PROFESSIONALISM IN PRACTICE

EXTERNAL QUALITY ASSESSMENTS
IIA QUALITY SERVICES OFFERINGS

THE EXTERNAL QUALITY ASSESSMENT APPROACH

There are two accepted methods of conducting external quality assessments (EQAs), regardless of an organization’s industry or the internal audit activity’s complexity or size, that meet the requirement of Standard 1312. The first approach is an independent team assessment, which involves an external team under the leadership of an experienced and qualified audit professional. The second approach requires an objective outside assessor for independent validation of an internal self assessment and report completed by the IA activity.

THE INDEPENDENT TEAM ASSESSMENT

This approach provides for a qualified, independent team led by a qualified audit professional as the team leader. Team members should also be competent professionals who are well versed in the Standards, assessment methodology, and successful internal audit practices. The assessment team works onsite at the internal audit activity headquarters using the Quality Assessment Manual to conduct interviews, surveys, benchmarking, and a review of work papers. A report is also drafted by the assessment team stating the IA activity’s conformance or nonconformance with the Standards and any recommendations for improvement opportunities.

THE VALIDATION OF A SELF ASSESSMENT

This method brings in a competent, independent evaluator who is well versed in quality assessment methodology to validate the self-assessment and conformance report completed by the IA activity using the Quality Assessment Manual. In addition to reviewing the self-assessment, the validator substantiates some of the work done by the self-assessment team, makes an on-site visit, interviews senior management, and either co-signs the chief audit executive’s (CAE’s) report regarding conformance to the Standards, or issues a separate report on the disparities.

Although the self assessment with independent validation requires more resources of the IA activity, this approach is usually more economical than an independent team approach.

Integral to both EQA approaches is the element of objectivity. Without this, the Standards have not been met. The CAE should fully explain to the audit committee why the EQA is necessary and valuable, how the approaches differ, and which of the two is deemed most appropriate for the organization.

IIA QUALITY SERVICES: VALUE PROPOSITION

The goal of IIA Quality Services is to help validate and strengthen IA activities, enhance effectiveness, efficiency, and successful practice implementation. The value proposition is delivered through using qualified audit professionals, a global benchmarking database, and a repository of successful practices.

As an industry leader, IIA Quality Services provides cost-effective external quality assessments to organizations of all sizes. IIA Quality Services has helped hundreds of organizations in various industries and around the world by conducting external quality assessments, and can help you, too!
VALUE ADDED SERVICES

IIA Quality Services can also provide additional services to assist IA activities in adding value in the development or modification of processes, procedures, and controls to minimize risk and achieve objectives of the organization. These consultative services include the readiness review, focused on the IA activity’s risks to conformance with the Standards and remediation recommendations in preparation of an EQA; stand alone surveys are offered as opportunities to annually measure the satisfaction of audit clients and staff; and the maturity model analysis which can be added as a component of an IIA EQA to benchmark how well the IA activity has optimized its QAIP and the level of added value provided to the organization.

THE READINESS REVIEW

A readiness review does not meet the requirements of Standard 1312 but provides an opportunity to identify any gaps in conformance with the Standards for remediation prior to an external assessment. The readiness review can also be a road map for creating a QAIP. The main objective in conducting the analysis is because organizations want to know where the IA activity stands in regard to meeting the Standards, and it wants to understand how to close the gaps. At the conclusion of the readiness review, you should have an understanding of the strengths and weaknesses within your QAIP.

BENCHMARKING SURVEYS

The audit client and staff surveys provide excellent feedback about the IA activity’s effectiveness and areas for improvement. For the CAE, the surveys provide a means to best assess the perception of operating management, executive leadership, and the internal audit staff. An annual comparison of survey results provides possible opportunities for improvement as well as possible areas of strength for the IA activity.

MATURITY MODEL ANALYSIS

IIA Quality Services’ assessment team will conduct an analysis of the IA activity’s positioning, people, and processes to address whether it is strategically positioned to achieve objectives, and contributing to improving the effectiveness of risk management, control, and governance. The analysis will also help determine whether the IA activity is viewed as a valued contributor to the business growth strategy and performance. Our Maturity Model framework will assess the current state of the IA activity’s quality capability, target the appropriate level of quality capability, and map a course for the IA activity to reach its quality capability target.

THE METHODOLOGY

QUALITY ASSESSMENT MANUAL

As the internationally recognized authority, acknowledged leader, and principal educator for the internal audit profession, The IIA promulgates the accepted global methodology for assessing internal audit quality. The Quality Assessment Manual provides practical guidance and assessment procedures for establishing and maintaining a quality program, as well as assessing the program. The Manual provides user-friendly programs for internal assessments, self assessments, and external assessments. IIA Quality Services is your source for EQA experts well versed with this methodology.
RELEVANCE OF QUALITY
• Conformance with the Definition of Internal Auditing
• Adherence to the profession’s Code of Ethics
• Practicing in accordance with the Standards

ASSURANCE OF QUALITY
• Evaluate quality – objectively measure internal audit processes through internal assessments
• Maintain quality – fully commit to professional growth and improvement with ongoing periodic feedback
• Ensure quality – maintain a QAIP

BENEFITS OF QUALITY
• Satisfies requirements of the Standards
• Assurance for stakeholders
• Value Added processes

GET YOUR EXTERNAL QUALITY ASSESSMENTS FROM A TRUSTED SOURCE: IIA QUALITY SERVICES

IIA Quality Services offers external quality assessment services to organizations of all sizes and will organize a team of qualified audit professionals to conduct an assessment using the approach that best suits the organization. IIA Quality Services uses the most up-to-date global methodology established for conducting these reviews aligned with the Standards.

To learn more about external quality assessments, receive a free no-obligation proposal, or learn more about establishing and maintaining a quality assurance and improvement program, visit www.theiia.org/quality, e-mail quality@theiia.org, or call +1-407-937-1399.

IIA Quality Services provides a variety of services and resources for improving the quality of internal audit, including: samples, models, and step-by-step guides, based on leading audit practices.

QUALITY SERVICES
• External quality team assessments
• Validation of self assessments
• Readiness reviews
• Survey benchmarking analyses

VISIT WWW.THEIIA.ORG/QUALITY TO ACCESS THESE AND OTHER VALUABLE RESOURCES:
• Quality Assessment Manual excerpts
• Models
• Path to Quality
• FAQs