

## ‘Scaling Guidelines, based on GIAS’

Manual for the quality assessment  
of the internal audit function

Quality Assessments Supervisory Authority  
16 December 2024



## DO based on GIAS – version 1.0

### Introduction ‘Scaling Guidelines Quality Assessments’

#### Document Objective

The IIA strives for high-qualitative professional practices among its members. Conformance to the IIA Standards also contributes to this goal. This is specifically outlined in the ‘[Regulations concerning external quality assessment of internal audit functions](#)’ by IIA Netherlands,’ as adopted by the General Members' Meeting on May 13, 2024. The Quality Assessments Supervisory Authority (TKT) is responsible for supervising the execution of these quality assessments in accordance with these regulations.

You are reading the ‘Scaling Guidelines, based on GIAS, Manual for the Quality Assessment of the Internal Audit Function’ (DO). This document is part of the further professionalization of external quality assessments against the IIA's professional standards. The DO has been updated to align with the new Standards, the Global Internal Audit Standards (GIAS), which became effective on January 9, 2025.

The DO serves as guidance for all assessors conducting the external quality assessment which is made mandatory by the IIA (once every five years). It explains how to interpret the professional standards and in which situations a ‘DNC’ (Does Not Comply) or ‘PC’ (Partially Complies) applies. Through this instrument, the TKT aims to ensure that the outcome of a specific assessment remains consistent, regardless of the assessing party or assessor. We believe such an instrument is important and appropriate for the current status of the internal audit function in the Netherlands, as also reflected in the Corporate Governance Code.

#### Realization and Status

The DO was originally developed by the IIA's Quality Assessments Committee (CKT). In 2019, it was revised following a consultation with all assessing parties. The current version is the result of a project group consisting of representatives from seven assessing parties and a subsequent consultation with all assessing parties.

The DO formally came into effect on January 9, 2025. This means that as of this date, it will be mandatory to use this tool in your (final) judgment process.

The DO is a ‘living’ document. This is especially true for this version, which has been thoroughly revised based on the new (GIAS) Standards. Throughout 2025, the experiences of assessing parties will be evaluated (regarding content, structure, and scope), and the DO will be improved as necessary.

In the future, the DO will continue to be updated based on adjustments to professional standards as well as comments, questions, and lessons learned from assessing parties. You are therefore encouraged to share these with the TKT via [peter.hartog@iia.nl](mailto:peter.hartog@iia.nl). Questions and comments that require further analysis will be submitted by the TKT to the Professional Practices Committee.

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### Structure

The DO consists of three parts:

1. An explanation of the design and scoring system of the DO.
2. The 'Overall conclusion' sheet, explaining how to come to the final judgements.
3. The section where (per domain and per principle) the compliance criteria or requirements for each Standard are indicated, consisting of three columns:
  - The number of the Standard.
  - The title and requirements of the respective Standard, as stated in the GIAS and the IIA's Quality Assurance Manual.
  - The Scaling Guideliness, which provides further clarification on how to rate each Standard or Principle: which rating is assigned in which situations. This column describes, on the one hand, factual situations where applicable and, on the other hand, how ratings for the requirements are aggregated into a score per Standard, and across Standards into a score per Principle.

### Reading Guide/Explanation of Judgment/Rating

In light of various questions raised, we would like to clarify three points:

- The external quality assessment is aimed at determining the current situation and is not intended to evaluate how the IAF has performed over the past (five) years. After all, the purpose of the quality assessment is to learn and improve. Reviewing practices from the period before a significant change is not meaningful. This also means that a relatively short reference period is used when assessing files, representing the current situation, such as up to 6 months, 1 year, or 1.5 years back.
- Where the Standards refer to "senior management and the board," this has been interpreted in the Dutch context in the Scaling Guidelines column as Executive Board (RvB)/Audit Committee (AC)/Supervisory Board (RvC). This includes both the management of the organization and its supervision. An adequate relationship with the Executive Board and the Audit Committee/Supervisory Board ensures an independent positioning and ability to fulfill the role effectively.

Discussions can be held on whether the Executive Board is part of the Board or not, and consequently whether senior management refers to the Executive Board or the layer below it. This also raises the question of whether documents like the charter and annual plan need to be discussed with that layer (in addition to approval by the Executive Board/Audit Committee/Supervisory Board). Whether that is the case, depends on the governance structure of the specific organization. Generally, it can be stated that to gain sufficient insight and support within the organization, and to effectively fulfill the 'trusted advisor' role, it is advisable to align various aspects of working methods and scoping with top management below the Executive Board. This is especially true for the risk analysis in the context of the annual planning.

- When a Standard is not fully met but targeted action is in progress, a PC (Partially Conforms) can be assigned depending on the status of that action. As long as the action is still in progress and the Standard is not yet fully met, a GC (Generally Conforms) or FC (Fully Conforms) cannot be assigned.

### Usage

As mentioned, the use of the DO is mandatory. The table in which the rating of the Principles roll up into an overall conclusion (final judgment) has the status of "apply or explain." Of course, assessors must, using their professional judgment, take the context into consideration when forming their overall conclusion and should not simply sum up the underlying ratings on the principle-level.

Where the "explain" principle is applied, the assessing party will provide the TKT with the reasoning behind it, either in or together with the report.

We hope this provides a constructive contribution to the quality of external quality assessments and offers practical guidance to you as assessors. If you have any comments to further improve this, we would be happy to hear them.

Arnoud Daan, Steffen Jeuken, and Jac Ponjée  
Quality Assessments Supervisory Authority (TKT)

## 1. Explanation of Structure and Scoring System

### Focus and Level of Detail

The following principles were used in developing this document:

- Given the extensive nature of the Standards, the DO aims to describe the simplest and most consistent scoring system (judgment methodology) possible.
- The document outlines the process for aggregating ratings at the level of Standards, Principles, and the overall or final conclusion.
- With the principle of "keep it simple" and the focus on aggregation:
  - No explanations are provided for the scores at the requirement level.
  - No guidance is given on "how" to perform the assessment.For the "work program," reference is made to the QA Manual. Additionally, the GIAS includes "Examples of evidence of conformance," which provide examples of documents that can be used to determine compliance.

### Scores - rating

- As in the QA Manual (which serves as recommended guidance), a 4-point scale is used: Full Conformance (FC), General Conformance (GC), Partial Conformance (PC), and Nonconformance (DNC).
  - FC is assigned only when everything is entirely in order, meaning FC applies to all underlying requirements or Standards.
  - GC: One or more gaps exist, but the intent of the Standard/Principle has been achieved.
  - PC: One or more gaps exist, the intent of the Standard/Principle has not been achieved, but the scope of necessary corrective measures is relatively small.
  - DNC: One or more gaps exist, the intent of the Standard/Principle has not been achieved, and the scope of necessary corrective measures is relatively significant.
- The DO follows the terminology of the QA Manual for scoring. This means distinguishing between:
  - Conformance – for scores at the requirement and Standard levels.
  - Achievement – for scores at the Principle and overall levels.

### Scaling guidelines – rating process

- The scaling or rating follows a "bottom-up" approach. It starts with scoring at the requirement level, which is then aggregated into a score at the Standard level. These scores are further aggregated into a score at the Principle level and ultimately into the final overall score.

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- To keep it as simple as possible, a "quantitative" scoring methodology is primarily used, where the score depends on the number of PCs and DNCs (considering the distinction between critical and non-critical requirements). This is particularly applied to requirements that are easily measurable.
- If this is not feasible, a "qualitative" description of the scores is provided. This approach is specifically outlined for Domain II.
- Some requirements and Standards are defined as highly important or "**critical**." These are written in **red**. A **critical** designation means that the score on these requirements (or Standards) determines the overall score at the next level. In other words, a PC (or DNC) score on a critical requirement results in a PC (or DNC) score at the Standard level.

### Score - Rating Explanation

Due to differences in the nature of the Standards, the DO employs various methods to describe scores and the rating system:

- Domain II (and Standards 11.4 and 11.5):  
Many requirements in these Standards involve auditor behavior, which is often difficult to determine. In these cases, in line with the "examples of conformance" in GIAS, scoring is based on:
  1. Ensuring the desired behavior.
  2. Handling incidents.This applies to Principles 1, 2, 4, and 5, where qualitative descriptions of the various ratings are provided. Since all ethical and professional values are essential, no distinction is made between critical and non-critical Standards.
- Domains III and IV:  
Only quantitative descriptions of the rating methodology are provided here, including the distinction between critical and non-critical Standards.
- Domain V:  
For evaluating the Standards and requirements within Domain V (Principles 13 to 15), a (representative selection of) file reviews is used. First, at the file level, it is determined whether the requirements are met. Then, an overall judgment is made per requirement across the files.  
The scoring assumes a selection of four files. If substantially more files are needed for a representative sample, the scoring methodology should be adjusted accordingly.  
After that, aggregation of ratings across requirements into a Standard-level rating and across Standards into a Principle-level rating follows the same approach as other domains. This is detailed below for each Standard.  
If there is a DNC in one of the files (possibly supplemented with a partial review of additional files, assessing only the relevant Standard(s)), it will be examined whether the issue is incidental or structural. This root cause analysis will lead to an overall judgment for the requirement across all files.

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- In the descriptions, explanations are provided for why a higher rating is not applicable. Thus, the order is FC – GC – PC – DNC.
  - FC is not explicitly described, as in all cases FC applies only when everything is entirely in order (i.e., FC on all underlying requirements and Standards).
  - This also means that for GC an explanation is given as to why it is not FC (instead of listing the requirements to be met, as this would be a near repetition of all requirements). This approach is also applied to PC relative to GC and DNC relative to PC.
- To limit the scope, as said, no descriptions are provided for ratings at the requirement level. The requirements are generally clear enough to determine the rating. The DO then focuses on how to aggregate these ratings.

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1. Overall conclusion

<b>OVERALL CONCLUSION</b>	<b>Overall conclusion</b> – Full achievement (FA)	<ul style="list-style-type: none"> <li>All principles score FA</li> </ul>
	<b>Overall conclusion</b> – General achievement (GA)	<ul style="list-style-type: none"> <li>PR 1 to 12: maximum 1 PA</li> <li>PR 13 to 15: maximum 1 DNA (without PA)</li> <li>Total: maximum 2 PAs (without DNAs)</li> </ul>
	<b>Overall conclusion</b> – Partial achievement (PA)	<ul style="list-style-type: none"> <li>PR 1 to 12: maximum 2 PAs (without DNA)</li> <li>PR 13 to 15: maximum 2 PAs or a maximum of 1 DNA with 1 PA</li> <li>Total: maximum 3 PAs</li> </ul>
	<b>Overall conclusion</b> – Nonachievement (DNA)	<ul style="list-style-type: none"> <li>PR 1 to 12: 1 or more DNAs</li> <li>PR 13 to 15: 3 PAs or 2 or more DNAs</li> <li>Total: 4 or more PAs</li> </ul>

**Explanation:**

- The table in which the ratings of the principles roll up into an overall conclusion has the status of "apply or explain." Assessors are expected to take the context into account when forming their (final) judgment, based on their professional judgment, and not simply add up partial judgments.
- The overall conclusion is 'calculated' by totaling the ratings of the 15 principles.
- There is a difference in the weighting of the principles: domains II (Code of Conduct), III (Governing), and IV (Managing) carry more weight or are considered "critical" compared to domain V (Performing).
- The QA Manual suggests translating the scores of the principles as an intermediate step into a score for Domain I (the Purpose Statement (PS)), stating that this score is, in principle, equal to the overall score. However, this has not been done in this DO; the PS has effectively been translated into all the principles in the other domains.



