Primary Related Standard

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.

Interpretation:

Ongoing monitoring is an integral part of the day-to-day supervision, review, and measurement of the internal audit activity. Ongoing monitoring is incorporated into the routine policies and practices used to manage the internal audit activity and uses processes, tools, and information considered necessary to evaluate conformance with the Definition of Internal Auditing, the Code of Ethics, and the Standards.

Periodic reviews are assessments conducted to evaluate conformance with the Definition of Internal Auditing, the Code of Ethics, and the Standards.

Sufficient knowledge of internal audit practices requires at least an understanding of all elements of the International Professional Practices Framework.

1. The processes and tools used in ongoing internal assessments include:

- Engagement supervision,
- Checklists and procedures (e.g., in an audit and procedures manual) are being followed,
- Feedback from audit customers and other stakeholders,
- Selective peer reviews of workpapers by staff not involved in the respective audits,
- Project budgets, timekeeping systems, audit plan completion, and cost recoveries, and/or
- Analyses of other performance metrics (such as cycle time and recommendations accepted).

2. Conclusions are developed as to the quality of ongoing performance and follow-up action taken to ensure appropriate improvements are implemented.

3. The IIA’s Quality Assessment Manual, or a comparable set of guidance and tools, should serve as the basis for periodic internal assessments.

4. Periodic internal assessments may:

- Include more in-depth interviews and surveys of stakeholder groups.
- Be performed by members of the internal audit activity (self-assessment).
- Be performed by Certified Internal Auditors (CIAs) or other competent audit professionals, currently assigned elsewhere in the organization.
- Encompass a combination of self-assessment and preparation of materials subsequently reviewed by CIAs, or other competent audit professionals.
- Include benchmarking of the internal audit activity’s practices and performance metrics against relevant best practices of the internal audit profession.

5. A periodic internal assessment performed within a short time before an external assessment can serve to facilitate and reduce the cost of the external assessment. If the periodic internal assessment is performed by a qualified, independent external reviewer or review team, the assessment results should not communicate any assurances on the outcome of the subsequent external quality assessment. The report may offer suggestions and recommendations to enhance the internal audit activities’ practices. If the external assessment takes the form of a self-assessment with independent validation, the periodic internal assessment can serve as the self-assessment portion of this process.

6. Conclusions are developed as to quality of performance and appropriate action initiated to achieve improvements and conformity to the Standards, as necessary.

7. The chief audit executive (CAE) establishes a structure for reporting results of internal assessments that maintains appropriate credibility and objectivity. Generally, those assigned responsibility for conducting ongoing and periodic reviews, report to the CAE while performing the reviews and communicate results directly to the CAE.

8. At least annually, the CAE reports the results of internal assessments, necessary action plans, and their successful implementation to senior management and the board.

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