

September 28, 2015

Dear Audit Professional,

By popular request, we are repeating the study first conducted in 2013 aimed at collecting information specific to the internal auditing function at food retailing companies. This is information unique to the FMI annual Internal Auditing, Financial Executive and Asset Protection Conference and provides attendees with even more valuable information and education.

The survey was developed in collaboration with committee members and focuses on gaining insight into productivity measures, such as time allocated by types of audits and areas, assessing the department's success, efficiency and effectiveness, turnaround times by type of audit, outsourcing and more.

For the purpose of this survey, "internal audit" refers to the function which responsibility is primarily assessing internal controls in any of these areas: effectiveness and efficiency of operations, reliability of financial reporting, compliance with laws and regulation and safeguarding of assets.

Individual responses will be kept strictly confidential, but aggregate findings will be presented at the Conference in Tucson, AZ on March 15, 2016. Additionally, everyone who completes the survey will receive a copy of the report detailing the results.

It shouldn't take more than 15-20 minutes to complete the survey. Please return your completed survey no later than November 16, 2015 to FMI's research department:

Fax: 202-220-0868

Email: [research@fmi.org](mailto:research@fmi.org)

If you have any questions or comments, please contact Anne-Marie Roerink at 502.552.5840.

This study is made possible with the generous support of RGIS. We thank you very much in advance and look forward to sharing the results with you.

Sincerely,

Amanda Bond-Thorley, CMP

Director, Education

Please return to fax: 202-220-0868 or email: [research@fmi.org](mailto:research@fmi.org)  
by November 16, 2015

## General

1. How many stores did your company operate as fiscal year 2014? \_\_\_\_\_ stores
2. Which and how many of the following store formats did your company operate as of fiscal year 2014?
  - O Supermarket: \_\_\_\_\_
  - O Supercenter: \_\_\_\_\_
  - O Warehouse club store: \_\_\_\_\_
  - O Convenience store: \_\_\_\_\_
  - O Other: \_\_\_\_\_
3. Is your company primarily a...?
  - O Retailer O Wholesaler O Both
  - a. If a retailer, are your grocery items primarily supplied by...? O Wholesaler O Own distr. center(s)
4. What were your total retail sales in FY 2014? \$ \_\_\_\_\_
5. Is your company... O Privately-owned O Public

## Internal Audit Department Structure for Your Company

6. How many people work in your audit department?
  - a. Full-time: \_\_\_\_\_
  - b. Part-time: \_\_\_\_\_
  - c. Total: \_\_\_\_\_
7. Average annual turnover in the past 3 years? \_\_\_\_\_ %
8. What is the highest level on the audit team?
  - O Vice President or above O Sr. Director O Director
  - O Sr. Manager/Manager O Other: \_\_\_\_\_
9. What is the audit team's profile?

Education	% of team	Certifications	% of team
Accounting		CPA	
Info Systems		CIA	
Gen. business		CISA	
Liberal arts		CFE	
Engineering		CMA	
Other		Other	

10. Where does your audit department report?

	Administratively	Functionally
Audit cmte/equivalent	O	O
General/legal counsel	O	O
CFO/VP of Finance	O	O
COO	O	O
CEO/President	O	O
Other	O	O

11. Do you have a college intern program? O Yes O No
12. Do you have a rotational program to help develop talent for other functions in the company? O Yes O No
  - a. If yes, which skills tend to be most valued by the receiving business functions?

13. Do you use personnel from other functions as "guest auditors?" O Yes, frequently O Yes, occasionally O No
  - a. If yes, what areas do your guest auditors audit?

14. Does your company have an audit committee?
  - O Yes O No
  - a. How often does the committee meet?
    - O Quarterly O Semi-annual O Annual O Other
15. How many hours of formal training do your internal auditors receive per year? \_\_\_\_\_ ?
16. Do you use third-party services or vendors on audit functions? O Yes O No
  - a. If yes, which functions/areas do you outsource?
    - O IT O Fraud
    - O Operational O Tax
    - O Financial/accounting O Lean/Six Sigma
    - O Other: \_\_\_\_\_
  - b. What percentage of your internal audit activities is currently co-sourced/outsourced?
    - O 10% or less O 11-25%
    - O 26-50% O 51-74%
    - O 75% or higher

17. How do you anticipate the following will change in the next five years?

	Increase	Same	Decrease
Size of audit department			
Total audit budget			
Budget for co-sourced or outsourced activities			

18. How often does your audit team collaborate with the following departments in the execution of your audit work?

	Frequently	Occasionally	Rarely or Never
Risk			
Loss Prevention			
Food Safety			
HR			
Lean/Six Sigma			
Finance			
IT			

## Productivity

19. Which point-of-sale (POS) exception reporting software package do you use?
20. Does your audit team use reports from the exception reporting software? O Yes O No

