Exploration of a theory of internal audit: a study on the theoretical foundations of internal audit in relation to the nature and the control systems of Dutch public listed firms

Swinkels, W.H.A.

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Appendix V: Questionnaire for Chief Audit Executive

Purpose of this interview is to explore the current scope of work of internal audit and match it with a broader, multidisciplinary view on internal control of a firm. In case of differences, I would like to discuss the reasons behind these differences.

Name of organization:

Name & function of interviewee:

Date of interview:

Organizational questions:

1. Structure and number of people within Internal Audit function
2. Background of Internal Audit members
3. Reporting lines of internal audit
4. Set up date of internal audit function
5. What was the trigger to set up internal audit and by whom
6. Are there other functions/functions involved in the risk/control area?

Internal audit scope questions:

7. What is the purpose of the internal audit function (why does it exist)?
8. What are the subjects in the audit plan?
9. What subjects are not performed or additionally performed outside the audit plan?
10. Does the coverage of the audit plan and additional engagements lead to a sufficient level of assurance regarding the internal control system of a firm? Or what elements are missing?
**Control of the firm questions:**

11. Do you use a control framework as frame of reference, if yes, which one?

12. Did you *adopt* a control framework or *adapted* it?

13. Do you see internal audit as an expert in the area of control? Which parts (limits and contributions)?

14. Is internal audit involved in the process of the *In control statement*? If yes, what activities are performed?

15. Which of the elements below are part of your audit plan?

<table>
<thead>
<tr>
<th>Levels</th>
<th>Description</th>
<th>Examples</th>
<th>Answers: yes (and what)/no</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintaining the status quo</td>
<td>Maintaining an organization, in absence of external changes</td>
<td>Control around effectiveness of and solving issues with respect to:</td>
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<tr>
<td></td>
<td></td>
<td>1. Strategy setting, execution, budgets and performance monitoring</td>
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<td>2. Core values of a firm</td>
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<td>3. Structure</td>
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<td>4. Processes</td>
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<td>5. Financial reliability</td>
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<td>6. Leadership and capabilities people</td>
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<td>7. Compliance with internal and external laws and regulations</td>
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<td>8. Technology <em>Additional elements</em>?</td>
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<tr>
<td>Adapting</td>
<td>Adaptation of goal-oriented organizations to variation and change in external conditions</td>
<td>Control over adaptability of:</td>
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<tr>
<td></td>
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<td>1. Strategy (focus, innovation)</td>
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<td>2. Core values of a firm</td>
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<td>3. Structure (fine tuning business and operating model, exploitation and exploration)</td>
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<td>4. Processes</td>
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</tbody>
</table>
5. Management information
6. Leadership and capabilities people
7. Compliance & Influence external laws and regulations
8. Technology
   Additional elements?

Re-programming
Reprogramming less successful goals and processes while preserving successful ones

Control over reprogramming with respect to:
1. Timely strategy change in new business areas
2. Core values of a firm
3. Integration new business models in structure
4. Process restructuring
5. Sensing emergent trends and changes (information
6. Leadership and capabilities people
7. Compliance & Influence external laws and regulations
8. Technology
   Additional elements?

Summary overview on levels of control

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<thead>
<tr>
<th>Levels</th>
<th>Strategic</th>
<th>Operational</th>
<th>Financial</th>
<th>Compliance</th>
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<tbody>
<tr>
<td>Maintenance of status quo</td>
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<td>Adapting</td>
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<tr>
<td>Re-programming</td>
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End of Questionnaire