External Quality Assessment Review (EQAR)

Does Your **Department?** need a **Checkup**

The IIA is dedicated to developing and advocating quality to help your organisation monitor and improve your internal audit activity on a continuous basis.

For enquiries, contact the Technical & Quality Assurance Department at +603 2181 8008 ext 222 /204 or email to technical@iiam.com.my

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International Professional Practices Framework (IPPF)

1300

Standard 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

Standard 1310 Requirements of The Quality Assurance and Improvement Program
The quality assurance and improvement program must include both internal and external assessments.

1312

Standard 1312 External Assessments
External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization. The chief audit executive must discuss with the board:
- The form and frequency of external assessments.
- The qualifications and independence of the external assessor or assessment team, including any potential conflict of interest.

INTERNATIONAL PROFESSIONAL PRACTICES FRAMEWORK (IPPF)*

2017 EDITION

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Self-assessment with Independent Validation (SAIV)	Full Quality Assessment Review (Full QAR)
Process	
Internal audit activity conducts assessment and develops opinion as to conformance with the *Standards* in a written report substantiated by an independent validator through onsite visit, surveys, and interviews with senior management.	Independent assessment team conducts complete review of the internal audit activity through the use of surveys, interviews, benchmarking, and workpaper review. A written report is provided containing a conformance opinion, recommendations for remediating conformance issues, opportunities for continuous improvement, and successful practice implementation.
Challenges	
• Commitment of internal audit activity resources. • Perception of objectivity by stakeholders. • Successful practice recommendations. • Diversity of experiences and benchmarking.	▪ Budget constraints.

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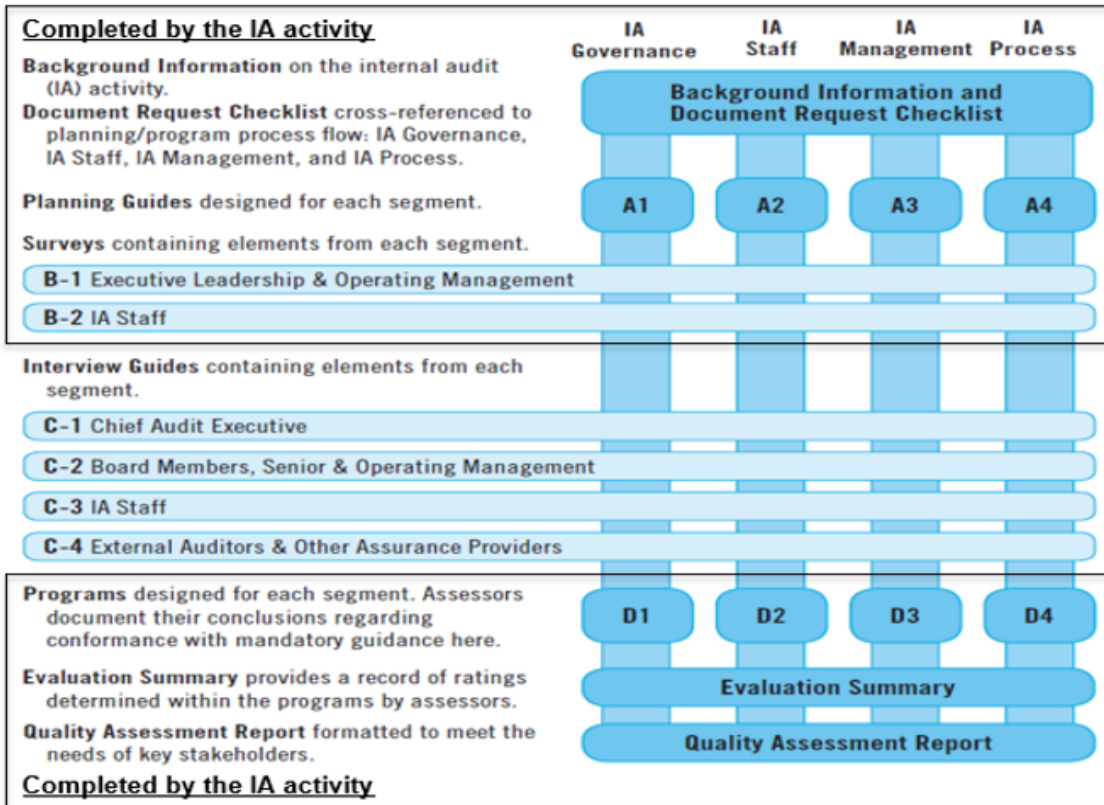| Self-assessment with Independent Validation (SAIV)	Full Quality Assessment Review (Full QAR)
Benefits	
• Meets the requirements of the *Standards* to have an external assessment once every five years. • Evaluates the internal audit activity's conformance with the Definition of Internal Auditing, Code of Ethics, and the *Standards*. • Abbreviated onsite timeline. • Independent and objective validation. • Value to management and audit committee. • Staff development and satisfaction. • Reliance placed by external auditor.	▪ Meets the requirements of the *Standards* to have an external assessment once every five years. ▪ Evaluates the internal audit activity's conformance with the Definition of Internal Auditing, Code of Ethics, and the *Standards*. ▪ Assesses the efficiency and effectiveness of the internal audit activity and provides opportunities for improvement. ▪ Diverse, independent, professional, and experienced external assessors. ▪ Staff development and satisfaction. ▪ Reliance placed by external auditor. ▪ Provides evidence to the board, management, and staff that the audit committee and internal audit activity are committed to the organization's success for internal controls, ethics, governance, and risk management processes.