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2. Ratings and scaling guidelines per principle and Standard

STANDARD	REQUIREMENTS	SCALING GUIDELINES
<b>DOMAIN II</b>	<b>ETHICS AND PROFESSIONALISM</b>	<p><i>In this domain, a significant portion of the requirements pertains to the behavior of auditors. This is often difficult to determine. Therefore, in line with the ‘examples of conformance’ in GIAS, the score is based on:</i></p> <ol style="list-style-type: none"> <li><i>1. the assurance of the desired behavior, and</i></li> <li><i>2. the handling of incidents.</i></li> </ol> <p><i>This applies to principles 1, 2, 4, and 5.</i></p>
<b>Principle 1</b>	Demonstrate Integrity	<p><b>GA if:</b></p> <ul style="list-style-type: none"> <li>A maximum of 1 PC on the Standards (and no DNC)</li> </ul> <p><b>PA if:</b></p> <ul style="list-style-type: none"> <li>A maximum of two PCs on the Standards (and no DNC)</li> </ul> <p><b>DNA if:</b></p> <ul style="list-style-type: none"> <li>At least one DNC on one or more underlying Standards</li> </ul>
<b>Standard 1.1</b>	<p><b>Honesty and Professional Courage</b></p> <ol style="list-style-type: none"> <li>Internal auditors must perform their work with honesty and professional courage</li> <li>Internal auditors must be truthful, accurate, clear, open, and respectful in all professional relationships and communications, even when expressing skepticism or offering an opposing viewpoint.</li> <li>Internal auditors must not make false, misleading, or deceptive statements, nor conceal or omit findings or other pertinent information from communications.</li> <li>Internal auditors must disclose all material facts known to them that, if not disclosed, could affect the organization’s ability to make well-informed decisions.</li> <li>Internal auditors must exhibit professional courage by communicating truthfully and taking appropriate action, even when confronted by dilemmas and difficult situations.</li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>The IAF promotes ‘honesty and professional courage,’ receives feedback on this from key stakeholders, and has established an appropriate work environment to support it (e.g., a training plan, ethics training, and inclusion of the topic in performance reviews). The majority, though not everything, takes place as planned.</li> <li>If incidents have occurred, they have been addressed by the CAE and discussed with the relevant employee.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>Incidents are addressed by the CAE but insufficiently discussed.</li> <li>The IAF has implemented some elements to promote ‘honesty and professional courage,’ but in practice, this is not consistently applied.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>Incidents are not addressed, or insufficiently addressed, by the CAE and discussed with the relevant employee.</li> </ul>

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	6. The chief audit executive must maintain a work environment where internal auditors feel supported when expressing legitimate, evidence-based engagement results, whether favorable or unfavorable	<ul style="list-style-type: none"> <li>Internal auditors do not feel supported in expressing legitimate, evidence-based audit results.</li> <li>The IAF does not receive structured feedback from key stakeholders and/or has not established a work environment to maintain or promote honesty and professional courage (e.g., the training plan is missing, there is no ethics training, and the topic is not included in performance reviews).</li> </ul>
<b>Standard 1.2</b>	<b>Organization's Ethical Expectations</b> <ol style="list-style-type: none"> <li>Internal auditors must understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and must be able to recognize conduct that is contrary to those expectations.</li> <li>Internal auditors must encourage and promote an ethics-based culture in the organization.</li> <li>If internal auditors identify behavior within the organization that is inconsistent with the organization's ethical expectations, they must report the concern according to applicable policies and procedures</li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>The IAF promotes ethics and has established an appropriate work environment for it (e.g., ethics training, discussion during team meetings, inclusion as part of audits), though not everything takes place as planned.</li> <li>If incidents of unethical behavior occurred during the execution of assignments, the CAE identified, addressed, and discussed them with the relevant employee in accordance with the internal reporting procedure.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>Internal auditors do not always identify and/or report behavior that is not aligned with the organization's ethical expectations.</li> <li>The CAE addresses incidents but discusses them insufficiently.</li> <li>The IAF has implemented certain elements to promote 'honesty and professional courage,' but these are not consistently applied in practice.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>Incidents are not addressed, or insufficiently addressed, by the CAE and discussed with the relevant employee.</li> <li>Internal auditors fail to recognize or report behavior that violates the legitimate and ethical expectations of the organization.</li> <li>Internal auditors do not promote an ethics-based culture within the organization.</li> </ul>
<b>Standard 1.3</b>	<b>Legal and Ethical Behavior</b> <ol style="list-style-type: none"> <li>Internal auditors must not engage in or be a party to any activity that is illegal or discreditable to the organization or the profession of internal auditing or that may harm the organization or its employees.</li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>Incidents occur and are adequately addressed by the CAE and discussed with the relevant stakeholders.</li> <li>The work environment is designed to promote legal and ethical behavior, though not everything takes place as planned. Examples include participation in training on ethics, relevant laws and</li> </ul>

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	<p>2. Internal auditors must understand and abide by the laws and/or regulations relevant to the industry and jurisdictions in which the organization operates, including making disclosures as required</p> <p>3. If internal auditors identify legal or regulatory violations, they must report such incidents to individuals or entities that have the authority to take appropriate action, as specified in laws, regulations, and applicable policies and procedures.</p>	<p>regulations; a methodology for dealing with unethical/illegal behavior; and engagement with the legal counsel in cases of unethical/illegal behavior.</p> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• It is insufficiently clear whether all internal auditors are aware of, understand, and comply with the laws and regulations relevant to the sector.</li> <li>• The IAF has implemented certain elements to promote 'legal and ethical behavior,' but these are not consistently applied in practice.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• Incidents are not or insufficiently addressed by the CAE and discussed with the relevant staff member.</li> <li>• Internal auditors lack sufficient knowledge of the laws and regulations relevant to the sector/organization.</li> <li>• The working environment is inadequately designed to promote legal and ethical behavior (e.g., no participation in training on ethics, relevant laws, and regulations; no methodology for dealing with unethical/illegal behavior; and no contact with the legal counsel in cases of unethical/illegal behavior).</li> </ul>

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<b>Principle 2</b>	<b>Maintain Objectivity</b>	<p><b>GA if:</b></p> <ul style="list-style-type: none"> <li>A maximum of 1 PC on the Standards (and no DNC)</li> </ul> <p><b>PA if:</b></p> <ul style="list-style-type: none"> <li>A maximum of two PCs on the Standards (and no DNC)</li> </ul> <p><b>DNA if:</b></p> <ul style="list-style-type: none"> <li>At least one DNC on one or more underlying Standards</li> </ul>
<b>Standard 2.1</b>	<p><b>1 Individual Objectivity</b></p> <ol style="list-style-type: none"> <li>Internal auditors must maintain professional objectivity when performing all aspects of internal audit services.</li> <li>Professional objectivity requires internal auditors to apply an impartial and unbiased mindset and make judgments based on balanced assessments of all relevant circumstances. Internal auditors must be aware of and manage potential biases.</li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>The IAF promotes objectivity and has established an appropriate work environment for it (e.g., inclusion in the charter, targeted procedures, training), <i>though not everything takes place as planned</i>.</li> <li>Impairments to objectivity identified during the execution of assignments have been corrected, addressed by the CAE, and discussed.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>The IAF has implemented certain elements to safeguard objectivity, but these are not consistently applied in practice.</li> <li>Incidents/impairments have been corrected but insufficiently discussed.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>There are few or no structural measures to safeguard objectivity.</li> <li>Incidents/impairments have not been corrected.</li> <li>Situations have occurred where (or appeared to occur where) objectivity was compromised, and/or a biased/prejudiced attitude was adopted.</li> </ul>
<b>Standard 2.2</b>	<p><b>Safeguarding Objectivity</b></p> <ol style="list-style-type: none"> <li>Internal auditors must recognize and avoid or mitigate actual, potential, and perceived impairments to objectivity.</li> <li>Internal auditors must not accept any tangible or intangible item, such as a gift, reward, or favor, that may impair or be presumed to impair objectivity</li> <li>Internal auditors must avoid conflicts of interest and must not be unduly influenced by their own interests or the interests of others, including senior management or others in a position of authority, or by the political environment or other aspects of their surroundings.</li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>The IAF promotes objectivity and has established an appropriate work environment for it (e.g., inclusion in the charter, targeted procedures, training), <i>though not everything takes place as planned</i>.</li> <li>Impairments to objectivity that were identified have been corrected, addressed by the CAE, and discussed.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>With the prior approval of senior management (Executive Board/CEO), an individual staff member was involved in an assurance assignment related to</li> </ul>

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	<p>4. When performing internal audit services: Internal auditors must refrain from assessing specific activities for which they were previously responsible. Objectivity is presumed to be impaired if an internal auditor provides assurance services for an activity for which the internal auditor had responsibility within the previous 12 months.</p> <p>5. If the internal audit function is to provide assurance services where it had previously performed advisory services, the chief audit executive must confirm that the nature of the advisory services does not impair objectivity and must assign resources such that individual objectivity is managed.</p> <p>6. Assurance engagements for functions over which the chief audit executive has responsibility must be overseen by an independent party outside the internal audit function.</p> <p>7. If internal auditors are to provide advisory services relating to activities for which they had previous responsibilities, they must disclose potential impairments to the party requesting the services before accepting the engagement.</p> <p>8. The chief audit executive must establish methodologies to address impairments to objectivity.</p> <p>9. Internal auditors must discuss impairments and take appropriate actions according to relevant methodologies</p>	<p>specific operational activities for which they were responsible within the past year, but no mitigating measures were indicated.</p> <ul style="list-style-type: none"> <li>• The report on such an assignment did not address the special circumstance and did not indicate the mitigating measures taken.</li> <li>• The report did not mention the auditor's recent responsibility for this component.</li> <li>• The impairment was discussed but not in accordance with relevant methodologies.</li> <li>• Measures were taken following an impairment, but these were not fully aligned with relevant methodologies.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• There have been incidents where internal auditors have accepted tangible or intangible items, such as a gift, reward, or favor.</li> <li>• Situations have occurred where it appeared that objectivity was compromised, and/or a biased/prejudiced attitude was adopted.</li> <li>• No appropriate compensating measures were taken when assurance assignments were conducted on audit subjects for which the internal auditor was responsible less than one year ago.</li> <li>• An assurance assignment is carried out on a component for which the CAE or auditor was responsible less than one year ago, and the assignment is not managed by an appropriate organization outside the IAF.</li> <li>• The assignment discussion or description did not address the responsibility the auditor previously had for this component and the resulting limitations.</li> <li>• The impairment was not discussed.</li> <li>• No appropriate measures were taken following an impairment.</li> <li>• The head of the internal audit function has not established methodologies to prevent impairments to objectivity.</li> </ul>
<b>Standard 2.3</b>	<b>Disclosing Impairments to Objectivity</b>	<b>GC if:</b>
	<p>1. If objectivity is impaired in fact or appearance, the details of the impairment must be disclosed promptly to the appropriate parties.</p>	<ul style="list-style-type: none"> <li>• The IAF promotes the disclosure of objectivity impairments and has established an appropriate work environment for it (e.g., inclusion in the charter, targeted procedures, training), <i>though not everything takes place as planned.</i></li> <li>• Impairments to objectivity that were identified have been reported and discussed with the appropriate individuals, <i>but not immediately.</i></li> </ul>

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	<ol style="list-style-type: none"> <li>2. If internal auditors become aware of an impairment that may affect their objectivity, they must disclose the impairment to the chief audit executive or a designated supervisor.</li> <li>3. If the chief audit executive determines that an impairment is affecting an internal auditor's ability to perform duties objectively, the chief audit executive must discuss the impairment with the management of the activity under review, the board, and/or senior management and determine the appropriate actions to resolve the situation.</li> <li>4. If an impairment that affects the reliability or perceived reliability of the engagement findings, recommendations, and/or conclusions is discovered after an engagement has been completed, the chief audit executive must discuss the concern with the management of the activity under review, the board, senior management, and/or other affected stakeholders and determine the appropriate actions to resolve the situation. (See also Standard 11.4 Errors and Omissions.)</li> <li>5. If the objectivity of the chief audit executive is impaired in fact or appearance, the chief audit executive must disclose the impairment to the board. (See also Standard 7.1 Organizational Independence.)</li> </ol>	<p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• The IAF has implemented certain elements to ensure adequate reporting, but these are not consistently applied in practice.</li> <li>• Impairments to objectivity that were identified have been reported, but not to all relevant parties (immediately).</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• There are few or no structural measures to ensure the disclosure of objectivity impairments.</li> <li>• Impairments to objectivity that were identified were not reported, were reported late, or were not reported to key stakeholders.</li> </ul>

