Global Audit Information Network (GAIN)
2011 ANNUAL BENCHMARKING QUESTIONNAIRE

SECTION A: ORGANIZATION INFORMATION

Note: Please ensure that you enter the full dollar amount – do not enter in thousands.

A1. Annual Revenues:

A2. Total Assets:

A3. Annual Expenses:

A4. Total employees in organization (full-time equivalents):

A5. Most recent fiscal year-end:

A6. Organization type:
- Public
- Private
- Government or Non-Profit

A7. Is your organization subject to the US Sarbanes-Oxley Act of 2002 (SOX)?
- Yes
- No, but we voluntarily comply
- No

A8. If your organization is subject to SOX, what is the level of responsibility handled by the internal audit activity?
- The internal audit activity has full responsibility over all aspects of SOX (e.g., process documentation and testing)
- The internal audit activity is responsible for the testing of controls only
- The internal audit activity acts in a consultative manner assisting organization management to ensure all components of SOX are completed
- The internal audit activity remains independent regarding SOX and audits the process in place that is owned outside of the internal audit activity

A9. Organizational Reach:
- Regional
- National

- International

A10. Organizational Structure:
- Centralized
- Decentralized

SECTION B: INTERNAL AUDIT RESOURCES

Note: Please ensure that you enter the full dollar amount – do not enter in thousands.

Internal Audit Costs

B1. Please enter the total cost of your internal audit activity broken down as follows:

- Salary (gross pay only):
- Bonuses
- Employee benefits (if not tracked separately, averages 30% of compensation):
- Travel:
- Training:
- Costs of purchased services (co-source providers, outsource providers, etc.):
- Allocated or overhead costs:
- Other
- Total internal audit costs: automatic sum

Staffing

B2. Please enter the following FTE staff information. (Sourced staff must be entered/calculated as a full-time equivalent staff)?

	In-House Staff	**Sourced Staff**
Chief Audit Executive		
Directors / Managers		
Seniors / Supervisors		
Staff		
Total Audit Positions	Automatic Calculation	Automatic Calculation
Total Professional Audit Positions	**Automatic Calculation (in-house + sourced)**	
Administration/Clerical		
Total Positions	Automatic Calculation	Automatic Calculation
Total Staff	**Automatic Calculation (in-house + sourced)**	

B3. Including sourced staff, by what percent did your staff size increase or decrease over the prior year? (Please insert '0' for no change and a negative number for a decrease.) _____

B4. What areas of responsibility does the internal audit activity oversee (choose all that apply)?

- General internal auditing
- IT auditing

- Fraud auditing
- Forensic investigations
- Environment, Health, and Safety
- Compliance
- Risk management
- Ethics and business conduct
- Corporate social responsibility (sustainability)
- Other

B5. Please allocate total professional audit staff by function (include sourced staff). *For internal auditors (including management) that do not do have specific job functions, please allocate by the individual's area of expertise. Total should equal total professional audit positions in B2.*

- General internal auditors
- Information technology (IT) auditors
- Fraud auditors
- Environment, Health, and Safety auditors
- Other compliance auditors
- Other auditors
- Total (should match Total Professional Audit Positions from B2) automatic sum

B6. Does your organization have a group dedicated to IT auditing?

- Yes
- No

B7. Please identify the following staff information by level (FTE in-house staff only):

	Level of education sought for position	Average Years in Internal Audit Profession	Average Years Industry Experience (primary industry of organization)	Average Years of relevant non-IA work experience (e.g. public accounting)	Number of staff with one or more professional certification designations
Chief Audit Executive	-High School -Associates Degree -Bachelors Degree -Masters Degree -Doctorate -Not Applicable				
Directors / Managers					
Seniors /					

Supervisors					
Staff					

B8. Please provide the number of audit staff with the following audit-related professional certifications (FTE in-house professional audit staff only):

- Internal Auditing (such as CIA / MIIA / PIIA)
- Information Systems Auditing (such as CISA / QiCA / CISM)
- Government Auditing / Finance (such as CGAP / CIPFA / CGFM)
- Control Self-Assessment (such as CCSA)?
- Public Accounting / Chartered Accountancy (such as CA / CPA / ACCA / ACA)
- Management / General Accounting (such as CMA / CIMA / CGA)
- Accounting - technician level (such as CAT / AAT)
- Fraud Examination (such as CFE)
- Financial Services Auditing (such as CFSA / CIDA / CBA)
- Fellowship (such as FCA / FCCA / FCMA)
- Certified Financial Analyst (such as CFA)
- Other Certifications

B9. At what level do you <u>require</u> your internal auditors to obtain the Certified Internal Auditor (CIA) certification?

