**SIAAB Quality Assurance Matrix  
Approved: December 12, 2017**

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| **AGENCY:** |  |

GC = Generally Conforms; PC = Partially Conforms; DNC = Does Not Conform; NA = Not Applicable

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| **Authoritative Reference** | | **Conclusion** | | |
| **AS 1000** | Purpose, Authority, and Responsibility | GC | PC | DNC |
| **AS 1000.A1** | GC | PC | DNC |
| **AS 1000.C1** | GC | PC | DNC |
| **AS 1010** | Recognizing Mandatory Guidance in the Internal Audit Charter | GC | PC | DNC |
| **Comments:** (If the conclusion is PC or DNC, an explanation is required) | | | | |

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| **Test Procedures** | **Workpaper Reference** | **Date and Initials** | | **Comments** |
| **CIA** | **ER / IV** |  |
| **Procedures Performed:** | | | | |
| 1. Obtain a copy of the Internal Audit Charter and verify the following: |  |  |  |  |
| 1. The chief executive officer and the governing board, if applicable, have approved the Charter. (AS 1000) [30 ILCS 10/2002(b)] |  |  |  |  |
| 1. The purpose, authority, and responsibility of the internal audit activity is clearly defined in the Charter and is consistent with the Definition of Internal Auditing, the Code of Ethics, the Core Principles and the Standards. (AS 1000) |  |  |  |  |
| 1. The nature of assurance services provided to the agency are clearly defined in the Charter. Assurances provided to parties outside the agency must be defined, if applicable. (AS 1000.A1) |  |  |  |  |
| 1. The nature of consulting services provided by the internal audit activity has been clearly defined in the Charter. (AS 1000.C1) |  |  |  |  |
| 1. Statements of the mandatory nature of the Definition of Internal Auditing, the Core Principles, the Code of Ethics, and the Standards have been included in the Charter and discussed with senior management and the board. (AS 1010) |  |  |  |  |
| 1. The Charter includes reporting lines of the internal audit activity, including functional reporting directly to the head of the Agency, as well as the Board if applicable. (AS 1000) |  |  |  |  |
| 1. The Charter includes a statement of unrestricted access to all records, personnel, and physical properties. (AS 1000) |  |  |  |  |

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| **Authoritative Reference** | | **Conclusion** | | | | |
| **AS 1100** | Independence and Objectivity | GC | PC | DNC | | |
| **AS 1110** | Organizational Independence | GC | PC | DNC | | |
| **AS 1110.A1** | Direct Interaction with the Board | GC | PC | DNC | | |
| **AS 1111** | GC | PC | DNC | | |
| **AS 1112** | Chief Audit Executive Roles Beyond Internal Auditing | GC | PC | DNC | NA | |
| **AS 1120** | Individual Objectivity | GC | PC | DNC | | |
| **AS 1130** | Impairment to Independence or Objectivity | GC | PC | DNC | | |
| **AS 1130.A1** | GC | PC | DNC | | NA |
| **AS 1130.A2** | GC | PC | DNC | | NA |
| **AS 1130.A3** | GC | PC | DNC | | NA |
| **AS 1130.C1** | GC | PC | DNC | | NA |
| **AS 1130.C2** | GC | PC | DNC | | NA |
| **Comments:** (If the conclusion is PC, DNC, or NA, an explanation is required) | | | | | | |

