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**INTERNAL AUDITOR QUESTIONNAIRE**  
**Preliminary Examination Response Kit**  
**Office of Thrift Supervision**

**Docket #:** >

**Institution Name:** >

**Examination As of Date:** >

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The financial institution's internal auditor or person in charge of internal controls who does not have operational responsibilities should complete this questionnaire. An outside contractor or the internal audit department of an affiliate who performs internal control review functions for the financial institution may also complete this questionnaire.

Check here if the financial institution does not have an internal audit function: \_\_\_\_\_ If checked, stop here.

*The examiners will complete minimum procedures (indicated by a flag) if the institution does not have an independent internal audit function or there is a "no" response given below. Independent means that the staff responsible for internal audit does not have operational responsibilities and they report directly to the audit committee or board of directors. Minimum procedures are set forth in the Internal Control Program in Section 340, Internal Control. Examiners will note completed work with a work paper reference at the flag(s) below.*

The \_\_\_\_\_ internal auditor \_\_\_\_\_ outside contractor \_\_\_\_\_ internal audit department of an affiliate completed this questionnaire.

List the name, address, and telephone number of the primary contact at the institution and the name, address, telephone number, and email address for any persons outside the institution who prepared this report:

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Yes      No

**Internal Control Department**

1. List the chief internal auditor’s name, any related professional designation(s), and number of years of financial institution and auditing experience.  
 \_\_\_\_\_
2. List the other employees in the internal audit department and the audit experience of each.  
 \_\_\_\_\_
3. How long has the chief auditor worked for the institution, and how long has this person held the present position?  
 \_\_\_\_\_
4. Whom does the chief auditor report to functionally? Administratively?  
 \_\_\_\_\_
5. Does the external CPA firm rely on work performed by the internal audit department in determining the extent of their compliance or substantive testing?      \_\_\_\_\_
6. Did the audit department discover any frauds or embezzlements since the last OTS examination? If yes, please attach information for review.      \_\_\_\_\_
7. Are work papers accessible for review by examiners?      \_\_\_\_\_

**General**







8.  Does the audit department test general ledger entries for appropriate support and approval?      \_\_\_\_\_
9.  Does the audit department review expense disbursements for appropriate support and approval?      \_\_\_\_\_

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		<u>Yes</u>	<u>No</u>
10.	 Does the audit department review procedures to determine that subsidiary accounts are reconciled promptly to the general ledger, including suspense accounts? (This can be as frequently as daily depending upon the volume and significance.)	_____	_____
11.	 On a test basis, do audit procedures include the review of the approval and documentation for entries to the books of the financial institution?	_____	_____
12.	Do audit procedures include a review of the institution assets, or assets securitized by the institution, that others hold or service?	_____	_____
13.	 Does the audit department balance a listing of assets others hold or service monthly, and confirm balances annually?	_____	_____
14.	 Do audit procedures include the review of insider and affiliated party transactions for proper documentation and approval?	_____	_____
<b>Cash and Cash Items</b>			
15.	 Do audit procedures include a review of internal controls in this area?	_____	_____
16.	State the audit frequency in this area for the main office and the branches.  _____		
17.	How frequently does the audit department perform surprise cash counts?  _____		
18.	Does the audit department trace cash items to their final disposition?	_____	_____
19.	How frequently do audit procedures require testing for adherence to established teller cash limits?  _____		
20.	 Do audit procedures require testing for adherence to dual control policies where applicable?	_____	_____

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	<u>Yes</u>	<u>No</u>
21.  Do audit procedures include review of the use of supervisory overrides relating to teller operations?	_____	_____
22. List the dates of the last audits in this area.  _____		
<b>Due From Banks</b>		
23.  Do audit procedures include a review of internal controls in this area?	_____	_____
24. State the audit frequency for this area.  _____		
25. Does the auditor request cut-off statements and canceled checks when auditing this area?	_____	_____
26. When auditing this area, which reconcilements are proved such as audit date, most recent, etc.?  _____		
27.  Does the audit department undertake a review to ensure that the institution reconciles all bank accounts when they receive the statement?	_____	_____
28.  Does the institution trace outstanding reconcilment items from the last audit to final disposition, noting unusual aging and number of reconciling items?	_____	_____
29. How frequently does the audit department review drafts for propriety?  _____		
30. Do audit procedures include tracing selected items from the general ledger to the source (originating department)?	_____	_____
31. List the dates of the last audits of this area.  _____		





