*This is a* ***second-tier*** *tool which can be utilized in the event there are two or more high or medium risk areas or audit topics that you are trying to prioritize between. Not every question needs to be asked; use judgment to determine which answers will best help Internal Audit, the Management team or Audit Committee make a decision in each case.*

**Name of Audit Area**: (limited to areas already identified as “high risk”)

**Description:**

**Business Objective(s):**

What are the relevant business objectives?

How do the business objectives serve the public interest?

Where do the business objectives derive from?

How achievable are the objectives?

How sensitive are outcomes to changes in inputs and environmental factors?

How visible are the results and what has been the recent trend in results?

**Value Proposition:**

Who is interested that the audit be done?

Who would benefit from greater achievement of the business objectives?

What type(s) of benefits would accrue from greater achievement of the business objectives?

For each type of benefit, what is the estimated range in marginal benefits?

How sustainable is each benefit (e.g., one time, annual, leveraged)?

Who suffers with the agency’s failure to achieve its business objectives and to what extent?

**Audit Advisability:**

Is an audit an appropriate mechanism to address the risks?

How much change is the area or program exposed to?

What political environment does the area or program operate under?

What level of precision would the audit need to attain?

What is the estimated level of audit effort?

Is sufficient appropriate audit evidence likely available?

If evidence from data systems is likely to be used, what is known about system reliability?

**Review History:**

What were the scope and results of any recent\* external reviews completed of this area?

What were the scope and results of any recent\*internal reviews completed of this area?

**Time Sensitivity:**

Are there significant foreseeable schedule conflicts if the audit were to begin in the next six months?

Is there a desired time of year for audit completion, especially if linked to value?

What would be the worst time of year/biennium to conduct this audit?

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**Contacts:**

Are those currently responsible for the area or program knowledgeable?

Are there other anticipated contacts knowledgeable about the area or program?

Are any key contacts expected to leave the organization in the near future?

**Legal Background:**

If applicable, is legislative intent for the program or area unambiguous?

Does the law describe the purpose and intended outcome(s) of the program or area?

How prescriptive are the law and supporting rules and regulations?

Is confidentiality related to data management a significant aspect of the program or area?

Is the program or area subject to frequent litigation?

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