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| **Test Procedures** | **Workpaper Reference** | **Date and Initials** | | **Comments** |
| **CIA** | **ER / IV** |  |
| **Procedures Performed:** | | | | |
| 1. Determine whether the chief internal auditor confirms with the chief executive officer and the board, if applicable, at least annually the organizational independence of the internal audit activity. Possible examples for doing this include verifying communication of the Charter, organization chart inclusion in the Annual September 30 Report, reviewing the internal audit activity’s communication and reporting practices, interviews with the chief executive officer and audit committee, if applicable, etc. (AS 1100) (AS 1111) |  |  |  |  |
| 1. Determine whether the internal audit activity is free from interference in determining the scope of internal audit work to be performed and communicating results. The chief audit executive must disclose such interference to the board, if applicable. If there is no board, the CAE should consider discussing the interference and implications with the chief executive officer. Possible examples for doing this include review of the Charter, and interviews with the chief internal auditor and chief executive officer and audit committee, if applicable (AS 1110.A1) |  |  |  |  |
| 1. Review the organization chart to verify the chief internal auditor functionally reports directly to the chief executive officer and the board, if applicable. (AS 1110) (AS 1111) (30 ILCS 10/2002(b)) |  |  |  |  |
| 1. If the chief audit executive has or is expected to have roles and/or responsibilities that fall outside internal auditing (for example compliance or risk management activities), ensure safeguards are in place to limit impairments to independence or objectivity. Examples of safeguards include periodic evaluation of reporting lines and responsibilities, or alternative processes to obtain assurance related to the areas of additional responsibility. IIA Position Papers *The Role of Internal Auditing in Enterprise-wide Risk Management* and *The Three Lines of Defense in Effective Risk Management and Control* provide guidance as well. (AS 1112) |  |  |  | Note: As FCIAA (30 ILCS 10/2002(b) prohibits internal audit from having operational duties, the extent of any such additional roles and/or responsibilities should be evaluated in the context of FCIAA. Depending on the extent, this may result in noncompliance with FCIAA. |
| 1. Obtain a copy of the internal audit activity's policies and procedures regarding independence and objectivity and verify the following: |  |  |  |  |
| 1. Policies clearly outline the internal audit activity must have an impartial, unbiased attitude and must report any real or perceived conflicts of interest. (AS 1120) |  |  |  |  |
| 1. There is a process in place to periodically disclose (annual and/or engagement) real or perceived impairments of independence and objectivity to appropriate parties timely. (AS 1130) |  |  |  |  |
| 1. If an internal auditor had previous operational duties, they are prohibited from performing assurance engagements for at least one year after leaving that area. (AS 1130.A1) (30 ILCS 10/2002(b)) |  |  |  |  |
| 1. Assurance engagements for functions over which the chief internal auditor had responsibility were overseen by a party outside of the internal audit activity. (AS 1130.A2) (30 ILCS 10/2002(b)) |  |  |  | Note: As FCIAA (30 ILCS 10/2002(b) prohibits internal audit from having operational duties, this should not be applicable. If it is applicable, the function does not comply with FCIAA. |
| 1. Through inquiry and a review of pertinent documents (such as the Internal Audit Charter, audit policies and procedures, list of reports issued, or the Internal Audit Plan (see also PS 2010.C1)), determine: |  |  |  |  |
| 1. The extent of consulting services and whether any potential impairments to independence or objectivity related to consulting services were disclosed prior to accepting engagement(s). (AS 1130.C1) (AS 1130.C2) |  |  |  |  |
| 1. If assurance services were provided where previously consulting services had been performed, auditors assigned to the assurance engagement were independent of those who performed the consulting service. (AS 1130.A3) |  |  |  |  |

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| **Authoritative Reference** | | **Conclusion** | | | | |
| **AS 1200** | **Proficiency and Due Professional Care** | GC | PC | DNC | | |
| **AS 1210** | Proficiency | GC | PC | DNC | | |
| **AS 1210.A1** | GC | PC | DNC | | |
| **AS 1210.A2** | GC | PC | DNC | | |
| **AS 1210.A3** | GC | PC | DNC | | |
| **AS 1210.C1** | GC | PC | DNC | | NA |
| **As 1220** | Due Professional Care | GC | PC | DNC | | |
| **AS 1220.A1** | GC | PC | DNC | | |
| **AS 1220.A2** | GC | PC | DNC | | |
| **AS 1220.A3** | GC | PC | DNC | | |
| **AS 1220.C1** | GC | PC | DNC | NA | |
| **AS 1230** | Continuing Professional Development | GC | PC | DNC | | |
| **Comments:** (If the conclusion is PC, DNC, or NA, an explanation is required) | | | | | | |

