INTERNAL AUDIT DEPARTMENT

May 10, 2023

To: Chairman Donald P. Wagner, Supervisor, 3rd District
Vice Chairman Andrew Do, 1st District
Supervisor Vicente Sarmiento, 2nd District
Supervisor Doug Chaffee, 4th District
Supervisor Katrina Foley, 5th District
Audit Oversight Committee Members

From: Aggie Alonso, CPA, CIA, CRMA
Internal Audit Department Director

Subject: Internal Audit Department – External Quality Assessment

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The Internal Audit Department (IAD) adheres to the mandatory guidance issued by the Institute of Internal Auditors (IIA), including the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing (Standards). Under the Standards, an external quality assessment (EQA) of the internal audit activity must be conducted at least once every five years by a qualified independent assessor or a qualified assessment team from outside the organization.

In March 2023, the Institute of Internal Auditors (IIA) Quality Services group performed IAD's EQA (attached). **The IIA concluded that Orange County's Internal Audit Department "generally conforms" with the Standards and the IIA Code of Ethics, which is the highest level of conformance possible**. Specifically, IAD generally conforms with the 11 major categories and 38 of the 41 subcategories. While three of the subcategories received a "partially conforms" rating, the conformance gaps noted were not significant enough to affect either the overall or major category ratings of "generally conforms."

The following are the successful practices, conformance gaps, and leading practices (not related to conformance) noted by the IIA.

Successful Practices Identified by the IIA

The IIA identified six areas where IAD has established best practices. These practices related to:

1. **Effective working relationships.** IAD has developed effective working relationships with key audit stakeholder groups and departments including the Board of Supervisors (Board), Audit Oversight Committee (AOC), Information Technology, Chief Executive Office, and Chief Financial Office.

2. **Implementation of Information Technology tools.** IAD effectively utilizes TeamMate+ electronic workpapers and TeamMate+ Data Analytics.

3. **Use of quality assurance checklists.** An engagement quality assurance checklist is completed at the conclusion of engagement planning.

4. **Incorporating a risk and control matrix that references back to control frameworks.** IAD utilizes a Risk and Control Matrix, which includes control objectives, control activity, risk and key controls, test procedures, and references back to the COBIT (Control Objectives for Information and Related Technologies) and NIST (National Institute of Standards and Technology) control frameworks.

5. **Excellent quarterly status reporting.** IAD's quarterly status reporting to the Board and AOC includes comprehensive tracking of all original and follow-up audits, audit milestones, budget-to-actual hours, and current audit status. The quarterly status reports are approved by both the Board and AOC.

6. **Robust follow-up reporting and monitoring process.** IAD's process includes follow-up reviews six months and one year following issuance of reports, which helps ensure corrective action was taken to address the recommendations. Any recommendations that remain open after the second follow-up audit is conducted are discussed with the AOC.

Conformance Gaps

The IIA identified three conformance gaps related to two major categories as follows:

1. **Standard 1300 – Quality Assurance and Improvement Program (Standard 1311 – Internal Assessments and Standard 1320 – Reporting on the Quality Assurance and Improvement Program)**

   Observation
   The IIA noted that IAD conducted a periodic internal assessment during this assessment period, but the results were not formally reported to senior management and the AOC.

   Corrective Action
   IAD will conduct annual internal assessments and formally report the results to senior management and the AOC.

2. **Standard 2110.A1 – Governance**

   Observation
   IAD has not yet conducted an evaluation of the design, implementation, and effectiveness of the organization's ethics-related objectives, programs, and activities.

   Corrective Action
   IAD has included an audit of the County Ethics Program in the Fiscal Year 2023-24 Risk Assessment and Audit Plan.

Leading Practice (not related to conformance)

Observation
IAD adjust their Key Performance Indicator related to periodic assessments to also include internal assessments.

Corrective Action
IAD adjusted the Fiscal Year 2022-23 quality assessment Key Performance Indicator (KPI) to include internal assessments in addition to the external assessments and will report the results of this KPI at the end of this fiscal year.

The final External Quality Assessment of Orange County's Internal Audit Department will formally be submitted to the Board of Supervisors at the June 27, 2023 Board meeting and the Audit Oversight Committee at the August 17, 2023 quarterly meeting.

If you have any questions, please contact me at (714) 834-5442 or Michael Dean at (714) 834-4101.

Attachment

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A REPORT PRESENTED TO

**ORANGE COUNTY
INTERNAL AUDIT**

QUALITY ASSESSMENT REPORT

Prepared March 2023

Table of Contents

Overall Conclusion

Orange County
Internal Audit

Generally Conforms to the *International Standards for the Professional Practices of Internal Auditing* and the IIA Code of Ethics. Generally Conforms is the highest level of conformance possible.