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<b>Principle 3</b>	Demonstrate Competency	<p><b>GA if:</b></p> <ul style="list-style-type: none"> <li>A maximum of 1 PC on the Standards (and no DNC)</li> </ul> <p><b>PA if:</b></p> <ul style="list-style-type: none"> <li>A PC on both Standards (and no DNC)</li> </ul> <p><b>DNA if:</b></p> <ul style="list-style-type: none"> <li>At least one DNC on one or more underlying Standards</li> </ul>
<b>Standard 3.1</b>	<p><b>Competency</b></p> <ol style="list-style-type: none"> <li>Internal auditors must possess or obtain the competencies to perform their responsibilities successfully. The required competencies include the knowledge, skills, and abilities suitable for one's job position and responsibilities commensurate with their level of experience.</li> <li>Internal auditors must possess or develop knowledge of The IIA's Global Internal Audit Standards.</li> <li>Internal auditors must engage only in those services for which they have or can attain the necessary competencies</li> <li>Each internal auditor is responsible for continually developing and applying the competencies necessary to fulfill their professional responsibilities.</li> <li>Additionally, the chief audit executive must ensure that the internal audit function collectively possesses the competencies to perform the internal audit services described in the internal audit charter or must obtain the necessary competencies. (See also Standards 7.2 Chief Audit Executive Qualifications and 10.2 Human Resources Management.)</li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>A maximum of 2 PCs (of which 1 is on R4) and no DNC.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>More than 2 PCs/DNCs, but no DNC on the critical R1, R2, R3, or R5.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>A DNC on the critical R1, R2, R3, or R5.</li> </ul>
<b>Standard 3.2</b>	<p><b>Continuing Professional Development</b></p> <ol style="list-style-type: none"> <li>Internal auditors must maintain and continually develop their competencies to improve the effectiveness and quality of internal audit services.</li> <li>Internal auditors must pursue continuing professional development including education and training.</li> <li>Practicing internal auditors who have attained professional internal audit certifications must follow the continuing professional education policies and fulfill the requirements applicable to their certifications.</li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>A maximum of 1 PC (but not on the critical R1 or R3) and no DNC.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>More than 1 PC/DNC, but no DNC on the critical R1 or R3.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>A DNC on R1 or R3.</li> </ul>

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<b>Principle 4</b>	<b>Exercise Due Professional Care</b>	<b>GA if:</b> <ul style="list-style-type: none"> <li>A maximum of 1 PC on the Standards (and no DNC)</li> </ul> <b>PA if:</b> <ul style="list-style-type: none"> <li>A maximum of two PCs on the Standards (and no DNC)</li> </ul> <b>DNA if:</b> <ul style="list-style-type: none"> <li>At least one DNC on one or more underlying Standards</li> </ul>
<b>Standard 4.1</b>	<b>Conformance with the Global Internal Audit Standards.</b> <ol style="list-style-type: none"> <li>Internal auditors must plan and perform internal audit services in accordance with the Global Internal Audit Standards</li> <li>The internal audit function's methodologies must be established, documented, and maintained in alignment with the Standards.</li> <li>Internal auditors must follow the Standards and the internal audit function's methodologies when planning and performing internal audit services and communicating results.</li> <li>If the Standards are used in conjunction with requirements issued by other authoritative bodies, internal audit communications must also cite the use of the other requirements, as appropriate.</li> <li>If laws or regulations prohibit internal auditors or the internal audit function from conforming with any part of the Standards, conformance with all other parts of the Standards is required and appropriate disclosures must be made.</li> <li>When internal auditors are unable to conform with a requirement, the chief audit executive must document and communicate a description of the circumstance, alternative actions taken, the impact of the actions, and the rationale. Requirements related to disclosing nonconformance with the Standards are described in Standards 8.3 Quality, 12.1 Internal Quality Assessment, and 15.1 Final Engagement Communication.</li> </ol>	<p><i>Explanation: Some of the requirements overlap with other Standards; these are therefore assessed there and do not need to be re-evaluated here. For this Standard, the focus is primarily on R4 and R6.</i></p> <b>GC if:</b> <ul style="list-style-type: none"> <li>There is an overview of the requirements the IAF must meet, and the IAF complies with other requirements beyond the GIAS. However, the IAF has not actively communicated this but has documented it in its own documentation (manual, charter) and described the impact.</li> </ul> <b>PC if:</b> <ul style="list-style-type: none"> <li>The IAF is required to comply with additional requirements beyond the GIAS, but it does not have a complete overview of these requirements. There is no indication that the IAF does not comply with these (additional) requirements.</li> <li>The "explain" (R6) has not been proactively established and documented, but it is demonstrable that the IAF complies with these (additional) requirements.</li> </ul> <b>DNC if:</b> <ul style="list-style-type: none"> <li>Requirements from other authoritative bodies or laws and regulations are not documented or communicated.</li> <li>There are deviations in the methodology and execution from the GIAS, but these have not been established, documented, or justified.</li> </ul>



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<p><b>Standard 4.2</b></p>	<p><b>Due Professional Care</b></p> <p>1. Internal auditors must exercise due professional care by assessing the nature, circumstances, and requirements of the services to be provided, including:</p> <ul style="list-style-type: none"> <li>• The organization's strategy and objectives.</li> <li>• The interests of those for whom internal audit services are provided and the interests of other stakeholders.</li> <li>• Adequacy and effectiveness of governance, risk management, and control processes</li> <li>• Cost relative to potential benefits of the internal audit services to be performed.</li> <li>• Extent and timeliness of work needed to achieve the engagement's objectives.</li> <li>• Relative complexity, materiality, or significance of risks to the activity under review</li> <li>• Probability of significant errors, fraud, noncompliance, and other risks that might affect objectives, operations, or resources</li> <li>• Use of appropriate techniques, tools, and technology</li> </ul>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• The IAF has measures in place to promote due professional care, <i>but not everything takes place as planned.</i></li> <li>• During the audit, a justified deviation from the audit objective and/or audit methodology was made. This deviation has limited impact on the quality of the work performed, and due consideration was given to the nature, circumstances, and requirements of the services provided.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• The IAF has implemented certain elements to ensure due professional care, but these are not consistently applied in practice.</li> <li>• Incidents/impairments were corrected in a timely manner but insufficiently discussed.</li> <li>• There is evidence of disproportionately high audit costs (time or resource allocation) in relation to the audit objective, unless this was a deliberate choice by the client.</li> <li>• Limited consideration was given during audit planning to the nature and circumstances within the audit object (e.g., changes) and the needs/expectations of the client.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• There are few or no structural measures in place to ensure due professional care.</li> <li>• There are incidents that were not adequately resolved: <ul style="list-style-type: none"> <li>○ Insufficient depth was observed in identifying and investigating significant risks, including fraud and non-compliance risks.</li> <li>○ Multiple assignments are conducted that do not align with the needs/expectations of the client.</li> <li>○ The execution is seriously deficient and attributable to the IAF due to poor judgment.</li> </ul> </li> </ul>
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<p><b>Standard 4.3</b></p>	<p><b>Professional Skepticism</b></p> <ol style="list-style-type: none"> <li>Internal auditors must exercise professional skepticism when planning and performing internal audit services.</li> <li>To exercise professional skepticism, internal auditors must: <ul style="list-style-type: none"> <li>Maintain an attitude that includes inquisitiveness.</li> <li>Critically assess the reliability of information.</li> <li>Be straightforward and honest when raising concerns and asking questions about inconsistent information.</li> <li>Seek additional evidence to make a judgment about information and statements that might be incomplete, inconsistent, false, or misleading</li> </ul> </li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>The IAF promotes 'professional skepticism' (e.g., through training, performance reviews, and discussions during team meetings), <i>but not everything takes place as planned</i>.</li> <li>If incidents have occurred, they were addressed by the CAE and discussed with the relevant employee.</li> <li>Work documents demonstrate how the internal auditor gathered, evaluated, and validated information during the assignment. These methods do not fully align with the methodology outlined during the planning phase, <i>but the deviation is explained</i>.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>Measures to promote 'professional skepticism' are in place (e.g., training, performance reviews, and discussions during team meetings), <i>but these are not consistently applied in practice</i>.</li> <li>Incidents/impairments were corrected in a timely manner <i>but insufficiently discussed</i>.</li> <li>Findings are based on a single source of information, and no validation through source triangulation has been performed.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>There are few or no structural measures in place to ensure professional skepticism.</li> <li>Incidents/impairments were not corrected.</li> <li>Inconsistent information was not followed up on, and insufficient effort was made to seek additional evidence to form a judgment.</li> <li>Internal auditors did not validate that the information provided was accurate and complete (and not manipulated).</li> </ul>
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<b>Principle 5</b>	Maintain Confidentiality	<p><b>GA if:</b></p> <ul style="list-style-type: none"> <li>A maximum of 1 PC on the Standards (and no DNC)</li> </ul> <p><b>PA if:</b></p> <ul style="list-style-type: none"> <li>A PC on both Standards</li> </ul> <p><b>DNA if:</b></p> <ul style="list-style-type: none"> <li>At least one DNC on one or more underlying Standards</li> </ul>
<b>Standard 5.1</b>	<p><b>Use of Information</b></p> <ol style="list-style-type: none"> <li>Internal auditors must follow the relevant policies, procedures, laws, and regulations when using information.</li> <li>The information must not be used for personal gain or in a manner contrary or detrimental to the organization's legitimate and ethical objectives</li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>The internal auditor did not follow the policies, procedures, and laws and regulations regarding the use of information, but the deviation was discussed with the head of the audit function and documented.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>There is no policy document outlining the rules and procedures that clearly set guidelines for the use of information. Nevertheless, no deviations have been identified where the information was used for personal gain or in a way that harmed the organization's objectives or the reputation of the audit function.</li> <li>The internal auditor largely follows the policies and procedures but occasionally makes errors or omissions. These errors or omissions are documented afterwards.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>The internal auditor ignores or violates the policies, procedures, or laws and regulations regarding the use of information.</li> <li>It is demonstrable that the internal auditor has used organizational information for personal gain or in a way that is harmful to the organization.</li> </ul>
<b>Standard 5.2</b>	<p><b>Protection of Information</b></p> <ol style="list-style-type: none"> <li>Internal auditors must be aware of their responsibilities for protecting information and demonstrate respect for the confidentiality, privacy, and ownership of information acquired when performing internal audit services or as the result of professional relationships.</li> <li>Internal auditors must understand and abide by the laws, regulations, policies, and procedures related to confidentiality, information privacy, and information security that apply to the organization and internal audit function</li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>The IAF has adequate measures in place to protect information (e.g., policies, procedures, training/team meetings, confidentiality confirmation), <i>but not everything takes place as planned.</i></li> <li>Impairments to information protection identified during the execution of assignments have been corrected, addressed by the CAE, and discussed, such as: <ul style="list-style-type: none"> <li>Information is shared with individuals or organizations lawfully, but permission was obtained retrospectively.</li> </ul> </li> </ul> <p><b>PC if:</b></p>

