Control and Internal Auditing Act* (FCIAA)?
6. To your knowledge, does your agency's Internal Audit coverage comply with the FCIAA provisions?
7. Did the Auditor General's last agency compliance audit have any findings pertaining to the Internal Audit program? If "Yes" describe them and what corrective action has been taken.
8. Do you ever have any special audit requests? If "Yes" are audit reports issued on them? Did you have any during the previous fiscal year?
9. Does your CAE have access to all agency information and freedom to include all functional areas in the biennial audit plan?
10. Does your CAE have the freedom to consult with those outside agencies specified in the FCIAA?
11. Does your CAE notify you when a determination is made during an internal audit that there are sufficient indicators of fraud to recommend an investigation?

Sample Team Letter

To: (Team Members)

From: (Team Leader)

Date:

Subject: Information for Upcoming Quality Assurance Review Project

This memo confirms the dates of _____ through _____ to conduct the Quality Assurance Review at the _____ (Agency Name). The purpose of the review will be to determine compliance with the Institute of Internal Auditors (IIA) ¹*International Standards for the Professional Practice of Internal Auditing (Standards)* and the *Fiscal Control and Internal Auditing Act (Act)*. Please review the IIA's ¹*Code of Ethics* and ¹*Standards* prior to the dates of the review.

I have enclosed a confidentiality statement for your signature. Please sign and return to me prior to the start of the review. It is important to understand we are conducting this review to offer constructive suggestions, and if needed, to help the Internal Audit Department comply with the ¹*Standards* and the Act.

If available prior to the review, I will distribute the agency's audit procedures manual, Self-Study report, and the Chief Audit Executive's completed questionnaire to the team members. Please review your copy of the Quality Assurance Review Audit Program prior to the review.

I will discuss specific assignments and time schedules with you prior to the beginning of the review. If there are any questions regarding the ¹*Standards* or the review, please give me a call.

Sample Announcement Letter

Dear Chief Audit Executive _____:

The _____ Internal Audit Department is scheduled for a Quality Assurance Review covering the period from _____ to _____.

This is to confirm our understanding that the Internal Audit Department for the _____ (Agency Name) Quality Assurance Review will begin on _____ and we expect to finish fieldwork by _____.

Objective and Scope of the Quality Assurance Review

The overall objective of the review is to evaluate the extent of the agency's Internal Audit Department compliance with the ¹*International Standards for the Professional Practice of Internal Auditing* and *Fiscal Control and Internal Auditing Act*. It is also intended to add value to the internal auditing process reviewed by providing constructive suggestions for improvement.

Our review will include:

1. Gathering background information about your internal audit function and its organizational environment.
2. Reviewing your Self-Study Report.
3. Substantive testing of compliance with the ¹*Standards* and agency policies.
4. Interviewing key individuals: agency management, you as Chief Audit Executive/manager, internal audit staff members, and external auditors.
5. Reviewing a sample of audits completed during the past year.
6. Closing conference with you and the agency Director (when applicable).
7. Issuing a final written report of findings and suggestions with your response of actions taken or planned.

Review Team Preparation

Assure that all the review team members are aware of:

1. Objectives:
 - a. Purpose of the review;
 - b. Compliance with the ¹*Standards*;
 - c. Compliance with FCIAA;
 - d. Compliance with agency policies; and
 - e. Suggestions for improving efficiency in audit procedures.

2. Team member's ethics and behavior:
 - a. IIA's ¹*Code of Ethics*;
 - b. Importance of constructive approach;
 - c. Importance of talking with Internal Audit Department staff;
 - d. Confidentiality statement signed by team members; and
 - e. Team members should review and understand the ¹*Standards* and concur among themselves on any questions regarding the ¹*Standards*.

3. Initial arrangements:
 - a. Set schedule;
 - b. Start self-study;
 - c. Start Chief Audit Executive's questionnaire;
 - d. Request materials list;
 - e. Identify interviews; and
 - f. Organize audit workpapers.

4. Distribute specific assignments and time schedules.

Preliminary Meeting

1. The team leader makes the preliminary contact (in person or by telephone) in order to:
 - a. Discuss the review with the CAE;
 - b. Learn about the Internal Audit Department by talking with the CAE;
 - c. Present Self-Study and the CAE's questionnaire to the CAE. Explain the purpose, the expected amount of detail, and how the information will be used to evaluate the Internal Audit Department;
 - d. Set tentative field visit schedule;
 - e. Select auditees and staff to be interviewed and schedule interviews;
 - f. Perform preliminary work for selecting representative sample of audits to be reviewed;
 - g. Review tentative team members with the CAE; and
 - h. Discuss workspace for review team members during the field visit. Also, determine if review team members will have access to a computer.

Summary of Findings

Review the following:

1. Self-Study Report and the CAE's Questionnaire completed by the Internal Audit Department and verified by the team.
2. Notes from interviews.
3. Summary of results of evaluation of compliance with audit ¹*Standards*, individual audit review, and EDP audit review.
4. Initial findings/matters for further consideration completed by the team during:
 - a. The review of audits;
 - b. The verification of the Self-Study;
 - c. The verification of the CAE's Questionnaire; and
 - d. The interviews.

Review Reports and Resolution of Disputes

Review Reports

At the conclusion of the onsite review, the review team shall meet with the CAE of the Audit Organization to orally present findings, conclusions and recommendations, and to obtain feedback.

The closing conference has two major purposes:

1. It communicates the results of the review to the CAE. This may include matters for consideration that would not be included in the final report such as observations that may offer suggestions for improvement, but are not compliance issues with the ¹*Standards* or FCIAA.
2. The closing conference provides a check to make sure the team understood the situation surrounding the finding(s). This is critical, for more fieldwork may be necessary that may change the compliance evaluation.

A draft written report will then be prepared by the review team and include the CAE's initial written comments. The Quality Assurance Review Team Leader should sign the draft report and forward it and the working papers to the SIAAB's Performance Committee for review and approval. Once the Performance Committee has reviewed the draft report and working papers, the Performance Committee Chair will forward the approved report to the Executive Committee for official release to the agency. After the report has been officially released, the Performance Committee Chair will return the working papers to the CAE.

The report includes the background, objectives, scope of the review, significant findings, and recommendations for improvements. It also indicates how well the Internal Audit Department has followed up on previous internal review recommendations. Any portion of the organization that was not reviewed should be identified in the report. A balanced reporting approach should be used to give readers who are unfamiliar with the audit function a more realistic picture of the Internal Audit Department.

The review team leader will then send the report and supporting workpapers to the Performance Committee Chairperson. After review by the Performance Committee, a final draft will be issued to the CAE and an exit conference will be offered. Final responses, if any, will be obtained and included in the final report. Four weeks from the completion of the onsite work can be considered a reasonable benchmark to prepare a team report.

Resolution of Disputes

An Audit Organization not in concurrence with the results of their peer review, if unresolvable at the review team level, should proceed to the Executive Committee for resolution, and if necessary, to the SIAAB, where resolution shall be final and binding.

Disputes internal to the review team should proceed to the Executive Committee for resolution, and may be appealed to the SIAAB, where resolution shall be final and binding.