- Staff
- Senior / Supervisor
- Director / Manager
- Chief Audit Executive
- Not required at any level

B10. At what level do you <u>encourage</u> your internal auditors to obtain the Certified Internal Auditor (CIA) certification?

- Staff
- Senior / Supervisor
- Director / Manager
- Chief Audit Executive
- Not required at any level

B11. What percentage of your hiring is from the following (should add to 100%)?

- College
- Inside company
- Recruiters
- External advertising
- Other
- Total Hiring (automatic sum)

B12. What was your internal audit staff turnover for the year (numerically by FTE)?

- Placed inside organization
- Voluntarily left organization

- Retirements
- Other
- Total (automatic sum)

Staff Training

B13. Including both internal and external courses, how many hours (exclude hours for travel) of training **per auditor** were:

- Budgeted: _____
- Actually performed: _____

Sourcing

B14. What percentage of your audit engagements are (must add to 100%):

- Staffed internally
- Co-sourced
- Outsourced
- Total (automatic sum)

B15. What areas do you source (choose all that apply)?

- General internal auditing
- Information technology (IT) auditing
- Subject matter expertise
- Fraud auditing
- Other
- None

B16. What percentage of the following general areas are sourced?

- General internal auditing
- Information technology (IT) auditing
- Subject matter expertise
- Fraud auditing

B17. In the last fiscal year, how many total hours did you receive in sourced internal audit services? _____

B18. Do you see your reliance on co-sourcing / outsourcing:

- Increasing over the next three years
- Decreasing over the next three years
- Staying the same over the next three years

Relationship with External Auditors
For the following questions, do not include any statutory audits.

B19. What were the total internal audit hours worked on the most recently completed external audit (i.e., direct assistance - the total number of hours requested by your external auditors to provide in external audit assistance): _____

B20. Estimate the total external audit hours (both internal audit and external audit combined) worked on the most recently completed external audit: _____

B21. What were the total external audit fees associated with the most recently completed external audit: _____

SECTION C: INTERNAL AUDIT OVERSIGHT

C1. How long has your internal audit activity been in place?
- Less than 1 year
- 1-3 years
- 4-5 years
- 6-10 years
- 11-20 years
- More than 20 years

C2. The CAE reports administratively to:
- Audit Committee, or equivalent
- General / Legal Counsel
- Chief Executive Officer (CEO)
- President or Government Agency Leader
- Chief Financial Officer(CFO)
- Chief Operating Officer (COO)
- Chief Risk Officer (CRO)
- Controller
- Other

C3. The CAE reports functionally to:
- Audit Committee, or equivalent
- General / Legal Counsel
- Chief Executive Officer (CEO)
- President or Government Agency Leader
- Chief Financial Officer(CFO)
- Chief Operating Officer (COO)
- Chief Risk Officer (CRO)
- Controller
- Other

C4. What title best corresponds to the Chief Audit Executive position in the organization?

- Vice President
- Executive Director
- Director
- Manager
- Chief Audit Executive
- Officer
- Inspector General
- General Auditor
- Other

Audit Committee

C5. Do you have an audit committee, or its equivalent?

- Yes
- No

C6. How many people sit on your audit committee, or equivalent? _____

C7. Who chairs your audit committee, or equivalent?

- Chairman of the Board of Directors (or equivalent)
- Other independent Board of Directors member
- Chief Executive Officer (CEO) or Government Agency Leader
- Other individual outside of the organization
- Chief Financial Officer (CFO)
- Chief Audit Executive (CAE)
- Other
- Not applicable

C8. What areas of expertise does your audit committee possess (choose all that apply)?

- Financial
- Business management
- Legal
- Industry-specific knowledge
- Operational
- Information technology
- Fraud/forensics
- Internal/external audit

C9. How many times per year does the Chief Audit Executive meet with the audit committee (at a minimum)? _____

C10. How many cumulative total hours are the audit committee meetings per year?
_____

C11. Is a private session between the Chief Audit Executive and the audit committee or chair:

- A regular agenda item
- Available on request
- Both a regular agenda item and available upon request
- Not a practice
- Not applicable

C12. Does your audit committee have a written charter?

