**Periodic Internal Self-Assessment Checklist**

| **Self-Assessment Procedures** | **Conclusion** | | | **Initials Date** | **Comments** |
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| **Attribute Standard (AS) 1000 - Purpose, Authority, and Responsibility** | | | | | |
| Ensure the Internal Audit Charter:   1. Has been approved by senior management and the board, if applicable. 2. Includes reporting lines of internal audit. 3. Includes a statement of unrestricted access to all records, personnel, and physical properties. 4. Defines the nature of assurance services. (AS 1000.A1) 5. Defines the nature of consulting services. (AS 1000.C1) 6. Recognizes the mandatory nature of the Definition of Internal Auditing, the Core Principles, the Code of Ethics, and the Standards and has been discussed with senior management and the board, if applicable. (AS 1010) | GC | PC | DNC |  |  |
| **AS 1100 - Independence and Objectivity** | | | | | |
| Ensure internal audit is free from impairment by assessing whether:   1. The chief internal auditor reports directly to senior management, and the organizational independence of internal audit is confirmed at least annually. (AS 1110) 2. Internal audit is free from inference in determining scope of work and communicating results. (AS 1110.A1) 3. The chief internal auditor interacts directly with senior management and the board, if applicable. (AS 1111) 4. Internal auditors have an impartial, unbiased attitude through internal audit policies and impairment and disclosure-related documentation. (AS 1100) 5. Impairments have been disclosed to appropriate parties. (AS 1130) 6. Internal auditors refrain from assessing functions over which they previously had responsibility in the year preceding the engagement. (AS 1130.A1) 7. The chief internal auditor does not have operational duties outside of internal audit. (AS 1130.A2) (30 ILCS 10/2002(b)) | GC | PC | DNC |  |  |
| **AS 1200 - Proficiency and Due Care** | | | | | |
| Ensure internal auditors apply the care and skill expected of a reasonably prudent and competent internal auditor by assessing whether:   1. Internal auditors have the specified level of education and experience, and collectively possesses adequate skills. (AS 1210) 2. Competent assistance was sought in situations where internal audit lacked competencies for engagements. (AS 1210.A1) 3. Internal auditors have sufficient knowledge to evaluate the risk of fraud. (AS 1210.A2) 4. Internal auditors have sufficient knowledge of key information technology risks and controls. (AS 1210.A3) 5. Assess whether auditors apply the care and skill expected of a reasonably prudent and competent internal auditor (AS 1220) 6. The extent of work needed is based on objectives, complexity, materiality, probability of errors/fraud/noncompliance, and costs in relation to benefits. (AS 1220.A1) 7. The use of technology-based audit and data analysis techniques is considered (AS 1220.A2) 8. Consideration was given to significant risks that may affect the objectives, operations, or resources. (AS 1220.A3) 9. Auditors adhere to continuing professional education requirements (SIAAB Bylaw 2.5). (AS 1230) | GC | PC | DNC |  |  |
| **AS 1300 - Quality Assurance and Improvement Program (QAIP)** | | | | | |
| Determine whether the chief internal auditor maintains a QAIP that covers all aspects of internal audit by assessing whether:   1. The QAIP includes both internal and external assessment. (AS 1310) 2. There is ongoing monitoring and periodic internal assessments of internal audit. (AS 1311) 3. External assessment was completed and accepted by SIAAB in the prior five years, and if so corrective action was taken for issues identified (SIAAB Bylaws, Article III). (AS 1312) 4. The results of periodic internal self-assessments and external assessments were formally communicated at least annually to the senior management and the board, if applicable. (AS 1320) 5. Internal audit reports contain *"Conforms with the International Standards for the Professional Practice of Internal Auditing"* only when results of the QAIP supported the use of the statement. (AS 1321) 6. When use of the statement *"Conforms with the International Standards for the Professional Practice of Internal Auditing"* is not supported by the results of the QAIP, or has not been supported by an external assessment in the past five years, verify internal audit reports included an explanatory paragraph describing the noncompliance and the corrective action to be taken until a subsequent review supports the use of the statement. (AS 1322) | GC | PC | DNC |  |  |
| **Performance Standard (PS) 2000 - Managing Internal Audit** | | | | | |
| Determine if the internal audit function is effectively managed to ensure it adds value by assessing whether:   1. A two-year audit plan (30 ILCS 10/2003(a)) has been established to determine internal audit priorities, consistent with agency goals. (PS 2010) 2. The plan is based on a documented risk assessment, undertaken at least annually. (PS 2010.A1) 3. The plan considers the input and expectations of senior management and the board, if applicable. (PS 2010.A1) 4. The plan, including significant interim changes, was approved by the chief executive officer prior to the start of the fiscal year (30 ILCS 10/2003(a)(1)). (PS 2020) 5. The impact of resource limitations were communicated. (PS 2020) 6. Resources were sufficient to achieve the approved plan. (PS 2030) 7. Written policies exist for: conducting an audit, preparing workpapers, developing findings, preparing reports, and communicating results. (PS 2040) 8. Internal audit