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	<p><b>3.</b> Considerations specifically relevant to the internal audit function include:</p> <ul style="list-style-type: none"> <li>• Custody, retention, and disposal of engagement records.</li> <li>• Release of engagement records to internal and external parties</li> <li>• Handling of, access to, or copies of confidential information when it is no longer needed</li> </ul> <p><b>4.</b> Internal auditors must not disclose confidential information to unauthorized parties unless there is a legal or professional responsibility to do so. Internal auditors must manage the risk of exposing or disclosing information inadvertently.</p> <p><b>5.</b> The chief audit executive must ensure that the internal audit function and individuals assisting the internal audit function adhere to the same protection requirements.</p>	<ul style="list-style-type: none"> <li>• Measures (policies and procedures) for retaining audit files and/or providing audit files or reports to third parties are not clearly documented and/or are not updated periodically (design, existence).</li> <li>• Incidents/impairments were corrected but insufficiently discussed, such as: <ul style="list-style-type: none"> <li>○ The CAE periodically reviews access to audit files, and this review revealed that individuals had unauthorized access to the audit files.</li> <li>○ The IAF has not adequately investigated whether archiving procedures for retrieving files from the (digital) archive are in order.</li> <li>○ The permission obtained to share reports with third parties was not documented.</li> </ul> </li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• There are few or no effective structural measures to ensure the protection of information, such as: <ul style="list-style-type: none"> <li>○ No measures (policies and procedures) exist for providing reports to third parties or controlling access to audit files.</li> <li>○ A retention period within which audit files must be preserved has not been established or documented.</li> <li>○ There are no archiving procedures to ensure that files can be accessed during the retention period.</li> <li>○ No (logical and/or physical access security) measures have been implemented to protect audit files (current and archived) from unauthorized access.</li> <li>○ Procedures do not comply with the GDPR (General Data Protection Regulation) and other applicable regulations.</li> <li>○ The effectiveness of (logical and/or physical access security) measures regarding unauthorized access to audit files (current and archived) is not tested periodically.</li> </ul> </li> <li>• Incidents/impairments were not corrected.</li> </ul>
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DOMAIN III	Governing the Internal Audit Function	
<b>Principle 6</b>	<p>Authorized by the Board</p> <p><i>The board establishes, approves, and supports the mandate of the internal audit function.</i></p>	<p><b>Roll-up norm for Principle 6: Authorized by the Board:</b></p> <p>6.1 Internal audit mandate</p> <p><b>6.2 Internal audit charter</b></p> <p>6.3 Bboard and senior management support</p> <p><b>GA if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of one PC on Standard 6.1 or 6.3.</li> </ul> <p><b>PA if:</b></p> <ul style="list-style-type: none"> <li>• A PC on the critical Standard 6.2, possibly accompanied by one DNC on 6.1 or 6.3.</li> </ul> <p><b>DNA if:</b></p> <ul style="list-style-type: none"> <li>• A DNC on 6.2.</li> <li>• Two DNCs on 6.1 or 6.3.</li> <li>• A PC on more than three critical requirements of 6.1, 6.2, or 6.3.</li> </ul>
<b>Standard 6.1</b>	<p><b>Internal Audit Mandate</b></p> <ol style="list-style-type: none"> <li>1. The chief audit executive must provide the board and senior management with the information necessary to establish the internal audit mandate.</li> <li>2. In those jurisdictions and industries where the internal audit function's mandate is prescribed wholly or partially in laws or regulations, the internal audit charter must include the legal requirements of the mandate. (See also Standard 6.2 Internal Audit Charter and "Applying the Global Internal Audit Standards in the Public Sector.")</li> <li>3. To help the board and senior management determine the scope and types of internal audit services, the chief audit executive must coordinate with other internal and external assurance providers to gain an understanding of each other's roles and responsibilities. (See also Standard 9.5 Coordination and Reliance.)</li> <li>4. <b>The chief audit executive must document or reference the mandate in the internal audit charter, which is approved by the board. (See also Standard 6.2 Internal Audit Charter.)</b></li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of 1 requirement is scored as PC, unless this PC is on a critical requirement (4, 5, 8, or 10).</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of 3 requirements are scored as PC, or 1 requirement is scored as DNC, unless this PC or DNC is on a critical requirement (4, 5, 8, or 10).</li> <li>• 1 PC is scored on the critical requirements.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• 2 or more PCs, or 1 DNC, are scored on the critical requirements.</li> <li>• More than 2 DNCs are scored.</li> </ul>

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	<p>5. Periodically, the chief audit executive must assess whether changes in circumstances justify a discussion with the board and senior management about the internal audit mandate.</p> <p>6. If so, the chief audit executive must discuss the internal audit mandate with the board and senior management to assess whether the authority, role, and responsibilities continue to enable the internal audit function to achieve its strategy and accomplish its objectives</p> <p><b>Essential Conditions Board</b></p> <p>7. Discuss with the chief audit executive and senior management the appropriate authority, role, and responsibilities of the internal audit function.</p> <p>8. Approve the internal audit charter, which includes the internal audit mandate and the scope and types of internal audit services.</p> <p><b>Essential Conditions Senior Management</b></p> <p>9. Participate in discussions with the board and chief audit executive and provide input on expectations for the internal audit function that the board should consider when establishing the internal audit mandate</p> <p>10. Support the internal audit mandate throughout the organization and promote the authority granted to the internal audit function.</p>	
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<p><b>Standard 6.2</b></p>	<p><b>Internal Audit Charter</b></p> <ol style="list-style-type: none"> <li>The chief audit executive must develop and maintain an internal audit charter that specifies, at a minimum, the internal audit function's: <ol style="list-style-type: none"> <li>Purpose of Internal Auditing.</li> <li>Commitment to adhering to the Global Internal Audit Standards</li> <li>Mandate, including scope and types of services to be provided, and the board's responsibilities and expectations regarding management's support of the internal audit function. (See also Standard 6.1 Internal Audit Mandate.)</li> <li>Organizational position and reporting relationships. (See also Standard 7.1 Organizational Independence.)</li> </ol> </li> <li>The chief audit executive must discuss the proposed charter with the board and senior management to confirm that it accurately reflects their understanding and expectations of the internal audit function</li> </ol> <p><b>Essential Conditions Board</b></p> <ol style="list-style-type: none"> <li>Discuss with the chief audit executive and senior management other topics that should be included in the internal audit charter to enable an effective internal audit function.</li> <li>Approve the internal audit charter.</li> <li>Review the internal audit charter with the chief audit executive to consider changes affecting the organization, such as the employment of a new chief audit executive or changes in the type, severity, and interdependencies of risks to the organization.</li> </ol> <p><b>Essential Conditions Senior Management</b></p> <ol style="list-style-type: none"> <li>Communicate with the board and chief audit executive about management's expectations that should be considered for inclusion in the internal audit charter.</li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>A maximum of 1 requirement is scored as PC, unless this PC is on a critical requirement (1 or 4).</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>A maximum of 2 requirements are scored as PC, or 1 requirement is scored as DNC, unless this PC or DNC is on a critical requirement (1 or 4).</li> <li>1 PC is scored on the critical requirements.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>2 or more PCs, or 1 DNC, are scored on the critical requirements.</li> <li>More than 2 DNCs are scored.</li> </ul>
<p><b>Standard 6.3</b></p>	<p><b>Board and Senior Management Support</b></p> <ol style="list-style-type: none"> <li>The chief audit executive must provide the board and senior management with the information needed to support and promote recognition of the internal audit function throughout the organization</li> <li>The chief audit executive must coordinate the internal audit function's board communications with senior management to support the board's ability to fulfill its requirements.</li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>A maximum of 1 requirement is scored as PC, unless this PC is on a critical requirement (1, 3, 4 of 7)</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>A maximum of 2 requirements are scored as PC, or 1 requirement is scored as DNC, unless this PC or DNC is on a critical requirement (1, 3, 4 of 7).</li> <li>1 PC is scored on the critical requirements.</li> </ul>

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	<p><b>Essential Conditions Board</b></p> <ol style="list-style-type: none"> <li>3. Champion the internal audit function to enable it to fulfill the Purpose of Internal Auditing and pursue its strategy and objectives.</li> <li>4. Work with senior management to enable the internal audit function's unrestricted access to the data, records, information, personnel, and physical properties necessary to fulfill the internal audit mandate.</li> <li>5. Support the chief audit executive through regular, direct communications.</li> <li>6. Demonstrate support by:             <ol style="list-style-type: none"> <li>a. Specifying that the chief audit executive reports to a level within the organization that allows the internal audit function to fulfill the internal audit mandate</li> <li>b. Approving the internal audit charter, internal audit plan, budget, and resource plan</li> <li>c. Making appropriate inquiries of senior management and the chief audit executive to determine whether any restrictions on the internal audit function's scope, access, authority, or resources limit the function's ability to carry out its responsibilities effectively</li> <li>d. Meeting periodically with the chief audit executive in sessions without senior management present</li> </ol> </li> </ol> <p><b>Essential Conditions Senior Management</b></p> <ol style="list-style-type: none"> <li>7. Support recognition of the internal audit function throughout the organization</li> <li>8. Work with the board and management throughout the organization to enable the internal audit function's unrestricted access to the data, records, information, personnel, and physical properties necessary to fulfill the internal audit mandate</li> </ol>	<p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• 2 or more PCs, or 1 DNC, are scored on the critical requirements.</li> <li>• More than 2 DNCs are scored.</li> </ul>
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<b>Principle 7</b>	<p>Positioned Independently</p> <p><i>The board establishes and protects the internal audit function's independence and qualifications.</i></p>	<p><b>Roll-up norm for Principle 7: Independently Positioned:</b></p> <p><b>7.1 Organizational independence</b></p> <p>7.2 Chief Audit Executive Qualifications</p> <p><b>GA if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of one PC on Standard 7.2.</li> </ul> <p><b>PA if:</b></p> <ul style="list-style-type: none"> <li>• A PC on the critical Standard 7.1, possibly accompanied by a DNC on 7.2.</li> </ul> <p><b>DNA if:</b></p> <ul style="list-style-type: none"> <li>• A DNC on 7.1 and/or</li> <li>• A PC on more than 3 critical requirements of 7.1 or 7.2.</li> </ul>
<b>Standard 7.1</b>	<p><b>Organizational Independence</b></p> <ol style="list-style-type: none"> <li>1. The chief audit executive must confirm to the board the organizational independence of the internal audit function at least annually. This includes communicating incidents where independence may have been impaired and the actions or safeguards employed to address the impairment.</li> <li>2. The chief audit executive must document in the internal audit charter the reporting relationships and organizational positioning of the internal audit function, as determined by the board. (See also Standard 6.2 Internal Audit Charter.)</li> <li>3. The chief audit executive must discuss with the board and senior management any current or proposed roles and responsibilities that have the potential to impair the internal audit function's independence, either in fact or appearance.</li> <li>4. The chief audit executive must advise the board and senior management of the types of safeguards to manage actual, potential, or perceived impairments.</li> <li>5. When the chief audit executive has one or more ongoing roles beyond internal auditing, the responsibilities, nature of work, and established safeguards must be documented in the internal audit charter.</li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of 2 requirements are scored as PC or DNC, unless this PC or DNC is on a critical requirement (1, 2, 3, 10, 13, 17, or 18). (Note: maximum of 2 PCs due to the large number of requirements.)</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of 3 requirements are scored as PC, or 1 requirement is scored as DNC, unless this PC or DNC is on a critical requirement (1, 2, 3, 10, 13, 17, or 18).</li> <li>• 1 PC is scored on the critical requirements.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• More than 3 critical requirements are scored as PC or DNC.</li> </ul>

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	<ol style="list-style-type: none"> <li>6. If those areas of responsibility are subject to internal auditing, alternative processes to obtain assurance must be established, such as contracting with an objective, competent external assurance provider that reports independently to the board.</li> <li>7. When the chief audit executive's nonaudit responsibilities are temporary, assurance for those areas must be provided by an independent third party during the temporary assignment and for the subsequent 12 months.</li> <li>8. Also, the chief audit executive must establish a plan to transition those responsibilities to management</li> <li>9. If the governing structure does not support organizational independence, the chief audit executive must document the characteristics of the governing structure limiting independence and any safeguards that may be employed to achieve this principle.</li> </ol> <p><b>Essential Conditions Board</b></p> <ol style="list-style-type: none"> <li>10. Establish a direct reporting relationship with the chief audit executive and the internal audit function to enable the internal audit function to fulfill its mandate</li> <li>11. Authorize the appointment and removal of the chief audit executive. <ul style="list-style-type: none"> <li>• Provide input to senior management to support the performance evaluation and remuneration of the chief audit executive</li> </ul> </li> <li>12. Provide the chief audit executive with opportunities to discuss significant and sensitive matters with the board, including meetings without senior management present.</li> <li>13. Require that the chief audit executive be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the board when necessary</li> <li>14. Acknowledge the actual or potential impairments to the internal audit function's independence when approving roles or responsibilities for the chief audit executive that are beyond the scope of internal auditing.</li> <li>15. Engage with senior management and the chief audit executive to establish appropriate safeguards if chief audit executive roles and responsibilities impair or appear to impair the internal audit function's independence</li> </ol>	
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	<p>16. Engage with senior management to ensure that the internal audit function is free from interference when determining its scope, performing internal audit engagements, and communicating results</p> <p><b>Essential Conditions Senior Management</b></p> <p>17. Position the internal audit function at a level within the organization that enables it to perform its services and responsibilities without interference, as directed by the board</p> <p>18. Recognize the chief audit executive's direct reporting relationship with the board</p> <p>19. Engage with the board and the chief audit executive to understand any potential impairments to the internal audit function's independence caused by nonaudit roles or other circumstances and support the implementation of appropriate safeguards to manage such impairments.</p> <p>20. Provide input to the board on the appointment and removal of the chief audit executive</p> <p>21. Solicit input from the board on the performance evaluation and remuneration of the chief audit executive.</p>	
Standard 7.2	<p><b>Chief Audit Executive Qualifications</b></p> <p>1. The chief audit executive must help the board understand the qualifications and competencies of a chief audit executive that are necessary to manage the internal audit function.</p> <p>2. The chief audit executive facilitates this understanding by providing information and examples of common and leading qualifications and competencies. The chief audit executive must maintain and enhance the qualifications and competencies necessary to fulfill the roles and responsibilities expected by the board. (See also Principle 3 Demonstrate Competency and its standards.)</p> <p><b>Essential Conditions Board</b></p> <p>3. Review the requirements necessary for the chief audit executive to manage the internal audit function, as described in Domain IV: Managing the Internal Audit Function</p> <p>4. Approve the chief audit executive's roles and responsibilities and identify the necessary qualifications, experience, and competencies to carry out these roles and responsibilities</p> <p>5. Engage with senior management to appoint a chief audit executive with the qualifications and competencies necessary to manage the internal</p>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>A maximum of 1 requirement is scored as PC or DNC, unless this PC or DNC is on a critical requirement (1, 4 of 7). (Note: maximum of 2 PCs due to the large number of requirements.)</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>A maximum of 2 requirements are scored as PC, or 1 requirement is scored as DNC, unless this PC or DNC is on a critical requirement (1, 4 of 7).</li> <li>1 PC is scored on the critical requirements.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>More than 2 critical requirements are scored as PC or DNC.</li> </ul>