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| **Test Procedures** | **Workpaper Reference** | **Date and Initials** | | **Comments** |
| **CIA** | **ER / IV** |  |
| **Procedures Performed:** | | | | |
| 1. Ensure the chief internal auditor has: 2. a bachelor's degree, and 3. the required professional auditing experience, either: 4. a certified internal auditor (CIA) by examination or a certified public accountant (CPA), who has at least four years of progressively responsible professional auditing experience, or 5. an auditor with at least five years of progressively, responsible professional auditing experience.   (AS 1210) [30 ILCS 10/2002(a)] |  |  |  |  |
| 1. Select a sample of current auditors to determine whether they meet the specified criteria of education and experience. For agencies that fall under CMS, auditors who received an “A” grade are considered to be qualified. Otherwise, review position descriptions and/or other applicable documentation and determine whether they provide suitable criteria to align with the following: (AS 1210) |  |  |  |  |
| 1. Based on knowledge of the Agency’s operations, determine whether operations are such that the internal audit activity requires specialized skills. If so, include such employees in the sample and determine whether those skill needs are met. (AS1210) (AS 1210.A1) |  |  |  |  |
| 1. Determine whether IT staff possess adequate IT skills. (AS 1210.A3) |  |  |  |  |
| 1. Inquire whether any consultants were used during the review period. If so, evaluate whether the qualifications of the consultants and the type of assistance provided were appropriate. (AS 1210.C1) |  |  |  |  |
| 1. The internal auditor must have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organization, but are not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud. Review internal audit policies, procedures, audit programs, etc. and determine whether the internal auditors: (AS 1210.A2) (AS1210.A3) |  |  |  |  |
| 1. Consider fraud risks in the assessment of control design and determination of audit steps to perform when conducting engagements. While internal auditors are not expected to detect fraud and irregularities, internal auditors are expected to obtain reasonable assurance that business objectives for the process under review are being achieved and material control deficiencies, whether through simple error or intentional effort are detected. |  |  |  |  |
| 1. Evaluate the indicators of fraud and decide whether any further action is necessary or whether an investigation should be recommended. |  |  |  |  |
| 1. Notify the appropriate party(ies) or take the appropriate action whenever there has been a determination that fraud has occurred. |  |  |  |  |
| 1. Select a representative sample of completed projects and review the workpapers for evidence of consideration of the following: (AS 1210.A3) (AS 1220) (AS 1220.A1) (AS 1220.C1) |  |  |  |  |
| 1. Documented preliminary engagement risk assessment, including consideration of probability of significant errors, fraud, or noncompliance; significant risks that might affect objectives; as well as cost of performing the assurance or consulting (if applicable) work in relation to potential benefits. |  |  |  |  |
| 1. Audit procedures are based on complexity, materiality, and significance.. |  |  |  |  |
| 1. Documentation of sample selection. |  |  |  |  |
| 1. Whether use of technology-based audit and other data analysis techniques was used or considered. (AS 1220.A2) |  |  |  |  |
| 1. Obtain an understanding of the system used to ensure that staff obtains adequate continuing professional education. (AS 1230) |  |  |  |  |
| 1. Select a representative sample of internal audit personnel and perform the following: (AS 1230) |  |  |  |  |
| 1. Review a list of the continuing education for each internal auditor selected and assess whether the minimum requirements were met. (SIAAB Bylaws Article II Section V) |  |  |  |  |
| 1. Determine if CPE is supported by certificates or other acceptable means of documentation. |  |  |  |  |
| 1. Determine whether CPE included courses required to maintain proficiency in specialized areas, such as IT, fraud, etc. |  |  |  |  |
| 1. Determine whether the internal auditors selected in the test sample have met the minimum CPE requirements required by SIAAB during the most recent two previous non-rolling years. (SIAAB Bylaws Article II Section V) (AS 1230) |  |  |  |  |

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| **Authoritative Reference** | | **Conclusion** | | |
| **AS 1300** | **Quality Assurance and Improvement Program** | GC | PC | DNC |
| **AS 1310** | Requirements of the Quality Assurance and Improvement Program | GC | PC | DNC |
| **AS 1311** | Internal Assessments | GC | PC | DNC |
| **AS 1312** | External Assessments | GC | PC | DNC |
| **AS 1320** | Reporting on the Quality Assurance and Improvement Program | GC | PC | DNC |
| **AS 1321** | Use of “Conforms with the *Internal Standards for the Professional Practice of Internal Auditing*” | GC | PC | DNC |
| **AS 1322** | Disclosure of Nonconformance | GC | PC | DNC |
| **Comments:** (If the conclusion is PC or DNC, an explanation is required) | | | | |

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| **Test Procedures** | **Workpaper Reference** | **Date and Initials** | | **Comments** |
| **CIA** | **ER / IV** |  |
| **Procedures Performed:** | | | | |
| 1. Determine whether the chief internal auditor maintains a quality assurance and improvement program (QAIP) that covers all aspects of the internal audit activity. (AS 1300) |  |  |  |  |
| 1. Determine whether the quality assurance and improvement program includes both internal and external assessments. (AS 1310) (AS 1311) (AS 1312) |  |  |  |  |
| 1. Determine whether appropriate corrective action has been taken on all findings rendered in the most recent external assessment and external audit. (AS 1312) |  |  |  |  |
| 1. Determine whether 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) |  |  |  |  |
| 1. Review the supporting records for the QAIP - both ongoing monitoring and periodic internal assessments. Ensure any nonconformance identified in the QAIP was disclosed to senior management and the board, if applicable. (AS 1322) |  |  |  |  |
| 1. Determine the results of ongoing monitoring are communicated to senior management and the board, if applicable at least annually. Verify the communication of results of external and periodic internal assessments includes the following:(AS 1320) |  |  |  |  |
| * 1. The scope and frequency of both the internal and external assessments |  |  |  |  |
| * 1. The qualifications and independence of the assessor(s) or assessment team, including potential conflicts of interest |  |  |  |  |
| * 1. Conclusions of assessors |  |  |  |  |
| * 1. Corrective action plans |  |  |  |  |
| 1. From your sample selection of completed projects, review the internal audit reports and verify whether: |  |  |  |  |
| 1. The report contains "*Conforms with the International Standards for the Professional Practice of Internal Auditing*" only when the results of the quality assurance and improvement program supported the use of the statement. (AS 1321) |  |  |  |  |
| 1. If the use of the statement "*Conforms with the International Standards for the Professional Practice of Internal Auditing*" is not supported by the results of the quality assurance and improvement program, or has not been supported by an external assessment within the five year timeframe required by the Standards, verify each audit report included an explanatory paragraph describing the noncompliance and the corrective action to be taken until a subsequent review supported the use of the statement. (AS 1312) (SIAAB Bylaws, Article III - Section 4.2) |  |  |  |  |