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Self-assessment with Independent Validation (SAIV)

Full Quality Assessment Review (Full QAR)

SAIV PROCESS

QUALITY ASSESSMENT PROCESS MAP

Completed by the IA activity

| | IA Governance | IA Staff | IA Management | IA Process |

Background Information on the internal audit (IA) activity.

Document Request Checklist cross-referenced to planning/program process flow: IA Governance, IA Staff, IA Management, and IA Process.

Background Information and Document Request Checklist

Planning Guides designed for each segment.

A1   A2   A3   A4

Surveys containing elements from each segment.

B-1 Executive Leadership & Operating Management

B-2 IA Staff

Interview Guides containing elements from each segment.

C-1 Chief Audit Executive

C-2 Board Members, Senior & Operating Management

C-3 IA Staff

C-4 External Auditors & Other Assurance Providers

Programs designed for each segment. Assessors document their conclusions regarding conformance with mandatory guidance here.

D1   D2   D3   D4

Evaluation Summary provides a record of ratings determined within the programs by assessors.

Evaluation Summary

Quality Assessment Report formatted to meet the needs of key stakeholders.

Quality Assessment Report

Completed by the IA activity

FULL EXTERNAL ASSESSMENT PROCESS

QUALITY ASSESSMENT PROCESS MAP
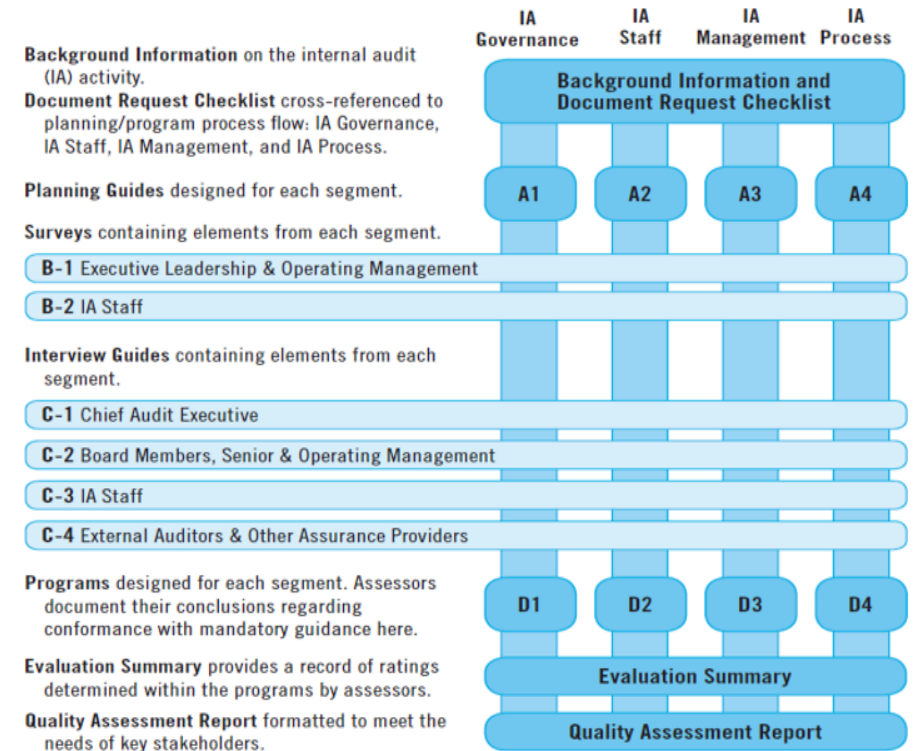
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Quality Assessment Report

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Quality Assessment Manual,
2017 Edition
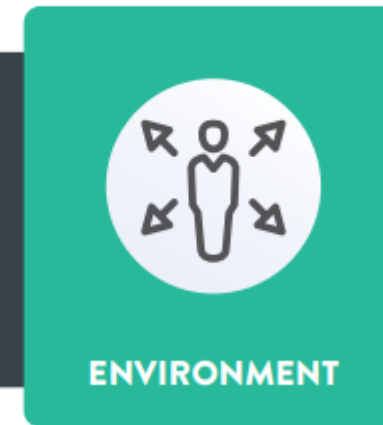
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The Competency Framework supplements job descriptions for internal audit management and staff and can be used to support:

decisions regarding the use of third-party subject matter experts for internal audit engagements

scheduling of resources for internal audit engagements

The Internal Audit Competency Framework provides internal audit management and staff with a robust tool to assess competencies and develop key performance indicators (KPIs).

succession planning for the CAE and key professionals within internal audit

INTERNAL AUDIT COMPETENCY FRAMEWORK

PROFESSIONALISM

PERFORMANCE

ENVIRONMENT

LEADERSHIP & COMMUNICATION

training and professional development activities

hiring of new staff

identification of professional certification requirements

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What are you focusing on in 2023 to ensure quality is supported for internal audit in your organization?

1. **Impact of Covid-19 on Internal Audit Operations.**

2. **Expanded Use of Technology and Data Analysis.**

3. **Internal Audit Strategic Planning.**

4. **Continued Emphasis on Quality Processes.**

5. **Internal Audit's Role Within The Three Lines.**

Foundation of an effective QAIP

- Policy
- Methodology and Process
- People
- Systems and Information
- Communication and Reporting

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