GOVERNANCE		STAFF		MANAGEMENT		PROCESS	
Standard	Rating	Standard	Rating	Standard	Rating	Standard	Rating
1000	GC	1200	GC	2000	GC	2200	GC
1100	GC			2100	GC	2300	PC
1300	PC			2450	GC	2400	GC
Code of Ethics	GC			2600	GC	2500	GC

Steve Goodson

Steve Goodson, CIA, CGAP, CISA, MBA
Team Leader
IIA Quality Services

Team Member
Monica Sykes, CIA, CFSA, CRMA

Warren Hersh, CIA, CISA, CPA, CFE
Director, IIA Quality Services
IIA Quality Services

IIA Quality Services

Executive Summary

Conformance Summary

STANDARDS AND THE IIA CODE OF ETHICS

	GC	PC	DNC
ATTRIBUTE STANDARDS			
1000 - Purpose, Authority, and Responsibility	X		
1010 Recognizing Mandatory Guidance in the Internal Audit Charter	X		
1100 - Independence and Objectivity	X		
1110 Organizational Independence	X		
1111 Direct Interaction with the Board	X		
1112 Chief Audit Executive Roles Beyond Internal Auditing	X		
1120 Individual Objectivity	X		
1130 Impairments to Independence or Objectivity	X		
1200 - Proficiency and Due Professional Care	X		
1210 Proficiency	X		
1220 Due Professional Care	X		
1230 Continuing Professional Development	X		
1300 - Quality Assurance and Improvement Program (QAIP)	X		
1310 Requirements of the QAIP	X		
1311 Internal Assessments		X	
1312 External Assessments	X		
1320 Reporting on the QAIP		X	
1321 Use of "Conforms with the International Standards for the Professional Practice of Internal Auditing" Statement	X		
1322 Disclosure of Nonconformance	X		
PERFORMANCE STANDARDS			
2000 - Managing the Internal Audit Activity	X		
2010 Planning	X		
2020 Communication and Approval	X		
2030 Resource Management	X		
2040 Policies and Procedures	X		
2050 Coordination and Reliance	X		
2060 Reporting to Senior Management and the Board	X		
2070 External Service Provider and Organizational Responsibility for Internal Auditing	X		

	GC	PC	DNC
PERFORMANCE STANDARDS (CONTINUED)			
2100 - Nature of Work	X		
2110 Governance		X	
2120 Risk Management	X		
2130 Control	X		
2200 - Engagement Planning	X		
2201 Planning Considerations	X		
2210 Engagement Objectives	X		
2220 Engagement Scope	X		
2230 Engagement Resource Allocation	X		
2240 Engagement Work Programs	X		
2300 - Performing the Engagement	X		
2310 Identifying Information	X		
2320 Analysis and Evaluation	X		
2330 Documenting Information	X		
2340 Engagement Supervision	X		
2400 - Communicating Results	X		
2410 Criteria for Communicating	X		
2420 Quality of Communications	X		
2421 Errors and Omissions	X		
2430 Use of "Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing"	X		
2431 Engagement Disclosure of Nonconformance	X		
2440 Disseminating Results	X		
2450 Overall Opinions	X		
2500 - Monitoring Progress	X		
2600 - Communicating the Acceptance of Risks	X		
IIA CODE OF ETHICS			
Code of Ethics	X		
OVERALL CONFORMANCE RATING	X		

GC = Generally Conforms   PC = Partially Conforms   DNC = Does Not Conform

Overall Opinion

OPINION AS TO CONFORMANCE WITH THE *STANDARDS* AND THE IIA CODE OF ETHICS

Orange County Internal Audit generally conforms with the *Standards* and the IIA Code of Ethics.

A summary of conformance with individual Standards and the IIA Code of Ethics is provided in the "Conformance Summary" section of this report. Upon issuance of this report, Internal Audit may use the phrases "Conforms with the International Standards for the Professional Practice of Internal Auditing" and "Conducted in conformance with the International Standards for the Professional Practice of Internal Auditing" within its practice materials and/or audit reports.

The Quality Assessment Manual for the Internal Audit Activity (QA Manual) suggests a scale of three ratings, "Generally Conforms," "Partially Conforms," and "Does Not Conform." Detailed rating definitions and criteria associated with "Generally Conforms," "Partially Conforms," and "Does Not Conform" are described within Appendix A of this report and are consistent with IIA guidance stated in its QA Manual.

Overall Opinion

OPINION AS TO CONFORMANCE WITH THE *STANDARDS* AND THE IIA CODE OF ETHICS - CONTINUED

Under the Standards, an External Quality Assessment (EQA) of an internal audit activity must be conducted at least once every five years by a qualified, independent assessor or an independent assessment team from outside the organization. IIA Quality Services was selected to lead this assessment. This engagement's Assessment Team demonstrated competence in both the professional practice of internal auditing and the EQA process as required by the Standards. The EQA was conducted virtually between March 1, 2023 and March 30, 2023. Conclusions were as of March 30, 2023.

Future changes in external factors and actions taken by personnel, including actions taken to address our recommendations, may have an impact on the operation of Internal Audit in a manner that this report did not and cannot anticipate. Considerable professional judgment is involved in evaluating the observations and developing recommendations. Accordingly, it should be recognized that others could evaluate the results differently and draw different conclusions.

All information included in this report is proprietary and confidential and is intended for internal use only. This report may not be distributed to any other third party (other than your regulator, Audit Committee, or external auditor) without the prior written consent of IIA Quality Services.

Background

From 1995 to 2015, the Internal Audit Department existed as a separate department reporting to the Board of Supervisors. On August 21, 2015, the Internal Audit Department was merged with the office of the Auditor-Controller. On June 26, 2018, the Internal Audit Department was re-established via Board Resolution 18-068, effective July 1, 2018.