- Yes
- No
- Don't know
- Not applicable

C13. Please select the responsibilities below that your audit committee fulfills (choose all that apply):

- Selects the external auditor and reviews the audit fees and the engagement letter
- Reviews the external auditors overall audit plan
- Reviews preliminary annual and interim financial statements
- Reviews results of engagements performed by external auditors, including management letter
- Approves the charter of the internal audit activity
- Reassesses and approves a new internal audit activity charter annually
- Reviews and approves the internal audit activity's plans and resource requirements
- Directly communicates with the chief audit executive who regularly attends and participates in meetings
- Reviews evaluations of risk management, control, and governance processes as reported by the internal auditors
- Ensures that engagement results are given due consideration and receive distributions of financial engagement communications by the internal auditors
- Reviews policies on unethical and illegal procedures
- Reviews financial statements to be transmitted to regulatory agencies
- Participates in the selection of accounting policies
- Reviews the impact of new or proposed legislation or regulations
- Reviews the organization's insurance program
- Considers evaluations of the effectiveness and efficiency of information systems
- Review performance of chief audit executive
- Reviews proposed compensation including bonuses and long-term incentives
- Not applicable – our organization does not have an audit committee

C14. Please select the items that the Chief Audit Executive reviews with the audit committee (choose all that apply)

- Not applicable – our organization does not have an audit committee

Administration:

- Financial and resource budgets
- Financial variance analysis (actual versus budgeted expenses)
- Productivity measures
- Benchmark comparisons versus other companies
- Organizational structure
- Coordination of internal and external audit plans

Risk Management:

- Risk assessment system
- Overall assessment of the corporate control environment
- Coverage of key organizational risks
- Fraud risks
- Assessment of fraud control environment

Operations:

- Overall audit plan
- Percentage of audit plan completed
- Status of audits performed, outstanding issues, etc. ("Audit Dashboard")
- Results of monitoring programs concerning compliance with laws, codes of conduct, and ethics
- Significant findings from engagements

C15. Does the internal audit activity provide professional development and training to new and existing audit committee members?

- Yes
- No
- N/A

C16. Is the audit committee subject to review?

- Yes, a self-assessment is performed on a periodic basis
- Yes, an audit is performed on a periodic basis
- Yes, both self-assessments and audits are performed on a periodic basis
- No
- Not applicable

C17. Is the audit committee charter subject to review?

- Yes, a self-assessment is performed on a periodic basis
- Yes, an audit is performed on a periodic basis
- Yes, both self-assessments and audits are performed on a periodic basis
- No
- Not applicable

SECTION D: RISK ASSESSMENT AND AUDIT PLANNING

D1. How many audits did you plan in the last fiscal year? _____

D2. How many audits did you actually perform in the last fiscal year (exclude management requests not in original audit plan)? _____

D3. How many unplanned audits did you perform in the last fiscal year? _____

D4. What percentage of your audit plan is the following (must sum to 100%):

Assurance engagements	_____
Consulting engagements	_____
Management requests	_____
Fraud investigations	_____
Follow-up audits	_____
TOTAL	_____ (automatic calculation)

D5. What percentage of total hours built into your audit plan is categorized as unallocated time for future, unplanned, or ad hoc audit requests? _____

D6. What percentage of management requests made were actually accomplished? _____

D7. What type of audit plan do you utilize?

- Long-term audit plan with minimal revisions
- Long-term audit plan with periodic updates
- Annual audit plan with minimal revisions
- Annual audit plan with periodic updates
- Rotational short-term audit plan
- We do not utilize an audit plan

D8. If you utilize a long-term audit plan, how many years are covered by the plan?

- Two years
- Three years
- Four years
- Five years
- More than five years

Organization / Internal Audit Activity Risk Assessment

D9. Does your internal audit activity have a formal risk assessment process?

- Yes

- No

D10. How often do you complete your risk assessment?
- More than annually
- Annually, when we complete the audit plan
- Semi-annually
- Quarterly
- Ongoing
- Other
- Not applicable

D11. What are the significant risk factors utilized when performing your risk assessment (choose all that apply)?
- Not applicable – we do not complete a risk assessment
- Degree of manual intervention / degree of automation
- Confidence in management
- Extent of major change (reorganization, new product line, etc.)
- Sensitivity (e.g., image, public relations, etc.)
- Employee turnover
- Fraud significance / potential
- Inherent risk
- Environmental factors
- Competitive pressures
- Complexity of activities
- Control environment
- Time since last audit
- Continuous auditing – risk and controls assessments
- Degree of financial materiality
- Velocity
- Aggregation of risks
- Volume of transactions
- Other

Audit Engagement Risk Assessments

D12. Does your audit activity complete engagement-level risk assessments?
- Always
- Sometimes
- Never

	Choices
D13. Is your engagement-level risk assessment tied to the annual entity-wide risk assessment?	▪ Always ▪ Sometimes ▪ Never

	▪ Not applicable
D14. Is the annual entity-wide risk assessment updated periodically with the results of the engagement-level risk assessments?	

