

# Does your internal audit activity have the foundation for an effective Quality Assurance and Improvement Program?

There are five key characteristics that form the foundation of an effective Quality Assurance and Improvement Program (QAIP) as required by the *International Standards for the Professional Practice of Internal Auditing (Standards)*. Consider the following components to identify where the internal audit activity is with regard to each key characteristic to assist in assessing and closing gaps at the foundational level.

## 1. Policy

1. The internal audit activity charter establishes the requirement for the QAIP.
2. The internal audit policy and procedure manual requires the QAIP.
3. The CAE is responsible for establishing and maintaining a QAIP.
4. The CAE communicates the results of the QAIP to senior management and the board.



## 2. Methodology and Process

1. The QAIP methodology is based on The IIA *Standards* and related Implementation Guidance.
2. The QAIP requirements are documented in the internal audit policy and procedure manual.



## 3. People

1. Internal audit staff are aware of their responsibilities related to the QAIP and have received appropriate training.
2. Personnel who are assigned responsibility for the implementation of the QAIP are independent and objective.
3. Periodic internal quality assessments are performed by internal audit staff with strong experience in internal auditing and a deep understanding of the *Standards*.
4. External assessments are conducted by qualified personnel who are independent from the organization.



Establishing the QAIP policy and reflecting it appropriately in the internal audit charter is a fundamental component of the QAIP framework.

## 4. Systems and Information

1. A standardized audit management system is used to document workpapers and can be heavily relied upon during the quality assessment process.
2. Relevant key performance indicators that are monitored and used during the internal quality assessment process are supported by company systems.



## 5. Communication and Reporting

1. The results of periodic internal assessments are summarized and discussed with audit management and action plans for improvements are developed and implemented.
2. The results of periodic internal assessments are reported to and reviewed with senior management and the audit committee.
3. Client feedback is solicited from each client and documented within the workpapers to assist in continuous improvement of the internal audit processes.
4. External assessment providers deliver qualitative and quantitative benchmarks that are reported to both management and the audit committee to facilitate continuous improvements.



## Did you know?

- Five of the top 10 standards evaluated as nonconforming by IIA Quality Services relate to the QAIP.
- The number one standard evaluated as nonconforming is Standard 1311: Internal Assessments.

## Not sure where to begin?

Let IIA Quality Services be your trusted adviser. Our experts can assist you in identifying and closing the gaps via a readiness assessment.

Contact us at [quality@theiia.org](mailto:quality@theiia.org) or +1-407-937-1399.

## About IIA Quality Services

IIA Quality Services' mission is to elevate the professionalism within internal auditing and conformance to the *Standards* by providing knowledge resources to internal audit activities.

IIA Quality Services' experts provide full scope external assessments, validations of self-assessments, and readiness assessments.