Objectives, Scope, and Methodology

OBJECTIVES

The primary objective of this assessment was to evaluate conformance to the *Standards*, which require an EQA of an internal audit activity at least every five years. In addition, the Assessment Team:

- Assessed conformance with the IIA Code of Ethics
- Assessed Orange County Internal Audit's effectiveness in providing assurance and advisory services to stakeholders and other interested parties
- Identified opportunities, offered recommendations for improvement, and provided counsel to Internal Audit for improving its performance and services, as well as promoting its image and credibility throughout the organization

SCOPE

The scope of this assessment included an evaluation of Orange County Internal Audit's efficiency and effectiveness in executing its mission, as set forth by its Internal Audit Charter, which defines the purpose, authority, responsibilities, and accountabilities of Internal Audit.

METHODOLOGY

To accomplish the objectives, the Assessment Team:

- Reviewed information prepared by Internal Audit at the Assessment Team's request
- Conducted interviews with key stakeholders of Internal Audit including the Audit Committee chair, senior executives, the Chief Audit Executive (CAE), and Internal Audit staff
- Reviewed a sample of audit projects and associated work papers and reports
- Reviewed survey data received from Internal Audit's stakeholders and internal audit staff resulting from IIA Quality Services' survey process
- Prepared diagnostic tools consistent with the methodology established for an EQA as stated in the *QA Manual*

Overall Summary

Orange County Internal Audit generally conforms with the *Standards* and the IIA Code of Ethics. A conformance rating of generally conforms means:

- For individual *Standards*, the internal audit activity conforms to the requirements of the *Standard* (i.e., 1000, 1010, 2000, 2010, etc.) or elements of the IIA Code of Ethics (both Principles and Rules of Conduct) in all material respects.

- For the sections (Attribute and Performance) and major categories (i.e., 1000, 1100, 2000, 2100, etc.), the internal audit activity achieves general conformity to a majority of the individual *Standards* and/or elements of the IIA Code of Ethics, and at least partial conformity to others, within the section/category.

- For the internal audit activity overall, there may be opportunities for improvement, but these should not represent situations where the internal audit activity has not implemented the *Standards* or the IIA Code of Ethics, has not applied them effectively or has not achieved their stated objectives.

SUCCESSFUL PRACTICES

The Assessment Team identified six areas where Internal Audit operates in a successful practice manner. These practices relate to:

- Effective working relationships
- Implementation of TeamMate+ electronic workpapers and data analytics functions
- Use of an engagement quality assurance checklist
- Incorporating a risk and control matrix that references back to control frameworks
- Excellent quarterly status reports presented to and approved by the Audit Oversight Committee
- Robust follow-up / monitoring process

Overall Summary

CONFORMANCE GAPS

Three gaps in conformance with standards were identified resulting in the following recommendations:

- **Standard 1311 – Internal Assessments**
- **Standard 1320 – Reporting on the Quality Assurance and Improvement Program**
  We recommend the Internal Audit conduct internal assessments annually and report the results to senior management and the AOC.

- **Standard 2110.A1 - Governance -**
  We recommend Internal Audit evaluate the design, implementation, and effectiveness of the organization's ethics-related objectives, programs, and activities

OPPORTUNITIES TO IMPROVE (not related to Conformance)

One opportunity to improve, unrelated to conformance with Standards, was identified:

- **Leading Practice -** We recommend Internal Audit adjust the tracked Key Performance Indicators to include periodic internal assessments.

Detailed Observations

Successful Practices

The Assessment Team identified the following areas where Internal Audit operates in a successful practice manner:

- IAD has developed effective working relationships with key audit stakeholder groups and departments including the Board, Audit Oversight Committee, Information Technology, Chief Executive Office, and Chief Financial Office.

- IAD effectively utilizes TeamMate+ electronic workpapers and TeamMate+ Data Analytics.

- A quality assurance checklist is completed at the conclusion of engagement planning.

Successful Practices - continued

- A Risk and Control Matrix references back to control frameworks (i.e., COBIT and NIST) includes control objectives, control activity, risk and key controls and test procedures.

- All audits, including follow-up audit reports, are tracked in Internal Audit's quarterly status to the Audit Oversight Committee, which they formally approve.

- IAD has a robust monitoring process. The process includes follow-up reviews six months and one year following issuance of reports. This helps ensure corrective action was taken to address the recommendations. Recommendations that remain open after the second follow-up is conducted are discussed with the Audit Oversight Committee.

Conformance Gaps

The Assessment Team identified the following conformance gaps:

#	STANDARD	OBSERVATION	MANAGEMENT RESPONSE
CG1	**Standard 1311 – Internal Assessments** Internal assessments must include "periodic self-assessments or assessments by other persons within the organization with sufficient knowledge of internal audit practices." "Periodic" has been interpreted as "at least annually."	Internal Audit conducted one periodic internal assessment during this assessment period. The results were not formally reported to the senior management and the Audit Oversight Committee. **Recommendation**: We recommend the CAE conduct internal assessments annually and report the results to senior management and the AOC.	**Concur.** Internal Audit will conduct annual internal assessments and formally report the results to senior management and the Audit Oversight Committee.
CG2	**Standard 1320 – Reporting on the Quality Assurance and Improvement Program** The chief audit executive must communicate the results of the quality assurance and improvement program to senior management and the board.		
CG3	**Standard 2110.A1 – Governance** The internal audit activity must evaluate the design, implementation, and effectiveness of the organization's ethics-related objectives, programs, and activities.	Internal Audit has not yet conducted an evaluation of the design, implementation, and effectiveness of the organization's ethics-related objectives, programs, and activities. **Recommendation:** We recommend Internal Audit perform an Ethics audit, focusing on the design, implementation and effectiveness of the organization's ethics-related objectives, programs, and activities.	**Concur.** Internal Audit will include an audit of the County Ethics Program in the Fiscal Year 2023-24 Risk Assessment & Audit Plan.