shares information and coordinates activities with other internal and external providers to ensure proper coverage and minimize duplication of efforts. (PS 2050) 9. The chief internal auditor reported periodically to senior management and the board, if applicable, on internal audit's purpose, authority, responsibility, and performance including significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board, if applicable. (PS 2060) 10. If an external service provider serves as internal audit, determine if the provider make the agency aware that the agency has the responsibility for maintaining an effective internal audit. (30 ILCS 10/2001) (PS 2070) *(Note: As FCIAA (30 ILCS 10/2002(b) requires a full-time internal audit activity for designated State agencies, this should not be applicable. If it is applicable, the function does not comply with FCIAA.)* | GC | PC | DNC |  |  |
| **PS 2100 - Nature of Work – Governance, Risk Management and Control** | | | | | |
| Determining whether internal audit contributed to the improvement of governance, risk management, and control processes by:   1. Assessing and making recommendations, as needed, pertaining to promoting ethics and values, ensuring effective performance management and accountability, and communicating risk and control information. (PS 2110) 2. Evaluating the design, implementation, and effectiveness of the agency's ethics-related objectives, programs, and activities. (PS 2110.A1) 3. Assessing whether the information technology governance of the agency supports the agency's strategies and goals. (PS 2110.A2) 4. Evaluating the effectiveness of, and contributes to the improvement of, risk management. (PS 2120) 5. Assessing the risk exposure and the effectiveness of controls relating to the agency's governance, operation, and information systems (PS 2120.A1) 6. Assessing he processes in place to evaluate the potential for the occurrence of fraud and how the agency manages fraud risks. (PS 2120.A2) 7. Determining whether internal audit engagements assist the agency in maintaining and evaluating control effectiveness and efficiency by promoting continuous improvement. (PS 2130) 8. Ensuring engagements assist the agency in responding to risks to reliability and integrity of financial and operational information; effectiveness and efficiency of operations and programs; safeguarding assets; and compliance with laws, regulations, policies, procedures, and contracts. (PS 2130.A1) | GC | PC | DNC |  |  |
| **PS 2200 - Engagement Planning** | | | | | |
| Assess whether adequate documented plans were developed for each engagement that included:   1. Objectives, significant risks, effectiveness of risk control, and opportunities for making improvements. (PS 2201) (PS 2010) (PS 2020) 2. A preliminary assessment of the risks relevant to the activity under review. (PS 2210.A1) 3. Consideration of the probability of significant errors, fraud, noncompliance, and other exposures. (PS 2210.A2) 4. Use of adequate criteria as a basis for evaluating controls. (PS 2210.A3) 5. Consideration of the relevant systems, records, personnel, and physical properties, including those under third party control. (PS 2220.A1) 6. Determining if significant consulting opportunities occurred during an assurance engagement. If so, a written understanding was obtained and the results communicated in accordance with consulting standards. (PS 2220.A2) 7. Assessing whether appropriate and sufficient resources have been allocated to achieve the engagement objectives based upon the nature and complexity of the engagement, time constraints, and available resources. (PS 2230) 8. The development and documentation of work programs that achieve the engagement objectives. (PS 2240) 9. Procedures in the work programs for identifying, analyzing, evaluating, and documenting information during the engagement. (PS 2240.A1) | GC | PC | DNC |  |  |
| **PS 2300 - Performing the Engagement** | | | | | |
| Ensure auditors identified, analyzed, evaluated, and documented sufficient information to achieve the engagement objectives by assessing whether:   1. Documentation is referenced to audit programs and appears to be sufficient, reliable, relevant and useful to achieve the audit objectives. (PS 2310) 2. Appropriate analysis and evaluations were used and documented to support the engagement results and conclusions. (PS 2320) 3. Workpapers document relevant information to support the conclusions and engagement results. (PS 2330) 4. Engagement workpapers have been released to external parties and whether the approval of senior management and/or legal counsel was obtained prior to releasing the records (PS 2330.A1) 5. Policies have been developed governing the custody and retention of assurance and consulting workpapers consistent with agency guidelines and the State Records Act (5 ILCS 160). (AS 2330.A2) 6. Engagements are properly supervised to ensure objectives are achieved, quality is assured, and staff is developed. (PS 2340) | GC | PC | DNC |  |  |
| **PS 2400 - Communicating the Results** | | | | | |