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	<u>Yes</u>	<u>No</u>
<b>Investment Portfolio</b>		
32.  Do audit procedures include a review of internal controls in this area?	_____	_____
33. State the audit frequency for this area.  _____		
34. Does the audit department establish control over the vault(s) containing physical securities at the beginning of surprise audits (or announced audits)?	_____	_____
35.  Is there physical verification of the securities to the subsidiary ledger?	_____	_____
36.  Do audit procedures include reconciling the subsidiary ledger(s) to the general ledger control account(s) as of the audit date or a recent date?	_____	_____
37.  Do audit procedures include confirming securities held in safekeeping outside the institution?	_____	_____
38. Were all securities in safekeeping outside the institution confirmed during the last audit?	_____	_____
39. Do audit procedures include reviewing the par value of inventory for compliance with limits on authorized holdings?	_____	_____
40. What was the date of the last audit of this area?  _____		
<b>Demand Deposits</b>		
41.  Do audit procedures include a review of internal controls in this area?	_____	_____
42. State the audit frequency in this area.  _____		
43. Do audit procedures require confirmation of a sample of demand accounts including dormant accounts?	_____	_____

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		<u>Yes</u>	<u>No</u>
44.	If the answer above is yes, are positive confirmations used?	___	___
45.	 Do audit procedures require a review of dormant activity and compliance with the es-cheat laws currently in effect?	___	___
46.	 On a test basis, do audit procedures require a review of returned and holdover items for propriety and evidence of subsequent clearance of material items?	___	___
47.	 Do procedures provide for a review of the handling of uncollected funds and kiting?	___	___
48.	 Do procedures provide for a review of director, officer, and employee accounts for large or unusual transactions relative to their salary?	___	___
49.	List the last audit date for this area.  _____		

**Time Deposits**

50.	 Do audit procedures include a review of internal controls in this area?	___	___
51.	State the audit frequency in this area.  _____		
52.	Do audit procedures require confirmation of a sample of time accounts including dormant accounts?	___	___
53.	If the answer above is yes, are positive confirmations used?	___	___
54.	 Do audit procedures require a review of dormant activity and compliance with the es-cheat laws currently in effect?	___	___
55.	How frequently does the audit department test interest accrued and paid to accounts?	___	___
56.	Does the audit department use audit software in the testing referred to in the question above?	___	___

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		<u>Yes</u>	<u>No</u>
57.	List the last audit date for this area.  _____		
	<b>Loans</b>		
58.	Do audit procedures include a review of internal controls in this area?	_____	_____
59.	State the audit frequency in this area.  _____		
60.	Do audit procedures require confirmation of a sample of loan accounts?	_____	_____
61.	If the above is yes, are positive confirmations used?	_____	_____
62.	Does the audit department’s responsibilities include evaluating the adequacy of the loan loss reserves?	_____	_____
63.	On a test basis, does the audit department review the approvals for loan disbursements and charged-off loans?	_____	_____
64.	How frequently does the audit department test income and related accrued interest and unearned discount?	_____	_____
65.	Does the audit department use audit software in the testing referred to in the question above?	_____	_____
66.	Do audit procedures include a test check of the inventory of original notes, deeds of trust, car titles, and negotiable collateral for loans in the portfolio?	_____	_____
67.	List the last audit date for this area  _____		
	<b>Wire Transfers</b>		
68.	Do audit procedures include a review of internal controls in this area?	_____	_____

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		<u>Yes</u>	<u>No</u>
69.	State the audit frequency in this area.  _____		
70.	Does the audit department test wire transfers to ensure timely verifications and reconciliations?	_____	_____
71.	Does the audit department undertake a review to ensure that wire transfer process involves independent parties?	_____	_____
72.	Does the audit department test wire transfers to ensure compliance with written procedures?	_____	_____
73.	List the last audit date for this area  _____		