21. Which of the audit software packages below do you use?  
☐ None ☐ TeamMate ☐ Metric Stream  
☐ SAS ☐ Protiviti ☐ Accelus/Paisley  
☐ ERP solution (SAP, Oracle, etc) ☐ Other: \_\_\_\_\_
22. What percentage of the department's available audit time is allocated to the following areas:  
a. Retail operations \_\_\_\_\_ % of time  
b. Merchandising \_\_\_\_\_ %  
c. Marketing \_\_\_\_\_ %  
d. Finance \_\_\_\_\_ %  
e. Manufacturing \_\_\_\_\_ %  
f. Supply chain \_\_\_\_\_ %  
g. Human resources \_\_\_\_\_ %  
h. Information Technology \_\_\_\_\_ %  
i. Legal \_\_\_\_\_ %  
j. Other: \_\_\_\_\_ %
23. What percentage of available audit time is allocated to each of the following types of audits? Put "0%" if not performed at all.
- |                              | Currently | In 5 Years |
|------------------------------|-----------|------------|
| a. SOX/internal control      | _____ %   | _____ %    |
| b. Regulatory compliance     | _____ %   | _____ %    |
| c. Operational/Process       | _____ %   | _____ %    |
| d. Financial controls        | _____ %   | _____ %    |
| e. M&A support/due diligence | _____ %   | _____ %    |
| f. External audit support    | _____ %   | _____ %    |
| g. Other                     | _____ %   | _____ %    |
|                              | =100%     | =100%      |
24. What is the average # of days to issue an audit report (end of fieldwork to publication of final report)? \_\_\_\_\_ days
25. Do you produce a written report on overall internal control for use by the audit committee or senior management? ☐ Yes ☐ No  
a. If yes, how often?  
☐ On request ☐ Annually ☐ Other: \_\_\_\_\_
26. Do you use data analysis tools? ☐ Yes ☐ No  
a. If yes, which? [Mark all that apply]  
☐ Excel ☐ Access ☐ ACL  
☐ Idea ☐ Other: \_\_\_\_\_
27. Did you uncover any fraud during FY2014? ☐ Yes ☐ No  
a. If so, in what area(s)?  
☐ Operational ☐ Financial ☐ Construction  
☐ SOX compliance ☐ Regulatory compliance  
☐ Procurement ☐ Accounting ☐ Other: \_\_\_\_\_
28. Does your company have a written and communicated Code of Business Conduct/Ethics policy?  
☐ Yes, written and communicated  
☐ Yes, written but communication could be better  
☐ No
29. Do you have a hot line for fraud/dishonest behavior?  
☐ Yes ☐ No  
a. If yes, what was the number of tips in 2014 for:  
fraud: \_\_\_\_\_ dishonest behavior: \_\_\_\_\_
30. Do you have a quality assurance review (QAR)?  
☐ Yes, by 3rd party ☐ Yes, self-assessment ☐ No
31. Do you have an enterprise risk management (ERM) process? ☐ Yes ☐ No  
a. If yes, by...? ☐ Internal Audit ☐ Management  
☐ Legal counsel ☐ Outside company ☐ Other
- Measuring Effectiveness**
32. Do you formally assess the success/effectiveness of the audit department? ☐ Yes ☐ No (If no, skip to q37)
33. How does your company measure the performance of the internal audit activity? (Mark all that apply):  
☐ Balanced scorecard  
☐ Number of internal control failures  
☐ Surveys/feedback from board, committee/sr. mgmt  
☐ Customer/auditee surveys  
☐ Recommendations accepted/implemented  
☐ Cost savings/avoidance  
☐ Number of mgmt requests for audit assistance  
☐ Budget to actual audit hours  
☐ Percentage of audit plan complete  
☐ Completion of mandated coverage  
☐ Report turnaround (end of fieldwork to final report)  
☐ Number of significant audit findings  
☐ Timely closure of audit issues  
☐ Absence of regulatory issues and significant failures  
☐ Other: \_\_\_\_\_
- a. Do you set formal goals for each of these metrics?  
☐ Yes ☐ No
- b. If yes, what percentage of the time do you typically reach your goals? \_\_\_\_\_ %
34. Who contributes to the evaluation of the Audit department performance? [mark all that apply]  
☐ Audit team ☐ Board/supervisory committee  
☐ CEO/President ☐ Sr. Management  
☐ Auditee/customer ☐ Not evaluated
35. After the release of an audit report in the organization, who has the primary responsibility for reporting findings to senior management?  
☐ Auditee/customer  
☐ Chief audit executive (CAE)  
☐ Internal auditor project manager  
☐ Both internal audit manager and auditee/customer  
☐ Both CAE and auditee/customer  
☐ Other: \_\_\_\_\_  
☐ No formal reporting of results

36. After the release of an audit report with findings that require corrective action, who has the primary responsibility to monitor that this action has been taken?
- ☐ Auditee/customer
  - ☐ Internal audit project manager
  - ☐ Both internal audit and auditee/customer
  - ☐ No formal follow up
  - ☐ Other: \_\_\_\_\_

#### The Audit Plan

37. Do you have an official Audit Plan? ☐ Yes ☐ No (If no, end)
- a. What % of your plan did you complete in 2014?  
\_\_\_\_\_ %
38. How frequently do you review and update the Audit Plan?  
☐ Every year ☐ Every 2 years ☐ > than every 2 yrs
39. How much do each of the following influence the development of the Audit Plan on a scale 1 through 10, where 10 is the greatest influence.
- \_\_\_\_\_ Assessment of risk/use of risk-based methodology
  - \_\_\_\_\_ Rotational plan (previous year audit)
  - \_\_\_\_\_ Compliance/regulatory requirements
  - \_\_\_\_\_ Senior management requests
  - \_\_\_\_\_ Audit committee requests
  - \_\_\_\_\_ Consult with divisional or business heads
  - \_\_\_\_\_ External audit assistance
  - \_\_\_\_\_ Skills and abilities of the audit team

To receive a free copy of the report, please complete the following:

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Email: \_\_\_\_\_

Thank you very much for completing the survey.

- Please scan a completed copy to: [research@fmi.org](mailto:research@fmi.org)
- Or fax your completed copy to 202.220.0868

If you have any questions, please contact Anne-Marie Roerink at [aroerink@210analytics.com](mailto:aroerink@210analytics.com) or 502.552.5840