



Implementation Guide

Standard 2200



Standard 2200 – Engagement Planning

Internal auditors must develop and document a plan for each engagement, including the engagement’s objectives, scope, timing, and resource allocations. The plan must consider the organization’s strategies, objectives, and risks relevant to the engagement.

Revised Standards Effective 1 January 2017

Getting Started

Engagement planning is critical to effective internal auditing. It is central not only to Standard 2200, but to other standards in this series as well.

When planning an audit engagement, internal auditors typically begin with an understanding of the organization’s annual internal audit plan, an awareness of the planning and discussions that led to its development (see Implementation Guide 2010 – Planning), and an understanding of any significant changes affecting the organization since the audit engagement was included in the annual internal audit plan. Internal auditors also need to understand how the organization’s strategies, objectives, and risks impact the internal audit engagement.

It’s important for internal auditors to understand the engagement planning process used by the organization’s internal audit activity, which is often described in the internal audit policies and procedures manual. Internal auditors should also attain an understanding of the engagement’s scope and stakeholders’ expectations and become familiar with prior audits (internal or external) or compliance reviews conducted in the area under review. Additionally, internal auditors typically familiarize themselves with the strategies, objectives, and risks related to the department, area, or process to be reviewed in the upcoming engagement. It may be helpful for internal auditors to inquire whether management has performed a risk assessment in the area under review and, if so, to understand management’s opinion on the risk assessment as well as any related risks and controls in the area of the upcoming audit engagement.

Internal auditors should consider the resources needed for the engagement (see Implementation Guide 2030 – Resource Management), and determine how resources can be utilized most effectively.

The implementation guides for Standard 2201 – Planning Considerations; Standard 2210 – Engagement Objectives; Standard 2220 – Engagement Scope; Standard 2230 – Engagement Resource Allocation; and Standard 2240 – Engagement Work Program provide further guidance on the engagement planning process.

Considerations for Implementation

In implementing Standard 2200, it is important for internal auditors to establish engagement objectives as a critical part of planning the engagement. To that end, internal auditors should review any recent risk assessments conducted by management, as well as the internal audit risk assessment completed during annual planning, because the engagement objectives will be linked to risks in the area under review. Other considerations include previous engagement risk assessments and audit reports for the area being reviewed. Once the risk-based objectives have been established, the scope of the audit engagement can be determined, setting the boundaries under which the internal auditors will work.

To establish the engagement objectives, internal auditors generally identify data required within the engagement scope and communicate the scope to management of the area under review, giving management adequate lead time for preparation. Internal auditors also communicate with management or other key personnel in the area under review to ensure availability of key personnel early in the process.

Throughout the engagement planning process, internal auditors typically retain documentation from discussions and conclusions reached during meetings and include such documents in the engagement workpapers. During the engagement’s planning stage, internal auditors will determine the level of formality and documentation needed. The organization’s internal audit policy manual may specify the steps for a formal process and include pertinent templates.

During engagement planning, internal auditors may start to develop the engagement work program, giving consideration to budgets, logistics, and the final engagement communication format. The chief audit executive typically determines how, when, and to whom the engagement’s results will be communicated (see Standard 2440 – Disseminating Results), as well as the level of direct supervisory needs of the audit staff, specific to the engagement plan (see Standard 2340 – Engagement Supervision). The last planning step before internal auditors start fieldwork typically involves attaining audit management’s approval of the engagement work program. However, the engagement plan and engagement work program may be adjusted – subject to approval by audit management – during fieldwork when new information is obtained.

Considerations for Demonstrating Conformance

Documents that may demonstrate conformance with Standard 2200 include a documented engagement plan that covers the planning considerations, engagement scope, objectives, resource allocations, and the approved engagement work program. An internal audit policies and procedures manual may include approved documentation templates related to planning the engagement. Documentation may include notes from planning meetings that preceded the engagement, such as minutes, attendees, engagement timeframe, resources available, and other key items. Such notes are typically documented in engagement workpapers.

Additionally, communications to the engagement client regarding the upcoming engagement, such as communications that discuss engagement objectives and scope, may demonstrate conformance. Any documentation from an opening or kickoff meeting after the development of the engagement work program may also serve to show conformance with Standard 2200.

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December 2016



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