| Ensure engagement results were properly communicated by assessing whether:   1. Reports include the engagement's objectives and scope, as well as applicable conclusions, recommendations and action plans. (PS 2410) 2. Final communication of engagement results contained, where appropriate, internal auditor's overall opinion and/or conclusions. (PS 2410.A1) 3. Communication acknowledges satisfactory performance, where appropriate (this is encouraged but not required). (PS 2410.A2) 4. Communications to parties outside the agency contain limitations on distribution and use of results. (PS 2410.A3) 5. Communication appears to be accurate, objective, clear, concise, constructive, complete, and timely. (PS 2420) 6. Corrected information was distributed to all parties in instances where a final communication contained a significant error or omission.(PS 2421) 7. "*Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing*", is used only when supported by the results of the QAIP. (PS 2430) 8. Noncompliance with the Standards is disclosed, including the rule with which conformance was not achieved, the reasons for nonconformance, and the impact of nonconformance. (PS 2431) 9. The communication included appropriate parties. (PS 2440) 10. Communication was made to the parties who can ensure the results are given due consideration. (PS 2440.A1) 11. Release to external parties, when not mandated by legal or other requirements, was based on an assessment of potential risk, consultation with management/counsel as appropriate, and controlled by restricted dissemination. (PS 2442.A2) 12. Overall opinions, when issued, include: the scope, time period, scope limitations, consideration of all related projects including the reliance on other assurance providers, the risk or control framework or other criteria used as a basis for the overall opinion, and the criteria used as a basis for unfavorable opinions. (PS 2450) | GC | PC | DNC |  |  |
| **PS 2500 – Monitoring Progress** | | | | | |
| Determine whether:   1. An internal audit annual report was submitted by September 30th to the chief executive officer and included details on how the audit plan for the prior fiscal year was carried out, the significant findings, and the extent to which recommended changes were implemented. (30 ILCS 10/2003(a)(1)) 2. The system used to follow-up and monitor to ensure management actions have been effectively implemented or that senior management has accepted the risk of not taking action. (PS 2500.A1) | GC | PC | DNC |  |  |
| **PS 2600 – Communicating Acceptance of Risk** | | | | | |
| Determine whether the chief internal auditor has discussed levels of risk that are unacceptable with senior management and if not resolved, with the board, if applicable, for resolution. | GC | PC | DNC |  |  |

| **Standard** | **Internal Assessment Procedures** | **Conclusion** | | | **Date Initials** | **Comments** |
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| **Consulting Services** | | | | | | |
| Determine whether internal audit conducts *formal* consulting engagements. If so, complete this section. | | Yes | | No |  |  |
| AS 1130.C1 | Internal auditors may provide consulting services to operations for which they had previous responsibilities. | GC | | NA |  |  |
| AS 1130.C2 | Potential impairments to independence or objectivity related to consulting services were disclosed prior to accepting engagement(s). | GC | PC | DNC |  |  |
| AS 1210.C1 | Consulting engagements are declined or competent assistance is sought when the skills, knowledge, or necessary competencies are lacking. | GC | PC | DNC |  |  |
| AS 1220.C1 | Procedures are based on complexity, materiality, significance and the costs are assessed in relation to potential benefits. | GC | PC | DNC |  |  |
| PS 2010.C1 | Ensure accepted consulting engagements were included in the plan and have a potential to improve management of risks, add value, and improve operations. | GC | PC | DNC |  |  |
| PS 2120.C1 | When performing consulting engagements, determine whether the risks and controls consistent with the engagement objectives are addressed. | GC | PC | DNC |  |  |
| PS 2130.C1 | Consulting engagements assisted the agency in maintaining evaluate control effectiveness and efficiency by promoting continuous improvement. | GC | PC | DNC |  |  |
| PS 2201.C1 | Determine whether an understanding was established with clients about the objectives, scope, respective responsibilities and other expectations. | GC | PC | DNC |  |  |
| PS 2210.C1 | Determine whether objectives address governance, risks management, and control processes. | GC | PC | DNC |  |  |
| PS 2210.C2 | Ensure objectives are consistent with the agency's values, strategies, and objectives. | GC | PC | DNC |  |  |
| PS 2220.C1 | Ensure the scope sufficiently addresses the agreed-upon objectives, and if internal auditors developed reservations about the scope during the engagement, the reservations discussed with the client to determine whether to continue with the engagement. | GC | PC | DNC |  |  |
| PS 2220.C2 | Determine whether internal auditors addressed controls consistent with the objectives and were alert to significant control issues. | GC | PC | DNC |  |  |
| PS 2240.C1 | Work programs may vary in form and content depending on the nature of the engagement. | GC | PC | DNC |  |  |
| PS 2330.C1 | Ensure policies have been developed governing the custody and retention of consulting workpapers, consistent with the State Records Act (5 ILCS 160). | GC | PC | DNC |  |  |
| PS 2410.C1 | Ensure communication appears accurate, objective, clear, concise, constructive, complete, and timely. | GC | PC | DNC |  |  |
| PS 2440.C1 | Determine whether the results of the engagement were communicated to the appropriate parties. | GC | PC | DNC |  |  |
| PS 2440.C2 | If governance, risk management, and control issues were identified during consulting engagements, determine whether they were communicated to senior management and the board, if applicable. | GC | PC | DNC |  |  |
| PS 2500.C1 | Determine whether internal audit monitors the disposition of results for consulting engagements. | GC | PC | DNC |  |  |