	<p>audit function effectively and ensure the quality performance of internal audit services.</p> <p><b>Essential Conditions Senior Management</b></p> <p>6. Engage with the board to determine the chief audit executive's qualifications, experience, and competencies</p> <p>7. Enable the appointment, development, and remuneration of the chief audit executive through the organization's human resources processes</p>	

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<b>Principle 8</b>	<b>Overseen by the Board</b>	<p><b>Roll-up norm for Principle 8: Under the Supervision of the Board:</b></p> <p>8.1 Board Interaction 8.2 Resources 8.3 Quality 8.4 External Quality Assessment</p> <p><b>GA if:</b></p> <ul style="list-style-type: none"> <li>The underlying GIAS Standards have at most one PC, not concerning the critical Standards 8.3 and 8.4.</li> </ul> <p><b>PA if:</b></p> <ul style="list-style-type: none"> <li>A maximum of one PC on the critical Standards 8.3 or 8.4, or</li> <li>Both Standards 8.1 and 8.2 have a PC, or</li> <li>The GIAS Standards 8.1 and 8.2 have at most 1 DNC.</li> </ul> <p><b>DNA if:</b></p> <ul style="list-style-type: none"> <li>One of the critical Standards 8.3 or 8.4 has a DNC, or</li> <li>Both GIAS Standards 8.1 and 8.2 have a DNC.</li> </ul>
<b>Standard 8.1</b>	<p><b>Board Interaction</b></p> <ol style="list-style-type: none"> <li>The chief audit executive must provide the board with the information needed to conduct its oversight responsibilities. This information may be specifically requested by the board or may be, in the judgment of the chief audit executive, valuable for the board to exercise its oversight responsibilities</li> <li>The chief audit executive must report to the board and senior management: <ul style="list-style-type: none"> <li>Standards 6.3 Board and Senior Management Support and 9.4 Internal Audit Plan.)</li> <li>Changes potentially affecting the mandate or charter. (See also Standards 6.1 Internal Audit Mandate and 6.2 Internal Audit Charter.)</li> <li>Potential impairments to independence. (See also Standard 7.1 Organizational Independence.)</li> <li>Results of internal audit services, including conclusions, themes, assurance, advice, insights, and monitoring results. (See also Standards 11.3 Communicating Results, 14.5 Engagement</li> </ul> </li> </ol>	<p><i>Assessing the completeness of reports based on the second requirement.</i></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>At most one of the underlying aspects of requirement 2 is not met.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>A PC is identified on Requirement 2, or</li> <li>Two or more PCs are identified on the other requirements.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>A DNC is found in requirement 2, or</li> <li>Multiple DNCs are identified on the other requirements.</li> </ul>

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	<p>Conclusions, and 15.2 Confirming the Implementation of Recommendations or Action Plans.)</p> <ul style="list-style-type: none"> <li>Results from the quality assurance and improvement program. (See also Standards 8.3 Quality, 8.4 External Quality Assessment, 12.1 Internal Quality Assessment, and 12.2 Performance Measurement.)</li> </ul> <p>3. There may be instances when the chief audit executive disagrees with senior management or other stakeholders on the scope, findings, or other aspects of an engagement that may affect the ability of the internal audit function to execute its responsibilities. In such cases, the chief audit executive must provide the board with the facts and circumstances to allow the board to consider whether, in its oversight role, it should intervene with senior management or other stakeholders</p> <p><b>Essential Conditions Board</b></p> <p>4. Communicate with the chief audit executive to understand how the internal audit function is fulfilling its mandate</p> <p>5. Communicate the board's perspective on the organization's strategies, objectives, and risks to assist the chief audit executive with determining internal audit priorities.</p> <p>6. Set expectations with the chief audit executive for:</p> <ul style="list-style-type: none"> <li>The frequency with which the board wants to receive communications from the chief audit executive.</li> <li>The criteria for determining which issues should be escalated to the board, such as significant risks that exceed the board's risk tolerance</li> <li>The process for escalating matters of importance to the board.</li> </ul> <p>7. Gain an understanding of the effectiveness of the organization's governance, risk management, and control processes based on the results of internal audit engagements and discussions with senior management.</p> <p>8. Discuss with the chief audit executive disagreements with senior management or other stakeholders and provide support as necessary to enable the chief audit executive to perform the responsibilities outlined in the internal audit mandate</p> <p><b>Essential Conditions Senior Management</b></p> <p>9. Communicate senior management's perspective on the organization's strategies, objectives, and risks to assist the chief audit executive with determining internal audit priorities</p> <p>10. Assist the board in understanding the effectiveness of the organization's governance, risk management, and control processes.</p>	
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	11. Work with the board and the chief audit executive on the process for escalating matters of importance to the board	
Standard 8.2	<p><b>Resources</b></p> <ol style="list-style-type: none"> <li>The chief audit executive must evaluate whether internal audit resources are sufficient to fulfill the internal audit mandate and achieve the internal audit plan.</li> <li>If not, the chief audit executive must develop a strategy to obtain sufficient resources and inform the board about the impact of insufficient resources and how any resource shortfalls will be addressed.</li> </ol> <p><b>Essential Conditions Board</b></p> <ol style="list-style-type: none"> <li>Collaborate with senior management to provide the internal audit function with sufficient resources to fulfill the internal audit mandate and achieve the internal audit plan</li> <li>Discuss with the chief audit executive, at least annually, the sufficiency, both in numbers and capabilities, of internal audit resources to fulfill the internal audit mandate and achieve the internal audit plan</li> <li>Consider the impact of insufficient resources on the internal audit mandate and plan</li> <li>Engage with senior management and the chief audit executive on remedying the situation if the resources are determined to be insufficient.</li> </ol> <p><b>Essential Conditions Senior Management</b></p> <ol style="list-style-type: none"> <li>Engage with the board to provide the internal audit function with sufficient resources to fulfill the internal audit mandate and achieve the internal audit plan.</li> <li>Engage with the board and the chief audit executive on any issues of insufficient resources and how to remedy the situation</li> </ol>	<p><i>The norm for sufficient resources is determined by the (multi-year) audit plan (9.4). When the audit plan is reviewed by the Executive Board (RvB), Audit Committee (AC), or Supervisory Board (RvC), the tension between the risk-based audit plan and the available capacity (quantity and quality) must be made visible.</i></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>There is at most one PC on the underlying requirements, not concerning the critical Requirement 2.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>A PC on requirement 2, or</li> <li>A maximum of 2 PCs on the other requirements, or</li> <li>A maximum of one DNC on the requirements (excluding requirement 2).</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>A DNC is identified on requirement 2, or</li> <li>3 or more PCs are identified on the requirements, or</li> <li>More than one DNC is identified on the other requirements.</li> </ul>

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<p><b>Standard 8.3</b></p>	<p><b>Quality</b></p> <ol style="list-style-type: none"> <li>1. The chief audit executive must develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program includes two types of assessments: <ul style="list-style-type: none"> <li>• External assessments. (See also Standard 8.4 External Quality Assessment.)</li> <li>• Internal assessments. (See also Standard 12.1 Internal Quality Assessment.)</li> </ul> </li> <li>2. At least annually, the chief audit executive must communicate the results of the internal quality assessment to the board and senior management.</li> <li>3. The results of the external quality assessments must be reported when completed.</li> <li>4. In both cases, such communications include: <ul style="list-style-type: none"> <li>• The internal audit function's conformance with the Standards and achievement of performance objectives</li> <li>• If applicable, compliance with laws and/or regulations relevant to internal auditing</li> <li>• If applicable, plans to address the internal audit function's deficiencies and opportunities for improvement.</li> </ul> </li> </ol> <p><b>Bestuur Essential Conditions Board</b></p> <ol style="list-style-type: none"> <li>5. Discuss with the chief audit executive the quality assurance and improvement program, as outlined in Domain IV: Managing the Internal Audit Function.</li> <li>6. Approve the internal audit function's performance objectives at least annually. (See also Standard 12.2 Performance Management.</li> <li>7. Assess the effectiveness and efficiency of the internal audit function. Such an assessment includes: <ul style="list-style-type: none"> <li>• Reviewing the internal audit function's performance objectives, including its conformance with the Standards, laws and regulations; ability to meet the internal audit mandate; and progress towards completion of the internal audit plan.</li> <li>• Considering the results of the internal audit function's quality assurance and improvement program</li> <li>• Determining the extent to which the internal audit function's performance objectives are being met</li> </ul> </li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• There is at most one PC on the underlying requirements, not concerning the critical requirements 1 through 4.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• One PC on one of the critical requirements 1 through 4, or</li> <li>• A maximum of 2 PCs on requirements 5 through 9, or</li> <li>• A maximum of 1 DNC on Standards 5 through 9.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• One DNC on one of the requirements 1 through 4, or</li> <li>• 3 or more PCs on the requirements, or</li> <li>• Multiple DNCs on requirements 5 through 9.</li> </ul>
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	<p><b>Essential Conditions Senior Management</b></p> <p>8. Provide input on the internal audit function's performance objectives</p> <p>9. Participate with the board in an annual assessment of the chief audit executive and internal audit function</p>	
<b>Standard 8.4</b>	<p><b>External Quality Assessment</b></p> <p>1. The chief audit executive must develop a plan for an external quality assessment and discuss the plan with the board.</p> <p>2. The external assessment must be performed at least once every five years by a qualified, independent assessor or assessment team. The requirement for an external quality assessment may also be met through a self-assessment with independent validation.</p> <p>3. When selecting the independent assessor or assessment team, the chief audit executive must ensure at least one person holds an active Certified Internal Auditor® designation.</p> <p><b>Essential Conditions Board</b></p> <p>4. Discuss with the chief audit executive the plans to have an external quality assessment of the internal audit function conducted by an independent, qualified assessor or assessment team</p> <p>5. Collaborate with senior management and the chief audit executive to determine the scope and frequency of the external quality assessment</p> <p>6. Consider the responsibilities and regulatory requirements of the internal audit function and the chief audit executive, as described in the internal audit charter, when defining the scope of the external quality assessment</p> <p>7. Review and approve the chief audit executive's plan for the performance of an external quality assessment. Such approval should cover, at a minimum:</p> <ul style="list-style-type: none"> <li>• The scope and frequency of assessments</li> <li>• The competencies and independence of the external assessor or assessment team</li> <li>• The rationale for choosing to conduct a self-assessment with independent validation instead of an external quality assessment</li> </ul> <p>8. Require receipt of the complete results of the external quality assessment or selfassessment with independent validation directly from the assessor</p> <p>9. Review and approve the chief audit executive's action plans to address identified deficiencies and opportunities for improvement, if applicable</p>	<p><i>Note: If the Audit Committee (AC) indicates that it has no interest in the report, this must be verified in a discussion with the chair of the AC and included as a finding in the report.</i></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• There is at most one PC on the underlying requirements, not concerning the critical requirements 1 through 3.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• A PC is identified on one of the critical requirements 1 through 3, or</li> <li>• A maximum of 2 PCs are identified on requirements 4 through 12, or</li> <li>• A maximum of 1 DNC is identified on requirements 4 through 12.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• A DNC is identified on one of the critical requirements 1 through 3, or</li> <li>• 3 or more PCs are identified on the requirements, or</li> <li>• Multiple DNCs are identified on requirements 4 through 12.</li> </ul>