Improvement Opportunities

One opportunity to improve, unrelated to conformance with Standards, was identified:

#	STANDARD	OBSERVATION	MANAGEMENT RESPONSE
IO1	**Leading Practice**	We recommend Internal Audit adjust the tracked Key Performance Indicators to include periodic internal assessments.	**Concur.** Internal Audit will adjust our Key Performance Indicators to include periodic internal assessments.

Appendix A
Conformance Rating Criteria

Conformance Rating Criteria

"Generally Conforms" (GC) means the Assessment Team concluded the following:

- For individual *Standards*, the internal audit activity conforms to the requirements of the *Standard* (i.e., 1000, 1010, 2000, 2010, etc.) or elements of the IIA Code of Ethics (both Principles and Rules of Conduct) in all material respects.
- For the sections (Attribute and Performance) and major categories (i.e., 1000, 1100, 2000, 2100, etc.), the internal audit activity achieves general conformity to a majority of the individual *Standards* and/or elements of the IIA Code of Ethics, and at least partial conformity to others, within the section/category.
- For the internal audit activity overall, there may be opportunities for improvement, but these should not represent situations where the internal audit activity has not implemented the *Standards* or the IIA Code of Ethics, has not applied them effectively, or has not achieved their stated objectives.

"Partially Conforms" (PC) means the Assessment Team concluded the following:

- For individual *Standards*, the internal audit activity is making good faith efforts to conform to the requirements of the *Standard* (i.e., 1000, 1010, 2000, 2010, etc.) or element of the IIA Code of Ethics (both Principles and Rules of Conduct) but falls short of achieving some major objectives.
- For the sections (Attribute and Performance) and major categories (i.e., 1000, 1100, 2000, 2100, etc.), the internal audit activity partially achieves conformance with a majority of the individual *Standards* within the section/category and/or elements of the IIA Code of Ethics.
- For the internal audit activity overall, there will be significant opportunities for improvement in effectively applying the *Standards* or the IIA Code of Ethics and/or achieving their objectives. Some deficiencies may be beyond the control of the internal audit activity and may result in recommendations to senior management or the board of the organization.

"Does Not Conform" (DNC) means the Assessment Team concluded the following:

- For individual *Standards*, the internal audit activity is not aware of, is not making good faith efforts to conform to, or is failing to achieve many/all of the objectives of the *Standard* (i.e., 1000, 1010, 2000, 2010, etc.) and/or elements of the IIA Code of Ethics (both Principles and Rules of Conduct).
- For the sections (Attribute and Performance) and major categories (i.e., 1000, 1100, 2000, 2100, etc.), the internal audit activity does not achieve conformance with a majority of the individual *Standards* within the section/category and/or elements of the IIA Code of Ethics.
- For the internal audit activity overall, there will be deficiencies that will usually have a significant negative impact on the internal audit activity's effectiveness and its potential to add value to the organization. These may also represent significant opportunities for improvement, including actions by senior management or the board.

Appendix B
Stakeholder Feedback

Stakeholder Feedback

SENIOR MANAGEMENT AND KEY STAKEHOLDERS

NAME	TITLE
Andrew Do	Vice Chairman, Board of Supervisors
Hung Le	Policy Advisor, Vice Chairman Do
Mark Wille	Chair, Audit Oversight Committee
Michelle Aguirre	Chief Financial Officer
KC Roestenberg	Chief Information Officer
Selina Chan-Wychgel	Fiscal Services Manager, County Executive Office
Steven Hsia	Audit Coordinator, OC Public Works

In addition to interviews with the individuals listed above, broad-based and confidential surveys were conducted by IIA Quality Services. Surveys were sent to senior management and stakeholders throughout the organization. A separate survey was sent to internal audit management and staff.

Stakeholder Feedback

INTERNAL AUDIT MANAGEMENT AND STAFF

NAME	TITLE
Aggie Alonso CPA, CIA, CRMA	Director and Chief Audit Executive
Michael Dean CPA, CIA, CISA	Senior Audit Manager
Gianne Morgan CIA, CISA	Audit Manager
Mari Elias, MA, DPA	Administrative Services Manager
Gabriela Cabrera	Senior Auditor
Mary Ann Cosep	Senior Auditor

In addition to interviews with the individuals listed above, broad-based and confidential surveys were conducted by IIA Quality Services. Surveys were sent to senior management and stakeholders throughout the organization. A separate survey was sent to internal audit management and staff.