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| **Authoritative Reference** | | **Conclusion** | | | | |
| **PS 2000** | **Managing the Internal Audit Activity** | GC | PC | DNC | | |
| **PS 2010** | Planning | GC | PC | DNC | | |
| **PS 2010.A1** | GC | PC | DNC | | |
| **PS 2010.A2** | GC | PC | DNC | | |
| **PS 2010.C1** | GC | PC | DNC | | NA |
| **PS 2020** | Communication and Approval | GC | PC | DNC | | |
| **PS 2030** | Resource Management | GC | PC | DNC | | |
| **PS 2040** | Policies and Procedures | GC | PC | DNC | | |
| **PS 2050** | Coordination and Reliance | GC | PC | DNC | | |
| **PS 2060** | Reporting to Senior Management and the Board | GC | PC | DNC | | |
| **PS 2070** | External Service Provider and Organizational Responsibility for Internal Auditing | GC | PC | DNC | NA | |
| **Comments:** (If the conclusion is PC, DNC, or NA, an explanation is required) | | | | | | |

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| **Test Procedures** | **Workpaper Reference** | **Date and Initials** | | **Comments** |
| **CIA** | **ER / IV** |  |
| **Procedures Performed:** | | | | |
| 1. Obtain a copy of the internal audit activity's two-year plan and verify: (PS 2010) |  |  |  |  |
| 1. The plan was based on a risk assessment, performed at least annually. Review the internal audit activity’s methodology for developing a risk-based plan, including any policies and procedures on audit plan risk assessment. (PS 2010.A1) |  |  |  |  |
| 1. The two-year plan was approved by the chief executive officer before the beginning of the fiscal year. (30 ILCS 10/2003(a)(1)) (PS 2020) |  |  |  |  |
| 1. Whether the planned coverage appears adequate, based on the audit universe, scope of auditable topic areas, and size and structure of the agency and internal audit activity. (PS 2010) (PA 2010.A1) |  |  |  |  |
| 1. The input of senior management and the board was considered when planning and determining the type of opinions or conclusions that may be rendered. (PS 2010.A1) (PS 2010.A2) |  |  |  |  |
| 1. The chief audit executive consulted with senior management and the board (if applicable) to obtain an understanding of the organization’s strategies, key business objectives, associated risks, and risk management processes. (PS 2010) |  |  |  |  |
| 1. Whether accepted consulting engagements, if any, were included in the plan and if so, appeared to have a potential to improve management of risks, add value, and improve the organization's operations. (PS 2010.C1) |  |  |  |  |
| 1. Whether the internal audit activity's plans, resource requirements and limitations, including significant changes, were communicated to senior management and the board, if applicable. (PS 2020) |  |  |  |  |
| 1. Whether the internal audit activity's resources were sufficient to achieve the approved plan, based on review of any audit plan development supporting information, such as staffing analysis, budgeted hours in the plan, mix of skills required, etc. This can be accomplished by determining the audit plan is based on estimated available staff hours, and accounting for how those hours are planned to be used including a reserve for contingencies. (PS 2030) |  |  |  |  |
| 1. Depending on the size and complexity of the internal audit activity, determine whether written polices exist for: (PS 2040) |  |  |  |  |
| 1. Conducting an audit. |  |  |  |  |
| 1. Preparing audit workpapers. |  |  |  |  |
| 1. Developing findings. |  |  |  |  |
| 1. Preparing audit reports and communicating audit results. |  |  |  |  |
| 1. Determine whether the chief internal auditor shares information, coordinates activities, and considers relying upon the work of other internal service providers (such as enterprise risk management, ethics and compliance, etc. if applicable) and external providers to ensure proper coverage and minimize duplication of efforts, to the extent the activity is able to do considering FCIAA requirements. (PS 2050) |  |  |  |  |
| 1. Determine whether the chief internal auditor reported periodically to the senior management and the board, if applicable, on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan including significant risk and control issues, including fraud risks, governance issues and other matters that require the attention of senior management and/or the board, if applicable. Obtain and review recent examples of such communication. Possible examples for doing this include reviewing processes in place to communicate audit plan status during the year, status of open audit recommendations, and through the Annual September 30 Report, etc. Verify the following information which must be included in the reporting and communication to senior management and the board: (PS 2060) |  |  |  |  |
| * 1. The audit charter |  |  |  |  |
| * 1. The independence of the internal audit activity |  |  |  |  |
| * 1. The audit plan and progress against the plan |  |  |  |  |
| * 1. Resource requirements |  |  |  |  |
| * 1. Results of audit activities |  |  |  |  |
| * 1. Conformance with the Code of Ethics and the *Standards*, and action plans to address any significant conformance issues |  |  |  |  |
| * 1. Management’s response to risk that, in the chief audit executive’s judgement, may be unacceptable to the organization |  |  |  |  |
| 1. If an external service provider serves as the internal audit activity, determine if the provider made the agency aware that the agency has the responsibility for maintaining an effective internal audit activity. (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. |