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	<p>10. Approve a timeline for completion of the action plans and monitor the chief audit executive's progress</p> <p><b>Essential Conditions Senior Management</b></p> <p>11. Collaborate with the board and the chief audit executive to determine the scope and frequency of the external quality assessment.</p> <p>12. Review the results of the external quality assessment, collaborate with the chief audit executive and board to agree on action plans that address identified deficiencies and opportunities for improvement, if applicable, and agree on a timeline for completion of the action plans</p>	
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DOMAIN IV	Managing the Internal Audit Function	
<b>Principle 9</b>	Plan Strategically	<p><b>Roll-up norm for Principle 9: Plan Strategically:</b></p> <p>9.1 Understanding Governance, Risk Management, and Control Processes</p> <p>9.2 Internal Audit Strategy</p> <p>9.3 Methodologies</p> <p>9.4 Internal Audit Plan</p> <p>9.5 Coordination and Reliance</p> <p><b>GA if:</b></p> <ul style="list-style-type: none"> <li>The underlying GIAS Standards have at most one PC (not concerning the critical Standards 9.3 and 9.4).</li> </ul> <p><b>PA if:</b></p> <ul style="list-style-type: none"> <li>One of the critical Standards 9.3 or 9.4 has a PC, or</li> <li>The underlying GIAS Standards have at most two PCs (excluding 9.3 and 9.4).</li> </ul> <p><b>DNA if:</b></p> <ul style="list-style-type: none"> <li>One of the GIAS Standards 9.3 or 9.4 has a DNC, or</li> <li>Multiple DNCs are identified on the GIAS Standards 9.1, 9.2, or 9.5.</li> </ul>
<b>Standard 9.1</b>	<p><b>Understanding Governance, Risk Management, and Control Processes</b></p> <ol style="list-style-type: none"> <li>To develop an effective internal audit strategy and plan, the chief audit executive must understand the organization's governance, risk management, and control processes.</li> <li>To understand governance processes, the chief audit executive must consider how the organization: <ul style="list-style-type: none"> <li>Establishes strategic objectives and makes strategic and operational decisions.</li> <li>Oversees risk management and control.</li> <li>Promotes an ethical culture.</li> <li>Delivers effective performance management and accountability</li> <li>Structures its management and operating functions.</li> <li>Communicates risk and control information throughout the organization</li> <li>Coordinates activities and communications among the board, internal and external providers of assurance services, and management</li> </ul> </li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>There is at most one PC among the underlying requirements 1 through 3.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>A maximum of 2 PCs are identified among requirements 1 through 3, or</li> <li>One of the requirements 1 through 3 has a DNC.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>3 PCs are identified on the requirements, or</li> <li>Multiple requirements have a DNC.</li> </ul>

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	<p>3. To understand risk management and control processes, the chief audit executive must consider how the organization identifies and assesses significant risks and selects appropriate control processes. This includes understanding how the organization identifies and manages the following key risk areas:</p> <ul style="list-style-type: none"> <li>• Reliability and integrity of financial and operational information.</li> <li>• Effectiveness and efficiency of operations and programs.</li> <li>• Safeguarding of assets</li> <li>• Compliance with laws and/or regulations</li> </ul>	
<b>Standard 9.2</b>	<p><b>Internal Audit Strategy</b></p> <p>1. The chief audit executive must develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the organization and aligns with the expectations of the board, senior management, and other key stakeholders.</p> <p>2. An internal audit strategy is a plan of action designed to achieve a long-term or overall objective. The internal audit strategy must include a vision, strategic objectives, and supporting initiatives for the internal audit function. An internal audit strategy helps guide the internal audit function toward the fulfillment of the internal audit mandate.</p> <p>3. The chief audit executive must review the internal audit strategy with the board and senior management periodically</p>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• There is at most one PC among the underlying requirements, not concerning requirement 1.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• A PC is identified on requirement 1, or</li> <li>• There is (only) a DNC on requirement 2 or 3.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• A DNC is identified on requirement 1, or</li> <li>• 2 or more PCs.</li> <li>• A DNC is identified on both requirements 2 and 3</li> </ul>
<b>Standard 9.3</b>	<p><b>Methodologies</b></p> <p>1. The chief audit executive must establish methodologies to guide the internal audit function in a systematic and disciplined manner to implement the internal audit strategy, develop the internal audit plan, and conform with the Standards.</p> <p>2. The chief audit executive must evaluate the effectiveness of the methodologies and update them as necessary to improve the internal audit function and respond to significant changes that affect the function.</p> <p>3. The chief audit executive must provide internal auditors with training on the methodologies. (See also Principles 13 Plan Engagements Effectively, 14 Conduct Engagement Work, and 15 Communicate Engagement Results and Monitor Action Plans, and their standards.)</p>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• There is at most one PC among the underlying requirements, not concerning requirements 1 through 2.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• A PC is identified on one of the requirements 1 through 2, or</li> <li>• There is a DNC on requirement 3.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• A DNC is identified on one of the requirements 1 through 2, or</li> <li>• 2 or more PCs.</li> </ul>

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<p><b>Standard 9.4</b></p>	<p><b>Internal Audit Plan</b></p> <ol style="list-style-type: none"> <li>1. The chief audit executive must create an internal audit plan that supports the achievement of the organization's objectives</li> <li>2. The chief audit executive must base the internal audit plan on a documented assessment of the organization's strategies, objectives, and risks.</li> <li>3. This assessment must be informed by input from the board and senior management as well as the chief audit executive's understanding of the organization's governance, risk management, and control processes.</li> <li>4. The assessment must be performed at least annually.</li> <li>5. The internal audit plan must: <ul style="list-style-type: none"> <li>• Consider the internal audit mandate and the full range of agreed-to internal audit services</li> <li>• Specify internal audit services that support the evaluation and improvement of the organization's governance, risk management, and control processes.</li> <li>• Consider coverage of information technology governance, fraud risk, the effectiveness of the organization's compliance and ethics programs, and other high-risk areas.</li> <li>• Identify the necessary human, financial, and technological resources necessary to complete the plan</li> <li>• Be dynamic and updated timely in response to changes in the organization's business, risks operations, programs, systems, controls, and organizational culture.</li> </ul> </li> <li>6. The chief audit executive must review and revise the internal audit plan as necessary and communicate timely to the board and senior management: <ul style="list-style-type: none"> <li>• The impact of any resource limitations on internal audit coverage</li> <li>• The rationale for not including an assurance engagement in a high-risk area or activity in the plan</li> <li>• Conflicting demands for services between major stakeholders, such as high-priority requests based on emerging risks and requests to replace planned assurance engagements with advisory engagements.</li> <li>• Limitations on scope or restrictions on access to information.</li> </ul> </li> <li>7. The chief audit executive must discuss the internal audit plan, including significant interim changes, with the board and senior management.</li> <li>8. The plan and significant changes to the plan must be approved by the board.</li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• There is at most one PC among the underlying requirements, not concerning the critical requirements 1, 2, 4, 6, and 8.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• A PC is identified on one or more of the critical requirements 1, 2, 4, 6, or 8, or</li> <li>• A maximum of 2 PCs are identified on requirements 3, 5, and 7, or</li> <li>• A maximum of one DNC is identified on requirements 3, 5, and 7.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• A DNC is identified on one or more of the critical requirements 1, 2, 4, 6, or 8, or</li> <li>• 3 or more PCs are identified on the requirements, or</li> <li>• Multiple DNCs are identified on requirements 3, 5, and 7.</li> </ul>
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Standard 9.5	<p><b>Coordination and Reliance</b></p> <ol style="list-style-type: none"> <li>1. The chief audit executive must coordinate with internal and external providers of assurance services and consider relying upon their work. Coordination of services minimizes duplication of efforts, highlights gaps in coverage of key risks, and enhances the overall value added by providers.</li> <li>2. If unable to achieve an appropriate level of coordination, the chief audit executive must raise any concerns with senior management and, if necessary, the board.</li> <li>3. When the internal audit function relies on the work of other assurance service providers, the chief audit executive must document the basis for that reliance and is still responsible for the conclusions reached by the internal audit function.</li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• There is at most one PC among the underlying requirements, not concerning requirement 1.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• A PC is identified on requirement 1, or</li> <li>• There is an PC on both requirement 2 or 3, or</li> <li>• There is (only) one DNC on requirement 2 or 3.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• A DNC is identified on requirement 1, or</li> <li>• 2 or more PCs, or</li> <li>• A DNC is identified on both requirements 2 and 3</li> </ul>

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<b>Principle 10</b>	<b>Manage Resources</b>	<p><b>Roll-up norm for Principle 10: Manage Resources:</b></p> <p>10.1 Financial Resources Management  10.2 Human Resources Management  10.3 Technological Management</p> <p><b>GA if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of one PC on one of the Standards 10.1 and 10.3.</li> </ul> <p><b>PA if:</b></p> <ul style="list-style-type: none"> <li>• A PC on the critical Standard 10.2, or</li> <li>• A DNC on one of the Standards 10.1 and 10.3, or</li> <li>• A maximum of two PCs on Standards 10.1, 10.2, and 10.3.</li> </ul> <p><b>DNA if:</b></p> <ul style="list-style-type: none"> <li>• A DNC on the critical Standard 10.2, or</li> <li>• More than one DNC on Standards 10.1, 10.2, and 10.3, or</li> <li>• 3 PCs on Standards 10.1, 10.2, and 10.3.</li> </ul>
<b>Standard 10.1</b>	<p><b>Financial Resource Management</b></p> <ol style="list-style-type: none"> <li>1. The chief audit executive must manage the internal audit function's financial resources.</li> <li>2. The chief audit executive must develop a budget that enables the successful implementation of the internal audit strategy and achievement of the plan. The budget includes the resources necessary for the function's operation, including training and acquisition of technology and tools.</li> <li>3. The chief audit executive must manage the day-to-day activities of the internal audit function effectively and efficiently, in alignment with the budget.</li> <li>4. The chief audit executive must seek budget approval from the board.</li> <li>5. The chief audit executive must communicate promptly the impact of insufficient financial resources to the board and senior management.</li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• A PC is scored on requirement 5 due to a delayed signal; this does not prevent a GC.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• A PC is scored on 1 to 3 of the requirements.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• A PC is scored on more than 3 of the requirements, or</li> <li>• A DNC is scored on 1 of the requirements.</li> </ul>

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<p><b>Standard 10.2</b></p>	<p><b>Human Resources Management</b></p> <ol style="list-style-type: none"> <li>1. The chief audit executive must establish an approach to recruit, develop, and retain internal auditors who are qualified to successfully implement the internal audit strategy and achieve the internal audit plan.</li> <li>2. The chief audit executive must strive to ensure that human resources are appropriate, sufficient, and effectively deployed to achieve the approved internal audit plan. Appropriate refers to the mix of knowledge, skills, and abilities; sufficient refers to the quantity of resources; and effective deployment refers to assigning resources in a way that optimizes the achievement of the internal audit plan.</li> <li>3. The chief audit executive must communicate with the board and senior management regarding the appropriateness and sufficiency of the internal audit function's human resources.</li> <li>4. If the function lacks appropriate and sufficient human resources to achieve the internal audit plan, the chief audit executive must determine how to obtain the resources or communicate timely to the board and senior management the impact of the limitations. (See also Standard 8.2 Resources.)</li> <li>5. The chief audit executive must evaluate the competencies of individual internal auditors within the internal audit function and encourage professional development.</li> <li>6. The chief audit executive must collaborate with internal auditors to help them develop their individual competencies through training, supervisory feedback, and/or mentoring. (See also Standard 3.1 Competency.)</li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of 1 PC on the six requirements.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of 3 PCs on the six requirements.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• More than 3 PCs or 1 DNC.</li> </ul>
<p><b>Standard 10.3</b></p>	<p><b>Technological Resources</b></p> <ol style="list-style-type: none"> <li>1. The chief audit executive must strive to ensure that the internal audit function has technology to support the internal audit process.</li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of 1 PC, not concerning requirements 1 or 2.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• Requirement 1 or 2 is a PC, and the rest are GC, or</li> <li>• Requirements 1 and 2 are GC, and there are a maximum of 2 PCs or 1 DNC on the other requirements.</li> </ul> <p><b>DNC if:</b></p>