Stakeholder Feedback

The Assessment Team interviewed and surveyed Internal Audit stakeholders and staff. Below are selected comments that represent the feedback received.
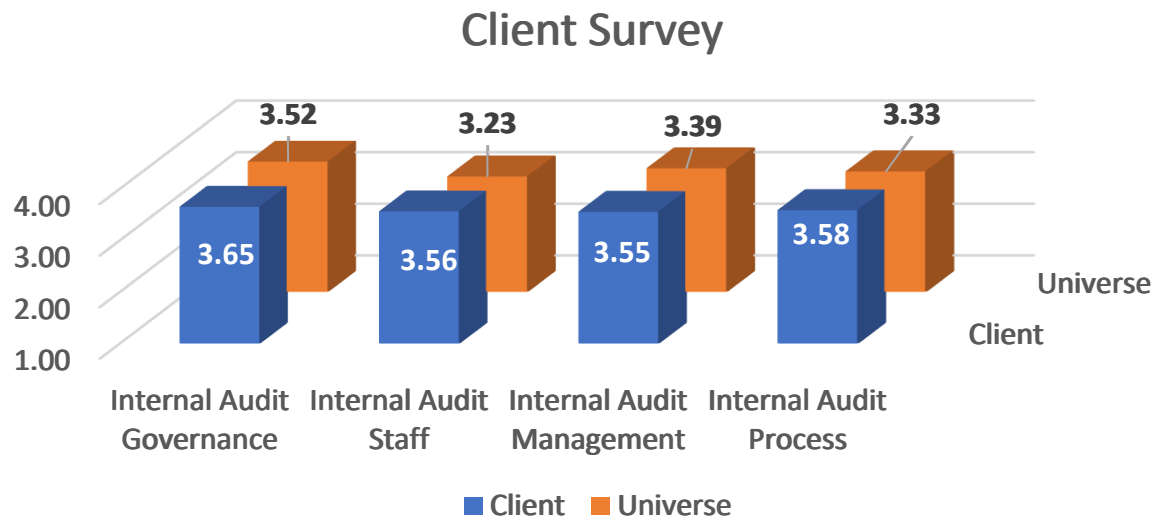
STRENGTHS	OPPORTUNITIES
▪ Strong, knowledgeable leadership, good staffing, collaborative and collegial relationship with other departments. ▪ The benefits of our audit include enhanced security, cost savings, better decision-making, and improved efficiency for our organization. ▪ IA has developed a strong IT audit function. ▪ Ability to collect and use data to identify risks and potential issues. ▪ Audit planning and timing of the audits during the fiscal year. ▪ The County of Orange is very fortunate to have such a talented, devoted, and overall professional internal audit team.	▪ The only opportunity for improvement would be to have the ability to add more staff to handle additional audits and ad hoc requests.

Stakeholder Feedback

- SURVEY RESULTS (SUMMARY)

Client Survey

	Client	Universe
Internal Audit Governance	3.65	3.52
Internal Audit Staff	3.56	3.23
Internal Audit Management	3.55	3.39
Internal Audit Process	3.58	3.33

■ Client ■ Universe

CLIENT SURVEY

"Client" represents the weighted average of all stakeholder respondents (excluding Group 1, which is reserved for the CAE). "Universe" represents the weighted average of all respondents from all organizations that completed this survey since May 2013 (excluding Group 1, which is reserved for the CAE).

4.00 = Strongly Agree | 3.00 = Agree | 2.00 = Disagree | 1.00 = Strongly Disagree | 0.00 = Do Not Know/No Response

Stakeholder Feedback

- SURVEY RESULTS (DETAIL)

Internal Audit Governance	1	2	3	4	5	AVG	UNV
IA activity personnel respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.	4.00	3.67	3.67	3.80	3.40	3.65	3.70
IA activity personnel exhibit the highest level of professional objectivity in performing their work, making a balanced assessment of all relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments.	4.00	3.50	3.67	3.60	3.60	3.60	3.47
The IA activity is perceived as adding value and helping our organization accomplish its objectives.	3.00	3.50	3.67	3.60	3.80	3.60	3.35
The integrity of the IA activity establishes confidence, providing the basis for their role as trusted advisor within our organization.	4.00	3.67	3.67	3.80	3.80	3.75	3.43
Organizational placement of the IA activity ensures its independence and ability to fulfill its responsibilities.	4.00	3.50	4.00	3.40	3.80	3.65	3.56
IA activity personnel have free and unrestricted access to records, information, locations, and employees during the performance of their engagements.	4.00	3.60	3.67	3.60	3.80	3.68	3.62

LEGEND
Group 1 CAE (1 or 1 responded)
Group 2 Board Offices (2 of 10 responded)
Group 3   Audit Oversight Committee Members (3 of 5 responded)
Group 4 Department Heads & Executives (5 of 8 responded)
Group 5 Operating Management (3 of 8 responded)

"AVG" represents the weighted average of all respondents for all stakeholders (excluding Group 1, which is reserved for the CAE).
"UNV" represents the weighted average of all respondents from all organizations that completed this survey since May 2013 (excluding Group 1, which is reserved for the CAE).

4.00 = Strongly Agree | 3.00 = Agree | 2.00 = Disagree | 1.00 = Strongly Disagree | 0.00 = Do Not Know/No Response

Stakeholder Feedback

- SURVEY RESULTS (DETAIL)

Internal Audit Staff	1	2	3	4	5	AVG	UNV
IA activity staff and management communicate effectively (oral, written, and presentations).	4.00	3.50	3.67	3.75	3.60	3.63	3.34
IA activity staff and management keep up to date with changes in my business, our industry and relevant regulatory issues.	3.00	3.60	3.67	3.50	3.60	3.56	3.22
IA activity staff display adequate knowledge of my business processes including critical success factors.	3.00	3.50	3.67	3.33	3.60	3.50	3.14
IA activity staff exhibit effective problem identification and solution skills.	4.00	3.50	3.67	3.25	3.60	3.53	3.23
IA activity management demonstrate effective conflict resolution and negotiating skills.	4.00	3.40	3.67	3.50	3.80	3.63	3.27
The IA activity is viewed as viable source of talented individuals who could successfully transfer to other parts of our organization.	4.00	3.33	3.67	3.67	3.50	3.53	3.19