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| **Authoritative Reference** | | **Conclusion** | | | | |
| **PS 2100** | **Nature of Work** | GC | PC | DNC | | |
| **PS 2110** | Governance | GC | PC | DNC | | |
| **PS 2110.A1** | GC | PC | DNC | | |
| **PS 2110.A2** | GC | PC | DNC | | |
| **PS 2120** | Risk Management | GC | PC | DNC | | |
| **PS 2120.A1** | GC | PC | DNC | | |
| **PS 2120.A2** | GC | PC | DNC | | |
| **PS 2120.C1** | GC | PC | DNC | | NA |
| **PS 2120.C2** | GC | PC | DNC | | NA |
| **PS 2120.C3** | GC | PC | DNC | | NA |
| **PS 2130** | Control | GC | PC | DNC | | |
| **PS 2130.A1** | GC | PC | DNC | | |
| **PS 2130.C1** | GC | PC | DNC | NA | |
| **Comments:** (If the conclusion is PC, DNC, or NA, an explanation is required) | | | | | | |

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| **Procedures Performed:** | | | | |
| 1. Review the audits performed and recommendations made to determine whether the internal activity evaluated governance processes, risk management processes, and control processes. If needed, refer to Implementation Guidance 2110, Practice Advisories 2120-1, and 2130-1. (PS 2100) (PS 2110) (PS2120) (PS 2120.A1) (PS 2120.A2) (PS 2130.A1) |  |  |  |  |
| 1. Determine whether the internal audit activity periodically evaluates the design, implementation, and effectiveness of the organization's ethics-related objectives, programs, and activities. Possible examples for doing this are included in the IIA Practice Guide, *Evaluating Ethics-Related Programs and Activities.* (PS 2110.A1) |  |  |  |  |
| 1. Determine whether the internal audit activity assesses that the information technology governance of the organization supports the organization's strategies and goals. (PS 2110.A2) |  |  |  |  |
| 1. If the internal audit activity performs formal consulting engagements, determine whether internal auditors: |  |  |  |  |
| 1. Address risks and controls consistent with the engagement objectives. (PS 2120.C1) |  |  |  |  |
| 1. Appear alert for the existence of significant risk and control weaknesses. (PS 2120.C1) |  |  |  |  |
| 1. Incorporate knowledge of risk and controls obtained during the consulting engagement when evaluating the overall significant risk exposure of the organization. (PS 2120.C2) |  |  |  |  |
| 1. Refrain from assuming any management responsibilities by actually managing risks. (PS 2120.C3) |  |  |  |  |
| 1. Determine whether internal assurance and consulting (if applicable) engagements assist the agency in maintaining control effectiveness and efficiency by promoting continuous improvement. Possible examples for doing this include reviewing the audit plan for sufficient coverage of control processes, interviewing key stakeholders, reviewing the internal audit activity’s follow-up process, etc. (PS 2130) (PS 2130.C1) |  |  |  |  |