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	<p>2. The chief audit executive must regularly evaluate the technology used by the internal audit function and pursue opportunities to improve effectiveness and efficiency</p> <p>3. When implementing new technology, the chief audit executive must implement appropriate training for internal auditors in the effective use of technological resources.</p> <p>4. The chief audit executive must collaborate with the organization's information technology and information security functions to implement technological resources properly.</p> <p>5. The chief audit executive must communicate the impact of technology limitations on the effectiveness or efficiency of the internal audit function to the board and senior management.</p>	<ul style="list-style-type: none"> <li>• Both requirements 1 and 2 are PCs, or</li> <li>• Requirement 1 or 2 is a DNC, or</li> <li>• 3 or more PCs on the requirements, or</li> <li>• More than 1 DNC on requirements 3, 4, or 5.</li> </ul>
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<b>Principle 11</b>	Communicate Effectively	<p><b>Roll-up norm for Principle 11: Communicate Effectively:</b></p> <p>11.1 Building relationships and Communicating with Stakeholders  11.2 Effective communication  11.3 Communicating Results  11.4 Errors and Omissions  11.5 Communicating the Acceptance of Risks</p> <p><b>GA if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of one PC on one of the Standards 11.4 and 11.5.</li> </ul> <p><b>PA if:</b></p> <ul style="list-style-type: none"> <li>• A PC on the critical Standards 11.1, 11.2, or 11.3, or</li> <li>• A DNC on one of the Standards 11.4 and 11.5, or</li> <li>• A maximum of two PCs on Standards 11.4 and 11.5.</li> </ul> <p><b>DNA if:</b></p> <ul style="list-style-type: none"> <li>• A DNC on the critical Standards 11.1, 11.2, or 11.3, or</li> <li>• More than one DNC on Standards 11.4 and 11.5, or</li> <li>• 3 PCs on the Standards.</li> </ul>
<b>Standard 11.1</b>	<p><b>Building Relationships and Communicating with Stakeholders</b></p> <ol style="list-style-type: none"> <li>1. The chief audit executive must develop an approach for the internal audit function to build relationships and trust with key stakeholders, including the board, senior management, operational management, regulators, and internal and external assurance providers and other consultants.</li> <li>2. The chief audit executive must promote formal and informal communication between the internal audit function and stakeholders, contributing to the mutual understanding of: <ul style="list-style-type: none"> <li>• Organizational interests and concerns.</li> <li>• Approaches for identifying and managing risks and providing assurance.</li> <li>• Roles and responsibilities of relevant parties and opportunities for collaboration.</li> <li>• Relevant regulatory requirements</li> </ul> </li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• No PCs; only GCs on the requirements.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• A PC on 1 or 2 requirements.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• A DNC on 1 or 2 requirements.</li> </ul>

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	<ul style="list-style-type: none"> <li>Significant organizational processes, including financial reporting</li> </ul>	
<b>Standard 11.2</b>	<p><b>Effective Communication</b></p> <p>1. The chief audit executive must establish and implement methodologies to promote accurate, objective, clear, concise, constructive, complete, and timely internal audit communications.</p>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>A methodology has been established to ensure accurate, objective, clear, concise, constructive, complete, and timely internal audit communication.</li> <li>In general, internal audit communication is accurate, objective, clear, concise, constructive, complete, and timely.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>The methodology is insufficient to consistently ensure accurate, objective, clear, concise, constructive, complete, and timely communication.</li> <li>An adequate methodology has been established, but it is not effectively implemented or periodically evaluated, leading to incidents where communication is not accurate, objective, clear, concise, constructive, complete, or timely.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>No methodology has been established to promote accurate, objective, clear, concise, constructive, complete, and timely internal audit communication, and/or the methodology is not followed.</li> <li>Internal audit communication is not accurate, objective, clear, concise, constructive, complete, or timely.</li> </ul>
<b>Standard 11.3</b>	<p><b>Communicating Results</b></p> <p>1. The chief audit executive must communicate the results of internal audit services to the board and senior management periodically and for each engagement as appropriate.</p> <p>2. The chief audit executive must understand the expectations of the board and senior management regarding the nature and timing of communications</p> <p>3. <u>Engagement Conclusions</u> The chief audit executive must review and approve final engagement communications, which include engagement conclusions, and decide to whom and how they will be</p>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>A maximum of 1 PC.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>A maximum of 3 PCs.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>More than 3 PCs, or</li> <li>1 or more DNCs.</li> </ul>

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	<p>disseminated before they are issued. If these duties are delegated to other internal auditors, the chief audit executive retains overall responsibility</p> <p>4. <u>Engagement Conclusions</u> The chief audit executive must seek the advice of legal counsel and/or senior management as required before releasing final communications to parties outside the organization, unless otherwise required or restricted by laws and/or regulations. (See also Standards 11.4 Errors and Omissions, 11.5 Communicating the Acceptance of Risks, and 15.1 Final Engagement Communication.)</p> <p>5. <u>Themes</u> The findings and conclusions of multiple engagements, when viewed holistically, may reveal patterns or trends, such as root causes. When the chief audit executive identifies themes related to the organization's governance, risk management, and control processes, the themes must be communicated timely, along with insights, advice, and/or conclusions, to the board and senior management.</p> <p>6. <u>Conclusions at the Level of the Business Unit or Organization</u> The chief audit executive may be required to make a conclusion at the level of the business unit or organization about the effectiveness of governance, risk management, and/or control processes, due to industry requirements, laws and/or regulations, or the expectations of the board, senior management, and/or other stakeholders. Such a conclusion reflects the professional judgment of the chief audit executive based on multiple engagements and must be supported by relevant, reliable, and sufficient information.</p> <p>7. <u>Conclusions at the Level of the Business Unit or Organization</u> When communicating such a conclusion to the board or senior management, the chief audit executive must include:</p> <ul style="list-style-type: none"> <li>• A summary of the request.</li> <li>• The criteria used as a basis for the conclusion, for example a governance framework or risk and control framework.</li> </ul>	
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	<ul style="list-style-type: none"> <li>• The scope, including limitations and the period to which the conclusion pertains</li> <li>• A summary of the information that supports the conclusion.</li> <li>• A disclosure of reliance on the work of other assurance providers, if any.</li> </ul>	
<b>Standard 11.4</b>	<p><b>Errors and Omissions</b></p> <ol style="list-style-type: none"> <li>1. If a final engagement communication contains a significant error or omission, the chief audit executive must communicate corrected information promptly to all parties who received the original communication.</li> <li>2. Significance is determined according to criteria agreed upon with the board.</li> </ol>	<p><i><b>Explanation:</b> This Standard will only apply in exceptional cases when there is definitive communication regarding an engagement that contains a significant error or omission.</i></p> <p><i><b>Explanation for no errors:</b> N/A – unless there is also no procedure in place – in that case, a DNC.</i></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• There is a significant error(s) or omission(s) in definitive communication, and the CAE immediately provided the corrected information to all parties who received the original communication.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• There is a significant error(s) or omission(s) in definitive communication, and the CAE did not provide the corrected information to all parties who received the original communication in a sufficiently timely manner.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• There is a significant error(s) or omission(s) in definitive communication, and the CAE failed to take the necessary actions.</li> <li>• If there is no error: a procedure is missing.</li> </ul>

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<b>Standard 11.5</b>	<b>Communicating the Acceptance of Risks</b> <ol style="list-style-type: none"> <li>1. The chief audit executive must communicate unacceptable levels of risk.</li> <li>2. When the chief audit executive concludes that management has accepted a level of risk that exceeds the organization's risk appetite or risk tolerance, the matter must be discussed with senior management.</li> <li>3. If the chief audit executive determines that the matter has not been resolved by senior management, the matter must be escalated to the board. It is not the responsibility of the chief audit executive to resolve the risk.</li> </ol>	<p><b>Note:</b> <i>This Standard will only apply in exceptional cases where there are truly unacceptable risks for the organization.</i>  <i>If there are no unacceptable risks: N/A – unless there is also no procedure in place – in that case, a DNC.</i></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• In cases where risks exceeding the organization's risk appetite or tolerance are accepted, the matter has been discussed with and/or escalated to the Executive Board (RvB), Audit Committee (AC), or Supervisory Board (RvC) in a timely manner and in accordance with established procedures.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• The CAE did not document the discussion with the Executive Board (RvB) but does report to the RvB/AC/RvC about accepted risks exceeding the risk tolerance.</li> <li>• The CAE did not communicate with and/or escalate to the RvB/AC/RvC in a timely manner that the risk tolerance threshold had been exceeded.</li> <li>• Management and/or the RvB shifts the deadline for resolving significant audit issues, and the CAE does not explicitly report this to the AC/RvC.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• The CAE did not communicate that the risk tolerance threshold had been exceeded.</li> <li>• If there are no unacceptable risks: a procedure is missing.</li> </ul>

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<b>Principle 12</b>	<b>Enhance Quality</b>	<p>Roll-up norm for Principle 12 - Promote Quality:</p> <p><b>12.1 Internal Quality Assessment</b></p> <p><b>12.2 Performance Measurement</b></p> <p>12.3 Oversee and Improve Engagement Performance</p> <p><b>GA if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of one PC on Standard 12.3.</li> </ul> <p><b>PA if:</b></p> <ul style="list-style-type: none"> <li>• A PC on (the critical Standards) 12.1 or 12.2.</li> <li>• A DNC on Standard 12.3.</li> </ul> <p><b>DNA if:</b></p> <ul style="list-style-type: none"> <li>• A DNC on (the critical Standards) 12.1 or 12.2.</li> <li>• More than one DNC on Standards 12.1, 12.2, and 12.3.</li> <li>• Three PCs on Standards 12.1, 12.2, and 12.3.</li> </ul>
<b>Standard 12.1</b>	<p><b>Internal Quality Assessment</b></p> <ol style="list-style-type: none"> <li>1. The chief audit executive must develop and conduct internal assessments of the internal audit function's conformance with the Global Internal Audit Standards and progress toward performance objectives.</li> <li>2. The chief audit executive must establish a methodology for internal assessments, as described in Standard 8.3 Quality, that includes: <ul style="list-style-type: none"> <li>○ Ongoing monitoring of the internal audit function's conformance with the Standards and progress toward performance objectives.</li> <li>○ Periodic self-assessments or assessments by other persons within the organization with sufficient knowledge of internal audit practices to evaluate conformance with the Standards</li> <li>○ Communication with the board and senior management about the results of internal assessments.</li> </ul> </li> <li>3. Based on the results of periodic self-assessments, the chief audit executive must develop action plans to address instances of nonconformance with the Standards and opportunities for improvement, including a proposed timeline for actions</li> <li>4. The chief audit executive must communicate the results of periodic self-assessments and action plans to the board and senior management. (See also Standards 8.1 Board Interaction, 8.3 Quality, and 9.3 Methodologies.)</li> </ol>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• There is at most one PC among the underlying requirements, not concerning the critical requirement 1.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of 2 PCs, excluding requirement 1, or</li> <li>• A PC on the critical requirement 1.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• More than 2 PCs, or</li> <li>• 1 or more DNCs.</li> </ul>