LEGEND
Group 1 CAE (1 or 1 responded)
Group 2 Board Offices (2 of 10 responded)
Group 3   Audit Oversight Committee Members (3 of 5 responded)
Group 4 Department Heads & Executives (5 of 8 responded)
Group 5 Operating Management (3 of 8 responded)

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4.00 = Strongly Agree | 3.00 = Agree | 2.00 = Disagree | 1.00 = Strongly Disagree | 0.00 = Do Not Know/No Response

Stakeholder Feedback

- SURVEY RESULTS (DETAIL)

Internal Audit Management	1	2	3	4	5	AVG	UNV
Internal audit activity management communicates effectively (oral, written, and presentations).	4.00	3.33	3.67	3.75	3.80	3.63	3.37
Internal audit activity management keeps up to date with changes in my business, our industry, and relevant regulatory issues.	3.00	3.33	3.33	3.50	3.40	3.35	3.23
The IA activity establishes annual audit plans to assess areas or topics that are significant to our organization and consistent with our organizational goals.	3.00	3.33	3.33	3.67	3.80	3.50	3.44
The IA activity sufficiently communicates its audit plans to management of areas being reviewed. This includes descriptions of audit objectives and scope of review.	4.00	3.33	3.67	4.00	3.80	3.68	3.42
The IA activity effectively promotes appropriate ethics and values within our organization.	3.00	3.33	3.67	4.00	3.60	3.58	3.55
The IA activity adequately assesses the effectiveness of risk management processes employed by management to achieve objectives.	3.00	3.33	3.33	3.50	3.80	3.47	3.33

LEGEND
Group 1 CAE (1 or 1 responded)
Group 2 Board Offices (2 of 10 responded)
Group 3   Audit Oversight Committee Members (3 of 5 responded)
Group 4 Department Heads & Executives (5 of 8 responded)
Group 5 Operating Management (3 of 8 responded)

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4.00 = Strongly Agree | 3.00 = Agree | 2.00 = Disagree | 1.00 = Strongly Disagree | 0.00 = Do Not Know/No Response

Stakeholder Feedback

- SURVEY RESULTS (DETAIL)

Internal Audit Process	1	2	3	4	5	AVG	UNV
The IA activity competently assesses the adequacy and effectiveness of our organization's system of internal controls.	4.00	3.33	3.33	3.75	3.60	3.53	3.37
The IA activity exhibits proficient project management and organizational skills to assure the timely completion of their audit engagements.	4.00	3.40	3.67	3.75	3.60	3.61	3.30
The IA activity demonstrates sufficient knowledge of key information technology risks and controls in performing its audit engagements.	3.00	3.33	3.67	4.00	3.80	3.61	3.28
The IA activity demonstrates sufficient knowledge of fraud to identify "red flags" indicating possible fraud when planning its audit engagements.	3.00	3.33	3.67	4.00	4.00	3.63	3.40
IA activity audit reports are accurate, objective, clear, concise, constructive, complete, and timely.	3.00	3.33	3.67	3.75	3.40	3.47	3.29
					TOTAL	3.58	3.37

LEGEND
Group 1 CAE (1 or 1 responded)
Group 2 Board Offices (2 of 10 responded)
Group 3   Audit Oversight Committee Members (3 of 5 responded)
Group 4 Department Heads & Executives (5 of 8 responded)
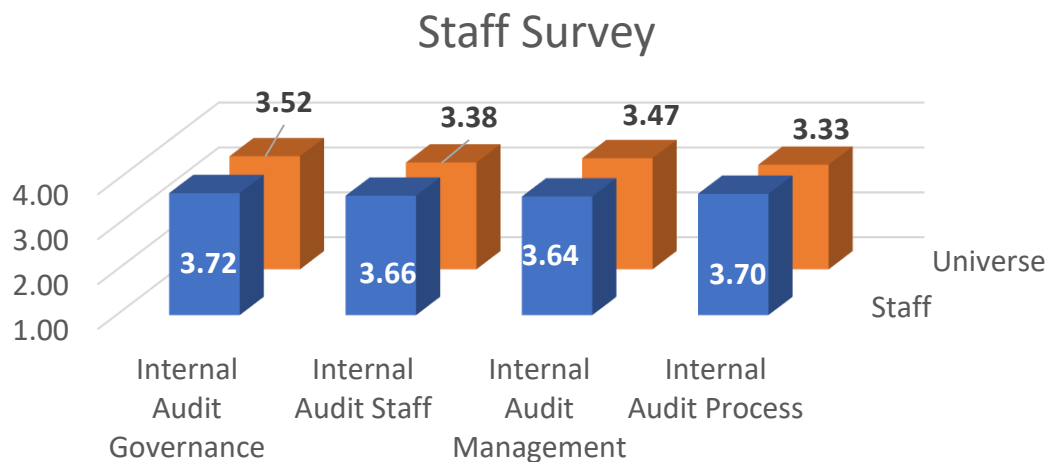Group 5 Operating Management (3 of 8 responded)

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"UNV" represents the weighted average of all respondents from all organizations that completed this survey since May 2013 (excluding Group 1, which is reserved for the CAE).

