

# Internal Audit Quality Assurance

Tbilisi  
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1. Why quality assessment?
2. Basis for our work
  - IIA Standards
  - IIA Practice Advisories
  - PEM-PAL Manual Template
  - Good practices from other countries

# 1300 Quality Assurance and Improvement Program

The chief audit executive must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity.

# 1310 Requirements of the Quality Assurance and Improvement Program

The quality assurance and improvement program must include both internal and external assessments.

# 1311 Internal Assessments

Internal assessments must include:

- Ongoing monitoring of the performance of the internal audit activity; and
- Periodic reviews performed through self-assessment or by other persons within the organization with sufficient knowledge of internal audit practices.

# 1312 External Assessments

External assessments must be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization. The chief audit executive must discuss with the board:

- The need for more frequent external assessments; and
- The qualifications and independence of the external reviewer or review team, including any potential conflict of interest.

# 1320 Reporting on the Quality Assurance and Improvement Program

The chief audit executive must communicate the results of the quality assurance and improvement program to senior management and the board.

# 1321 Use of Conforms with the *International Standards for the Professional Practice of Internal Auditing*

The chief audit executive may state that the internal audit activity conforms with the *International Standards for the Professional Practice of Internal Auditing* only if the results of the quality assurance and improvement program support this statement.

# 1322 Disclosure of Nonconformance

When nonconformance with the Definition of Internal Auditing, the Code of Ethics, or the *Standards impacts the overall scope or operation of the internal audit activity*, the chief audit executive must disclose the nonconformance and the impact to senior management and the board.

# PEM-PAL Internal Audit Quality Template

1. Internal quality assessment performed by the internal audit unit
  - Ongoing supervision
  - Audit entity survey
  - Periodic self-assessment
2. External quality assessment performed by the CHU
3. External quality assessment performed by an independent external party