SECTION E: AUDIT IMPLEMENTATION / LIFE CYCLES / REPORTING

E1. What percentage of your audit staff time (including sourced staff) was devoted to (should add to 100%):

Assurance engagements _____
Consulting engagements _____
Fraud investigations _____
Management requests _____
Follow-up audits and activities _____
External audit assistance _____
Chargeable time – other _____
Non-chargeable time – training _____
Non-chargeable time – other _____
Absences _____
TOTAL _____ (automatic sum)

E2. What was the distribution of total time (as a percentage) on typical audits (should add to 100%)?

Planning _____
Fieldwork _____
Reporting _____
TOTAL _____ (automatic sum)

E3. On average, how many days does it take to complete the following tasks (should be measured in working/business days):

Planning _____
Fieldwork _____
Reporting _____
Follow-up _____
TOTAL _____ (automatic sum)

E4. On average, how many days lapse between the end of fieldwork and the issuance of (should be measured in working/business days):

- Draft Reports: _____
- Final Reports: _____

E5. Please indicate whether or not your internal audit activity utilizes the following audit tools and techniques on an audit engagement (choose all that apply):

- Analytical review
- Balanced scorecard or similar framework
- Benchmarking
- Computer-assisted audit techniques (CAAT)?
- Continuous auditing
- Control self-assessment
- Data mining
- Flowchart software
- Process modeling software
- Statistical sampling
- Quality assessment review tools
- Total quality management techniques
- Six sigma methodologies
- Electronic workpaper software
- None of the above

E6. Do you do the following regarding engagement reporting (choose all that apply)?

- Highlight repeat findings in audit reports
- Rate observations and findings
- Rank observations and findings based on likelihood and significance
- Include management action plans
- Provide an overall “score” for the audit
- Provide an overall opinion on the audit
- Include positive findings
- None of the above

E7. Do you have a formal process in place to monitor on observations and findings?

- Yes
- No

E8. As part of your monitoring process on observations and findings, do you test the implementation of corrective action taken by the organization?

- Always
- Sometimes
- Never
- Not applicable

E9. What are the average days outstanding for open items? (should be measured in working/business days)

Days: _____

E10. Does internal audit provide senior management and the board/audit committee with a periodic written report expressing an opinion on the organization's internal control environment?

- Yes
- No

E11. Does internal audit provide senior management and the board/audit committee with a periodic written report expressing an opinion on the organization's risk management environment?

- Yes
- No

SECTION F : PERFORMANCE MANAGEMENT

Quality Assurance and Improvement Programs

F1. Do you have a formal quality assurance and improvement program?

- Yes
- No

Internal Assessments

F2. What is your internal audit activity's status with regard to internal assessments?

- Our internal audit activity performs ongoing reviews of the performance of the internal audit activity
- Our internal audit activity performs periodic reviews performed through self-assessment or by other persons within the organization, with knowledge of internal audit practices and The IIA's *Standards*
- Our internal audit activity does not have a formal internal assessment process

F3. What tools does your internal audit activity utilize in performing internal audit assessments (choose all that apply)?

- Engagement supervision
- Checklists and other means to provide assurance that processes adopted are being followed
- Project budgets
- Timekeeping systems
- Audit plan completion and summary reports
- Cost recoveries
- In-depth interviews and surveys of stakeholder groups
- Benchmarking of the internal audit activity's practices and performance metrics against relevant leading practices of the internal audit profession
- Not applicable – we do not perform internal audit assessments

F4. Are the results of ongoing and periodic internal assessments shared with (choose all that apply):

- Senior management
- Audit committee
- Board of directors
- External auditors
- Other appropriate persons outside the activity
- No one
- Not applicable

External Assessments

F5. Has your organization had an external quality assessment in the last 5 years?

- Yes
- No

F6. If no, please explain why you have not had an external quality assessment performed:

- Audit oversight (executive management, audit committee, Chief Audit Executive) does not see value in an external assessment
- Not considered a priority
- Costs too much
- Internal audit activity is new and an external assessment is not yet required
- Outside parties (regulators, external auditors, etc.) are evaluating the internal audit activity and another assessment is not necessary
- Other
- Not applicable – I have had an external quality assessment performed

F7. Was your external assessment:

- An independent and external assessment
- A self-assessment with independent validation
- Not applicable

F8. Do you plan to have an external assessment performed every:

- 1-2 years
- 3-4 years
- 5 years
- Other
- Not applicable

F9. Who are the results of the external assessments shared with? (choose all that apply):

- Senior management
- Audit committee
- Board of Directors
- External auditors
- Other appropriate persons outside the activity
- No one
- Not applicable