4.00 = Strongly Agree | 3.00 = Agree | 2.00 = Disagree | 1.00 = Strongly Disagree | 0.00 = Do Not Know/No Response

Stakeholder Feedback

- SURVEY RESULTS (SUMMARY)

Staff Survey

	Staff	Universe
Internal Audit Governance	3.72	3.52
Internal Audit Staff	3.66	3.38
Internal Audit Management	3.64	3.47
Internal Audit Process	3.70	3.33

STAFF SURVEY

"Client" represents the weighted average excluding Group 1, which is reserved for the CAE).

4.00 = Strongly Agree | 3.00 = Agree | 2.00 = Disagree | 1.00 = Strongly Disagree | 0.00 = Do Not Know/No

 Response of all stakeholder respondents (excluding Group 1, which is reserved for the CAE).

"Universe" represents the weighted average of all respondents from all organizations that completed this survey since May 2013

Stakeholder Feedback

- INTERNAL AUDIT MANAGEMENT AND STAFF SURVEY RESULTS (DETAIL)

Internal Audit Governance	1	2	AVG	UNV
Our internal audit activity is perceived as adding value and helping our organization accomplish its objectives.	--	3.80	--	3.47
Our internal audit activity personnel have free and unrestricted access to records, information, locations, and employees during the performance of their engagements.	--	3.50	--	3.33
My chief audit executive effectively promotes the value of our internal audit activity within our organization.	--	3.70	--	3.64
Our internal audit activity staff is fully aware of, and completely conforms with, both the Principles and the Rules of Conduct that comprise the Code of Ethics established by The Institute of Internal Auditors (IIA).	--	3.80	--	3.59
Our internal audit activity staff is fully aware of, and completely conforms with, The IIA's International Standards for the Professional Practice of Internal Auditing (Standards) relating to objectivity and due professional care and the Code of Ethics.	--	3.80	--	3.56
Our internal audit activity has a conflict of interest policy to report any perceived or actual issues that may have an influence on the independence and objectivity of the auditors.	--	3.70	--	3.53

LEGEND
Group 1 = CAE (0 of 1 responded)
Group 2 = Internal Audit Team (10 of 10 responded)

"AVG" represents the weighted average of all respondents for all stakeholders (excluding Group 1, which is reserved for the CAE).
"UNV" represents the weighted average of all respondents from all organizations that completed this survey since May 2013 (excluding Group 1, which is reserved for the CAE).

4.00 = Strongly Agree | 3.00 = Agree | 2.00 = Disagree | 1.00 = Strongly Disagree | 0.00 = Do Not Know/No Response

Stakeholder Feedback

- INTERNAL AUDIT MANAGEMENT AND STAFF SURVEY RESULTS (DETAIL)

Internal Audit Staff	1	2	AVG	UNV
IA activity staff and management communicate effectively (oral, written, and presentations).	--	3.60	--	3.43
Our audit assignments provide internal audit activity staff with opportunities to develop adequate knowledge of key business processes, including critical success factors.	--	3.70	--	3.46
I have sufficient knowledge of key IT risks and controls to perform my audit engagements.	--	3.50	--	3.20
I have sufficient knowledge of fraud to identify "red flags" indicating possible fraud when planning my audit engagements.	--	3.60	--	3.36
Our internal audit activity management provides me with ample opportunities to develop the skills and knowledge necessary to perform all of my audit engagements.	--	3.70	--	3.41
Our internal audit activity management provides me with ample opportunities to develop skills and knowledge and acquire experience that enable me to develop professionally and advance my career.	--	3.60	--	3.38
I have ample opportunity to enhance my knowledge, skills, and competencies through in-house training sessions and/or outside seminars.	--	3.70	--	3.39
My performance is reviewed on a regular and sufficiently frequent basis, the criteria used are adequate, and the reviews are meaningful and helpful.	--	3.60	--	3.32
Our internal audit activity management encourages and supports internal audit activity staff in demonstrating its proficiency by obtaining appropriate professional certifications such as designations offered by The IIA or other designations related to internal auditing.	--	3.80	--	3.54
Our internal audit activity is viewed as a valuable developmental assignment by individuals from other parts of our organization.	--	3.78	--	3.26

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Stakeholder Feedback

- INTERNAL AUDIT MANAGEMENT AND STAFF SURVEY RESULTS (DETAIL)

Internal Audit Staff	1	2	AVG	UNV
Our internal audit activity management has established policies and procedures that clearly guide the operation of our internal audit activity.	--	3.60	--	3.49
Our internal audit activity actively encourages collaborative effort between internal audit management and staff to effectively complete our engagements in a timely manner.	--	3.60	--	3.47
Our internal audit activity competently assesses the adequacy and effectiveness of our organization's system of internal controls.	--	3.80	--	3.49
Our internal audit activity adequately assesses the effectiveness of risk management processes employed by management to achieve our organization's objectives.	--	3.70	--	3.40
Our internal audit activity effectively promotes appropriate ethics and values broadly across our total organization.	--	3.70	--	3.57
Our internal audit activity adequately assesses the effectiveness of governance processes, including ethics-related programs and activities.	--	3.44	--	3.42

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4.00 = Strongly Agree | 3.00 = Agree | 2.00 = Disagree | 1.00 = Strongly Disagree | 0.00 = Do Not Know/No Response

Stakeholder Feedback

- INTERNAL AUDIT MANAGEMENT AND STAFF SURVEY RESULTS (DETAIL)