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| **Authoritative Reference** | | **Conclusion** | | | | |
| **PS 2200** | **Engagement Planning** | GC | PC | DNC | | |
| **PS 2201** | Planning Considerations | GC | PC | DNC | | |
| **PS 2201.A1** | GC | PC | DNC | | |
| **PS 2201.C1** | GC | PC | DNC | NA | |
| **PS 2210** | Engagement Objectives | GC | PC | DNC | | |
| **PS 2210.A1** | GC | PC | DNC | | |
| **PS 2210.A2** | GC | PC | DNC | | |
| **PS 2210.A3** | GC | PC | DNC | | |
| **PS 2210.C1** | GC | PC | DNC | | NA |
| **PS 2210.C2** | GC | PC | DNC | | NA |
| **PS 2220** | Engagement Scope | GC | PC | DNC | | |
| **PS 2220.A1** | GC | PC | DNC | | |
| **PS 2220.A2** | GC | PC | DNC | | |
| **PS 2220.C1** | GC | PC | DNC | NA | |
| **PS 2220.C2** | GC | PC | DNC | NA | |
| **PS 2230** | Engagement Resource Allocation | GC | PC | DNC | | |
| **PS 2240** | Engagement Work Program | GC | PC | DNC | | |
| **PS 2240.A1** | GC | PC | DNC | | |
| **PS 2240.C1** | GC | PC | DNC | NA | |
| **Comments:** (If the conclusion is PC, DNC, or NA, an explanation is required) | | | | | | |

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| **Test Procedures** | **Workpaper Reference** | **Date and Initials** | | **Comments** |
| **CIA** | **ER / IV** |  |
| **Procedures Performed:** | | | | |
| 1. Using a sample of completed projects, review the workpapers and: (PS 2200) (PS 2201) |  |  |  |  |
| 1. Determine whether the following were considered during the planning stage of each assurance engagement: |  |  |  |  |
| * 1. The strategies and objectives of the activity under review, as well as the organization’s strategies, objectives, and risks relevant to the engagement, and the means by which the activity controls its performance. |  |  |  |  |
| * 1. The significant risks to the activity’s objectives, resources, and operations and the means by which the potential impact of risk is kept to an acceptable level. |  |  |  |  |
| * 1. The adequacy and effectiveness of the activity's risk management and control processes compared to a relevant control framework or model. |  |  |  |  |
| * 1. The opportunities for making significant improvements to the activity's risk management and control processes. |  |  |  |  |
| 1. Determine whether the engagement objectives were established for each assurance engagement, including whether the internal auditors: (PS 2210) |  |  |  |  |
| * 1. Conducted a preliminary assessment of the risks relevant to the activity under review and engagement objectives reflected the results of the assessment. (PS 2210.A1) |  |  |  |  |
| * 1. Considered the probability of significant errors, fraud, noncompliance, and other exposures when developing the engagement objectives. (PS 2210.A2) |  |  |  |  |
| * 1. Use adequate criteria as a basis for evaluating controls. (PS 2210.A3) |  |  |  |  |
| 1. Determine whether the scope of the engagements was sufficient to satisfy the objectives. (PS 2220) (PS 2220.A1) |  |  |  |  |
| 1. Determine 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) |  |  |  |  |
| 1. Determine whether a plan (program) has been developed and written for each engagement and that: (PS 2240) (PS 2240.A1) |  |  |  |  |
| * 1. The work program included procedures for identifying, analyzing, evaluating, and documenting information during the engagement. |  |  |  |  |
| * 1. The work program was approved by the chief internal auditor prior to the commencement of work. |  |  |  |  |
| * 1. Adjustments to the work program were approved promptly. |  |  |  |  |
| 1. If the internal audit activity performed engagements for external parties outside the organization, determine whether a written understanding was obtained about the objectives, scope, respective responsibilities and other expectations including restrictions on the distribution of the results of the engagement and access to engagement records. (PS 2201.A1) |  |  |  |  |
| 1. If the internal audit activity performed formal consulting engagements, determine whether the internal audit activity established an understanding with consulting engagement clients about the objectives, scope, respective responsibilities and other expectations. If the engagement was significant, the understanding was documented. Objectives must be consistent with the organization’s values, strategies, and objectives. Determine whether the internal auditors were alert to significant control issues, and if identified, those issues were communicated. (PS 2201.C1) (PS 2210.C1) (PS 2210.C2) (PS 2220) (PS 2220.A2) (PS 2220.C1) (PS 2220.C2) (PS 2240.C1) |  |  |  |  |

GC = Generally Conforms; PC = Partially Conforms; DNC = Does Not Conform; NA = Not Applicable

