



International Professional
Practices Framework

Implementation Guide 2230

Standard 2230 – Engagement Resource Allocation

Internal auditors must determine appropriate and sufficient resources to achieve engagement objectives based on an evaluation of the nature and complexity of each engagement, time constraints, and available resources.

Interpretation:

Appropriate refers to the mix of knowledge, skills, and other competencies needed to perform the engagement. Sufficient refers to the quantity of resources needed to accomplish the engagement with due professional care.

Revised *Standards*, Effective 1 January 2017

Getting Started

In order to satisfy Standard 2230, internal auditors must ensure that resources are allocated to achieve the objectives of the engagement. It is critical that internal auditors assigned to an engagement possess the necessary knowledge, skills, experience, and additional competencies to perform the engagement competently and thoroughly. It is also important for the internal audit activity to include a quantity of resources sufficient to cover the needs of the engagement with the required attention to detail and professional care.

Before determining how best to allocate engagement resources, internal auditors generally

attain an understanding of the engagement's objectives and scope by reviewing the planning documents. It is also essential for internal auditors to understand the nature and complexity of the engagement through discussions with key stakeholders, including management in the area to be audited.

It is important for internal auditors to inventory not only staff resources, but also available technology that may be helpful or necessary to perform a quality engagement. They may also consider whether additional outside resources or technology are necessary to complete the engagement.

By reviewing the engagement work program, internal auditors may gain a thorough understanding of how much time each step is expected to take. They should be aware of the number of hours budgeted for the engagement, as well as any time, language, logistical, or other constraints for any relevant party (e.g., members of the internal audit activity, management in the area under review, senior management, the board, and/or external parties).

If the internal audit activity does not have appropriate and sufficient resources on staff, the chief audit executive (CAE) is expected to obtain competent advice or assistance to fill any gaps. Implementation Guide 1210 – Proficiency provides further guidance on obtaining the knowledge, skills, and other competencies necessary to perform internal audit responsibilities.

Considerations for Implementation

Internal auditors typically evaluate the engagement work program and use their best professional judgment in determining the type and quantity of resources to allocate to an engagement to best accomplish its objectives. It is important to assign the appropriate personnel to the engagement based on their availability, knowledge, skills, and experiences. Specialized skill sets (e.g., financial reporting, IT, cost analysis, asset disposition, construction, industry-specific skills, and others) can be invaluable to the internal audit activity if utilized properly. Therefore, it is important for internal auditors to exercise care when selecting the best available resources for the engagement.

If the specialized skills of the available internal auditors are not sufficient to perform the

engagement, internal auditors typically consider whether additional training is an option, or whether closer supervision would be appropriate. In situations where the existing internal audit staff lacks the expertise or knowledge to perform the engagement, internal auditors may consider supplementing existing resources with other options, such as using guest auditors, employing a subject matter expert, or cosourcing.

Internal auditors should discuss with the CAE any concerns related to the resources allocated to the engagement. Internal auditors may consider tracking the actual time spent performing the engagement against the budgeted time. The causes for, and effects of, significant overrun may be documented as a lesson learned for future planning purposes.

Considerations for Demonstrating Conformance

Documents that may demonstrate conformance with Standard 2230 include the approved engagement work program, which typically shows that the internal audit activity utilized appropriate and sufficient resources for the engagement, including personnel with appropriate internal audit experience, skills, and competencies. The supporting documentation generally shows the distribution of activities for each internal auditor, as well as the timelines assigned to the engagement.

Other documentation that may illustrate conformance with Standard 2230 includes the internal audit activity's planning notes, which may describe the technology or other resources that were considered during the planning phase of the engagement. In addition, time sheets or tracking documentation used to monitor budgeted hours against actual hours may help to show conformance. A post-audit client survey on the quality of internal audit resources and timeliness of the audit report may also help to demonstrate conformance.

About The IIA

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About Implementation Guidance

Implementation Guidance, as part of The IIA's International Professional Practices Framework® (IPPF®), provides recommended (nonmandatory) guidance for the internal audit profession. It is designed to assist both internal auditors and internal audit activities to enhance their ability to achieve conformance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*.

Implementation Guides assist internal auditors in applying the *Standards*. They collectively address internal audit's approach, methodologies, and consideration, but do not detail processes or procedures.

For other authoritative guidance materials provided by The IIA, please visit our website at www.globaliia.org/standards-guidance or www.theiia.org/guidance.

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