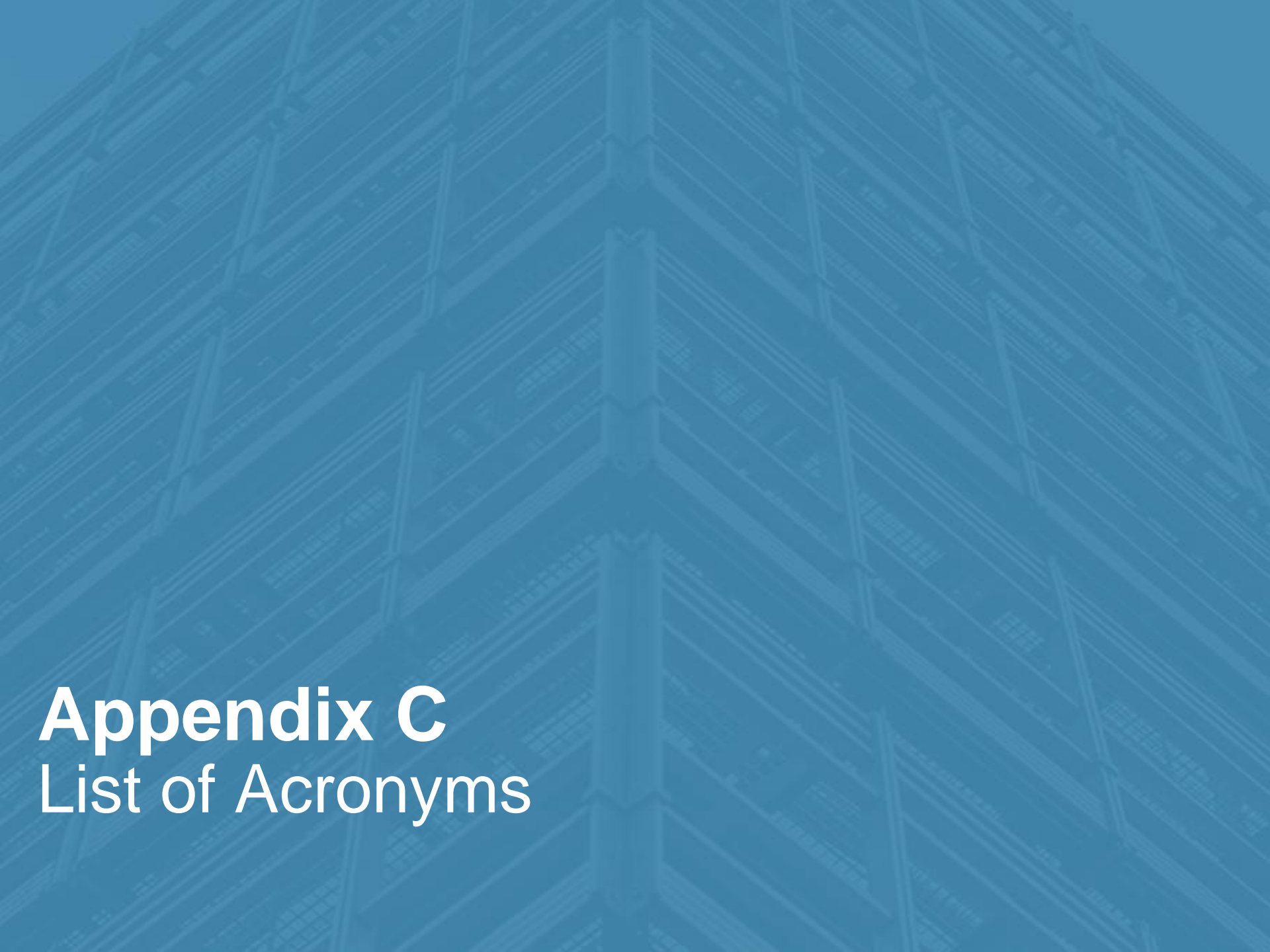| Internal Audit Staff	1	2	AVG	UNV
Our internal audit activity develops and documents a plan for each engagement based on a preliminary assessment of risks relevant to the area being reviewed (including the probability of fraud), and our engagement objectives reflect the result of this risk assessment.	--	3.80	--	3.54
Our internal audit activity uses computer-assisted audit techniques, including data mining, to facilitate data collection and analysis during completion of our engagements.	--	3.70	--	3.17
I receive appropriate, timely, and constructive feedback regarding my performance in completing engagements, enabling me to continue developing my knowledge, skills, and competencies.	--	3.70	--	3.29
Our internal audit activity management and staff exhibit proficient project management and organizational skills to assure the timely completion of our audit engagements.	--	3.60	--	3.29
Our internal audit activity management and staff demonstrate effective conflict resolution and negotiating skills.	--	3.70	--	3.35
TOTAL		3.67	--	3.42

LEGEND
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Appendix C
List of Acronyms

List of Acronyms

ACRONYM	DESCRIPTION
AOC	Audit Oversight Committee
CAE	Chief Audit Executive
CPE	Continuing Professional Education
EQA	External Quality Assessment
IA	Internal Audit
IIA	The Institute of Internal Auditors
IPPF	International Professional Practices Framework
IT	Information Technology
QA Manual	*Quality Assessment Manual for the Internal Audit Activity*
Standards	*International Standards for the Professional Practice of Internal Auditing*