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| **Authoritative Reference** | | **Conclusion** | | | |
| **PS 2300** | **Performing the Engagement** | GC | PC | DNC | |
| **PS 2310** | Identifying Information | GC | PC | DNC | |
| **PS 2320** | Analysis and Evaluation | GC | PC | DNC | |
| **PS 2330** | Documenting Information | GC | PC | DNC | |
| **PS 2330.A1** | GC | PC | DNC | |
| **PS 2330.A2** | GC | PC | DNC | |
| **PS 2330.C1** | GC | PC | DNC | NA |
| **PS 2340** | Engagement Supervision | GC | PC | DNC | |
| **Comments:** (If the conclusion is PC, DNC, or NA, an explanation is required) | | | | | |

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| **Test Procedures** | **Workpaper Reference** | **Date and Initials** | | **Comments** |
| **CIA** | **ER / IV** |  |
| **Procedures Performed:** | | | | |
| 1. Using your sample of completed projects, review the workpapers and determine whether: |  |  |  |  |
| 1. Documentation is referenced to the audit program and appears to be sufficient, reliable, relevant and useful to achieve the audit objectives. (PS 2310) |  |  |  |  |
| 1. Appropriate analysis and evaluations were used and documented to support the engagement results and conclusions. (PS 2320) |  |  |  |  |
| 1. Workpapers document sufficient, reliable, relevant and useful information to support the conclusions and engagement results and conclusions. (PS 2330) |  |  |  |  |
| 1. Determine whether engagements are properly supervised to ensure objectives are achieved, quality is assured, and staff is developed. (PS 2340) |  |  |  |  |
| 1. Observe the manner in which the control of access to engagement records are maintained and conclude on whether the controls appear adequate. (PS 2330.A1) |  |  |  |  |
| 1. Determine whether engagement workpapers have been released to external parties and whether the chief internal auditor obtained the approval of senior management and/or legal counsel prior to releasing the records. (PS 2330.A1)  **Note:** See also PS 2440.A2, the release pertains to external parties other than those mandated by legal, statutory, or regulatory requirements. |  |  |  |  |
| 1. Determine whether polices have been developed governing the custody and retention of assurance and consulting (if applicable) workpapers and whether they are consistent with the Office guidelines and the State Records Act (5 ILCS 160). (PS 2330.A2) (PS 2330.C1) |  |  |  |  |

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| **Authoritative Reference** | | **Conclusion** | | | |
| **PS 2400** | **Communicating Results** | GC | PC | DNC | |
| **PS 2410** |  | GC | PC | DNC | |
| **PS 2410.A1** | GC | PC | DNC | |
| **PS 2410.A2** | Criteria for Communicating | GC | | NA | |
| **PS 2410.A3** |  | GC | PC | DNC | |
| **PS 2410.C1** | GC | PC | DNC | NA |
| **PS 2420** | Quality of Communications | GC | PC | DNC | |
| **PS 2421** | Errors and Omissions | GC | PC | DNC | NA |
| **PS 2430** | Use of “*Conducted in Conformance with the International Standards for the Professional practice of Internal Auditing*” | GC | PC | DNC | |
| **PS 2431** | Engagement Disclosure of Nonconformance | GC | PC | DNC | |
| **PS 2440** | Disseminating Results | GC | PC | DNC | |
| **PS 2440.A1** | GC | PC | DNC | |
| **PS 2440.A2** | GC | PC | DNC | |
| **PS 2440.C1** | GC | PC | DNC | NA |
| **PS 2449.C2** | GC | PC | DNC | NA |
| **PS 2450** | Overall Opinions | GC | PC | DNC | NA |
| **Comments:** (If the conclusion is PC, DNC, or NA, an explanation is required) | | | | | |

