Professional Practices
Level 3 – Integrated
Quality Management Framework

Purpose — To establish and maintain processes to continuously monitor, assess, and improve the effectiveness of the IA activity. Processes include ongoing internal monitoring of the performance of the IA activity as well as periodic internal and external quality assessments.

Essential Activities
- Develop policies, practices, and procedures that contribute to the continuous improvement of the IA activity.
- Develop and document the roles, responsibilities, and accountabilities for performing, reviewing, and approving the internal audit work products at each stage of the audit engagement process.
- Implement and maintain a quality assurance and improvement program, which includes ongoing internal monitoring as well as periodic internal and external quality assessments.
- Develop systems and procedures to monitor and report on the quality assurance and improvement program.
- Develop systems and procedures to monitor and report on the performance and effectiveness of the IA activity, including:
  - Conformance with the Definition of Internal Auditing, the Code of Ethics, and the Standards.
  - Adequacy of the internal audit charter, objectives, policies, and procedures.
  - Appropriateness of the IA activity’s reporting relationship.
  - Contribution to the organization’s governance, risk management, and control processes.
  - Compliance with applicable laws, regulations, and government or industry standards.
  - Effectiveness of continuous improvement activities and adoption of leading practices.
  - Whether the IA activity adds value and improves the organization’s operations.
- Develop systems and processes to follow up implementation of recommendations made to improve the effectiveness and performance of the IA activity and its conformance with the Standards.

Outputs
- A quality management framework (established processes, systems, and procedures to which all operations of the IA activity should conform).
- Follow-up actions by the IA activity to ensure implementation of recommendations to achieve improvements and conformance with the Standards.
- Clear roles, responsibilities, and accountabilities for the IA activity.

Outcomes
- Reasonable assurance that processes and products of the IA activity conform to the Definition of Internal Auditing, the Code of Ethics, the Standards, and relevant legal requirements.
- Increased stakeholder confidence by documenting the IA activity’s commitment to quality and successful practices.

Institutionalizing Practice Examples
- Formal internal audit strategy.
- Internal audit professional practices manual.
- Internal quality assessments or self-assessments.
- External quality assurance reviews.
- Regulatory assessments.
- Peer reviews.
- Stakeholder surveys.
- External audit feedback.