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| **Test Procedures** | **Workpaper Reference** | **Date and Initials** | | **Comments** |
| **CIA** | **ER / IV** |  |
| **Procedures Performed:** | | | | |
| 1. Using your sample of completed projects, review the workpapers and determine whether: |  |  |  |  |
| 1. The report includes the engagement's objectives, scope, and results. (PS 2410) |  |  |  |  |
| 1. The final communication of engagement results contained applicable conclusions, as well as applicable recommendations and/or action plans. Where appropriate, the internal auditor's overall opinion should be provided and must take into account the expectations of senior management, the board, and other stakeholders and must be supported by sufficient, reliable, relevant, and useful information. (PS 2410.A1) (PS 2410.A2) |  |  |  |  |
| 1. The communication acknowledges satisfactory performance, where appropriate. (PS 2410.A2) |  |  |  | PS 2410.A2 encourages, but does not require, communications to acknowledge satisfactory performance. |
| 1. Communications to parties outside the organization contain limitations on distribution and use of results. (PS 2410.A3) |  |  |  |  |
| 1. The communication appears to be accurate, objective, clear, concise, constructive, complete, and timely. (PS 2420) (PS 2410.C1) |  |  |  |  |
| 1. If a final communication contains a significant error or omission, the chief internal auditor communicated corrected information to all parties who received the original communication. (PS 2421) |  |  |  |  |
| 1. Engagement reports included "*Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing*" only when the results of the quality assurance and improvement program support the statement. (PS 2430) |  |  |  |  |
| 1. The Chief communicated the results of the engagement to the appropriate parties. (PS 2440) (PS 2440.A1) (PS 2440.C1) (PS 2440.C2) |  |  |  |  |
| 1. When noncompliance with the Standards impacts a specific engagement, communication of the results disclose the following: (PS 2431) |  |  |  |  |
| 1. The principle or rule of conduct of the Code of Ethics, Standards or FCIAA with which full conformance was not achieved. |  |  |  |  |
| 1. The reasons for nonconformance. |  |  |  |  |
| 1. The impact of nonconformance on the engagement and the communicated engagement results. |  |  |  |  |
| 1. If not otherwise mandated by legal or other requirements, prior to releasing results to outside parties, determine whether the Chief: (PS 2440.A2) |  |  |  |  |
| 1. Assessed the potential risk to the organization. |  |  |  |  |
| 1. Consulted with senior management and/or legal counsel, as appropriate. |  |  |  |  |
| 1. Controlled dissemination by restricting use of the results. |  |  |  |  |
| 1. When an overall opinion is issued, determine whether the communication included: (PS 2450) |  |  |  |  |
| 1. The scope, including the time period to which the opinion pertains; |  |  |  |  |
| 1. Scope limitations; |  |  |  |  |
| 1. Consideration of all related projects including the reliance on other assurance providers; |  |  |  |  |
| 1. A summary of the information that supports the opinion; |  |  |  |  |
| 1. The risk or control framework or other criteria used as a basis for the overall opinion; |  |  |  |  |
| 1. The overall opinion, judgement, or conclusion reached. In instances in which the overall opinion is unfavorable, the reason for the opinion must be stated. |  |  |  |  |

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| **Authoritative Reference** | | **Conclusion** | | | |
| **PS 2500** | Monitoring Progress | GC | PC | DNC | |
| **PS 2500.A1** | GC | PC | DNC | |
| **PS 2500.C1** | GC | PC | DNC | NA |
| **Comments:** (If the conclusion is PC, DNC, or NA, an explanation is required) | | | | | |

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| **Test Procedures** | **Workpaper Reference** | **Date and Initials** | | **Comments** |
| **CIA** | **ER / IV** |  |
| **Procedures Performed:** | | | | |
| 1. Obtain a copy of the internal audit activity's annual activity report and determine whether it 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. (PS 2500) [30 ILCS 10/2003(a)(1)] |  |  |  |  |
| 1. Review 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) |  |  |  |  |
| 1. Using a sample of completed projects, review the workpapers and determine whether: (PS 2500.A1) |  |  |  |  |
| 1. Management responded to the results of the audit engagement. |  |  |  |  |
| 1. The Chief followed-up on the status of management actions. |  |  |  |  |
| 1. Internal audit monitored the disposition of results of consulting engagements, if applicable, to the extent agreed upon with the client. (PS 2500.C1) |  |  |  |  |

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| **Authoritative Reference** | | **Conclusion** | | | |
| **PS 2600** | Communicating the Acceptance of Risks | GC | PC | DNC | NA |
| **Comments:** (If the conclusion is PC, DNC, or NA, an explanation is required) | | | | | |

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| **Test Procedures** | **Workpaper Reference** | **Date and Initials** | | **Comments** |
| **CIA** | **ER / IV** |  |
| **Procedures Performed:** | | | | |
| 1. Determine whether the chief internal auditor has discussed levels of risk that the chief deems unacceptable with senior management and if not resolved, with the board, if applicable, for resolution. (PS 2600) |  |  |  |  |

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| **Authoritative Reference** | | **Conclusion** | | | |
| **Code of Ethics** | Principles and Rules of Conduct | GC | PC | DNC | NA |
| **Comments:** (If the conclusion is PC, DNC, or NA, an explanation is required) | | | | | |

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| **Test Procedures** | **Workpaper Reference** | **Date and Initials** | | **Comments** |
| **CIA** | **ER / IV** |  |
| **Procedures Performed:** | | | | |
| 1. Through inquiry, audit staff interviews, reviews of policies, or other appropriate means, determine whether current internal audit personnel are familiar with and are following the IIA's Code of Ethics. |  |  |  |  |