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	<p>5. Internal assessments must be documented and included in the evaluation conducted by an independent third party as part of the organization's external quality assessment. (See also Standard 8.4 External Quality Assessment.)</p> <p>6. If nonconformance with the Standards affects the overall scope or operation of the internal audit function, the chief audit executive must disclose to the board and senior management the nonconformance and its impact.</p>	
<b>Standard 12.2</b>	<p><b>Performance Measurement</b></p> <p>1. The chief audit executive must develop objectives to evaluate the internal audit function's performance.</p> <p>2. The chief audit executive must consider the input and expectations of the board and senior management when developing the performance objectives.</p> <p>3. The chief audit executive must develop a performance measurement methodology to assess progress toward achieving the function's objectives and to promote the continuous improvement of the internal audit function.</p> <p>4. When assessing the internal audit function's performance, the chief audit executive must solicit feedback from the board and senior management as appropriate</p> <p>5. The chief audit executive must develop an action plan to address issues and opportunities for improvement</p>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>There is at most one PC among the underlying requirements, not concerning the critical requirement 1.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>A maximum of 2 PCs, excluding requirement 1, or</li> <li>A PC on the critical requirement 1.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>More than 2 PCs, or</li> <li>1 or more DNCs.</li> </ul>
<b>Standard 12.3</b>	<p><b>Oversee and Improve Engagement Performance</b></p> <p>1. The chief audit executive must establish and implement methodologies for engagement supervision, quality assurance, and the development of competencies.</p> <p>2. The chief audit executive or an engagement supervisor must provide internal auditors with guidance throughout the engagement, verify work programs are complete, and confirm engagement workpapers adequately support findings, conclusions, and recommendations</p> <p>3. To assure quality, the chief audit executive must verify whether engagements are performed in conformance with the Standards and the internal audit function's methodologies</p> <p>4. To develop competencies, the chief audit executive must provide internal auditors with feedback about their performance and opportunities for improvement</p>	<p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>There is at most one PC among the underlying requirements, not concerning the critical requirement 1.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>A maximum of 2 PCs, excluding requirement 1, or</li> <li>A PC on the critical requirement 1.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>More than 2 PCs, or</li> <li>1 or more DNCs.</li> </ul>



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	<p>5. <i>The extent of supervision required depends on the maturity of the internal audit function, the proficiency and experience of internal auditors, and the complexity of engagements</i></p> <p>The chief audit executive is responsible for supervising engagements, whether the engagement work is performed by the internal audit staff or by other service providers. <i>Supervisory responsibilities may be delegated to appropriate and qualified individuals, but the chief audit executive retains ultimate responsibility.</i></p> <p>6. The chief audit executive must ensure that evidence of supervision is documented and retained, according to the internal audit function's established methodologies.</p>	
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<b>DOMAIN V</b>	<b>Performing Internal Audit Services</b>	<p><i>For the evaluation of the Standards and their included requirements within Domain V (Principles 13 to 15), a (representative selection of) file reviews is used. First, at the file level, it is determined whether the specified requirements are met. Subsequently, an overall judgment per requirement is determined across all files. The scoring is based on a selection of 4 files. If substantially more files are required to achieve a representative selection, the scoring methodology must be adjusted accordingly.</i></p> <p><i>Next, the scores for the requirements are aggregated to a score at the Standard level, and the scores for the Standards are aggregated to a score at the Principle level, similar to the approach used in other domains. This process is described below for each Standard.</i></p> <p><i>If a DNC is identified in one of the files (potentially supplemented with a sample of additional files focused solely on the relevant Standard(s)), an investigation is conducted to determine whether the issue is incidental or structural. This root cause analysis will result in an overall judgment on the requirement across all files.</i></p>
<b>Principle 13</b>	<b>Plan Engagements Effectively</b>	<p>Roll-up norm for Principle 13: ‘Plan Engagements Effectively’ from the 6 underlying Standards.</p> <p><b>GA if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of one PC on the underlying Standards.</li> </ul> <p><b>PA if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of two PCs on the underlying Standards.</li> </ul> <p><b>DNA if:</b></p> <ul style="list-style-type: none"> <li>• One or more of the underlying Standards has a DNC.</li> </ul>
<b>Standard 13.1</b>	<b>Engagement Communication</b> <ol style="list-style-type: none"> <li>1. Internal auditors must communicate effectively throughout the engagement. (See also Principle 11 Communicate Effectively and its related standards and Standard 15.1 Final Engagement Communication.)</li> <li>2. Internal auditors must communicate the objectives, scope, and timing of the engagement with management.</li> </ol>	<p><b><u>Step 1: Roll-up from files to score per requirement:</u></b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• At the level of the requirements in the Standard, a maximum of 1 file scores a DNC or PC.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• The issue is incidental.</li> </ul>

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	<p>3. Subsequent changes must be communicated with management timely. (See also Standard 13.3 Engagement Objectives and Scope.)</p> <p>4. At the end of an engagement, if internal auditors and management do not agree on the engagement results, internal auditors must discuss and try to reach a mutual understanding of the issue with the management of the activity under review.</p> <p>5. If a mutual understanding cannot be reached, internal auditors must not be obligated to change any portion of the engagement results unless there is a valid reason to do so.</p> <p>6. Internal auditors must follow an established methodology to allow both parties to express their positions regarding the content of the final engagement communication and the reasons for any differences of opinion regarding the engagement results. (See also Standards 9.3 Methodologies and 14.4 Recommendations and Action Plans.)</p>	<ul style="list-style-type: none"> <li>A maximum of 2 files scores a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the specific deviating requirements shows that the additional files do not exhibit the issue.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>The issue is structural.</li> <li>More than 2 files score a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the deviating requirements shows that it is not an incidental issue.</li> </ul> <p><b><u>Step 2: Roll-up from scores per requirement to score for the Standard:</u></b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>There is at most one PC on the underlying requirements, not concerning the critical requirement 2.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>There is a PC on the critical requirement 2, or</li> <li>A maximum of 2 PCs are identified on the non-critical requirements, or</li> <li>A maximum of 1 DNC is identified on the non-critical requirements.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>A DNC is identified on more than one of the non-critical requirements, or</li> <li>A DNC is identified on the critical requirement 2, or</li> <li>3 or more PCs are identified on the requirements.</li> </ul>
<b>Standard 13.2</b>	<p><b>Engagement Risk Assessment</b></p> <p>1. Internal auditors must develop an understanding of the activity under review to assess the relevant risks. For advisory services, a formal, documented risk assessment may not be necessary, depending on the agreement with relevant stakeholders.</p> <p>2. To develop an adequate understanding, internal auditors must identify and gather reliable, relevant, and sufficient information regarding:</p> <ul style="list-style-type: none"> <li>The organization's strategies, objectives, and risks relevant to the activity under review.</li> <li>The organization's risk tolerance, if established.</li> <li>The risk assessment supporting the internal audit plan.</li> <li>The governance, risk management, and control processes of the activity under review.</li> </ul>	<p><b><u>Step 1: Roll-up from files to score per requirement:</u></b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>At the level of the requirements in the Standard, a maximum of 1 file scores a DNC or PC.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>The issue is incidental.</li> <li>A maximum of 2 files scores a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the specific deviating requirements shows that the additional files do not exhibit the issue.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>The issue is structural.</li> </ul>

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	<ul style="list-style-type: none"> <li>Applicable frameworks, guidance, and other criteria that can be used to evaluate the effectiveness of those processes</li> </ul> <p>3. Internal auditors must review the gathered information to understand how processes are intended to operate.</p> <p>4. Internal auditors must identify the risks to review by:</p> <ul style="list-style-type: none"> <li>Identifying the potentially significant risks to the objectives of the activity under review.</li> <li>Considering specific risks related to fraud.</li> <li>Evaluating the significance of the risks and prioritizing them for review.</li> </ul> <p>5. Internal auditors must identify the criteria that management uses to measure whether the activity is achieving its objectives. <i>When internal auditors have identified the relevant risks for an activity under review in past engagements, only a review and update of the previous engagement risk assessment is required.</i></p>	<ul style="list-style-type: none"> <li>More than 2 files score a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the deviating requirements shows that it is not an incidental issue.</li> </ul> <p><b><u>Step 2: Roll-up from scores per requirement to score for the Standard:</u></b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>There is at most one PC on the underlying requirements, not concerning the critical requirement 2.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>There is a PC on the critical requirement 2, or</li> <li>A maximum of 2 PCs are identified on the non-critical requirements, or</li> <li>A maximum of 1 DNC is identified on the non-critical requirements.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>A DNC is identified on more than one of the non-critical requirements, or</li> <li>A DNC is identified on the critical requirement 2, or</li> <li>3 or more PCs are identified on the requirements.</li> </ul>
Standard 13.3	<p><b>Engagement Objectives and Scope</b></p> <p>1. Internal auditors must establish and document the objectives and scope for each engagement.</p> <p>2. The engagement objectives must articulate the purpose of the engagement and describe the specific goals to be achieved, including those mandated by laws and/or regulations.</p> <p>3. The scope must establish the engagement's focus and boundaries by specifying the activities, locations, processes, systems, components, time period to be covered in the engagement, and other elements to be reviewed, and be sufficient to achieve the engagement objectives.</p> <p>4. Internal auditors must consider whether the engagement is intended to provide assurance or advisory services because stakeholder expectations and the requirements of the Standards differ depending on the type of engagement.</p> <p>5. Scope limitations must be discussed with management when identified, with a goal of achieving resolution <i>Scope limitations are assurance engagement conditions, such as resource constraints or restrictions on access to personnel, facilities, data, and</i></p>	<p><b><u>Step 1: Roll-up from files to score per requirement:</u></b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>At the level of the requirements in the Standard, a maximum of 1 file scores a DNC or PC.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>The issue is incidental.</li> <li>A maximum of 2 files scores a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the specific deviating requirements shows that the additional files do not exhibit the issue.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>The issue is structural.</li> <li>More than 2 files score a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the deviating requirements shows that it is not an incidental issue.</li> </ul> <p><b><u>Step 2: Roll-up from scores per requirement to score for the Standard:</u></b></p> <p><b>GC if:</b></p>

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	<p>information, that prevent internal auditors from performing the work as expected in the audit work program. (See also Standard 13.5 Engagement Resources.)</p> <p>6. If a resolution cannot be achieved with management, the chief audit executive must elevate the scope limitation issue to the board according to an established methodology.</p> <p>7. Internal auditors must have the flexibility to make changes to the engagement objectives and scope when audit work identifies the need to do so as the engagement progresses.</p> <p>8. The chief audit executive must approve the engagement objectives and scope and any changes that occur during the engagement.</p>	<ul style="list-style-type: none"> <li>There is at most one PC on the underlying requirements, not concerning the critical requirement 2 or 3.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>There is a PC on the critical requirement 2 or 3, or</li> <li>A maximum of 2 PCs are identified on the non-critical requirements, or</li> <li>A maximum of 1 DNC is identified on the non-critical requirements.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>A DNC is identified on more than one of the non-critical requirements, or</li> <li>A DNC is identified on the critical requirement 2 or 3, or</li> <li>3 or more PCs are identified on the requirements.</li> </ul>
Standard 13.4	<p><b>Evaluation Criteria</b></p> <p>1. Internal auditors must identify the most relevant criteria to be used to evaluate the aspects of the activity under review defined in the engagement objectives and scope. <i>For advisory services, the identification of evaluation criteria may not be necessary, depending on the agreement with relevant stakeholders</i></p> <p>2. Internal auditors must assess the extent to which the board and senior management have established adequate criteria to determine whether the activity under review has accomplished its objectives and goals.</p> <p>3. If such criteria are adequate, internal auditors must use them for the evaluation</p> <p>4. If the criteria are inadequate, internal auditors must identify appropriate criteria through discussion with the board and/or senior management.</p>	<p><b><u>Step 1: Roll-up from files to score per requirement:</u></b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>At the level of the requirements in the Standard, a maximum of 1 file scores a DNC or PC.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>The issue is incidental.</li> <li>A maximum of 2 files scores a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the specific deviating requirements shows that the additional files do not exhibit the issue.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>The issue is structural.</li> <li>More than 2 files score a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the deviating requirements shows that it is not an incidental issue.</li> </ul> <p><b><u>Step 2: Roll-up from scores per requirement to score for the Standard:</u></b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>There is at most one PC on the underlying requirements, not concerning the critical requirement 1.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>There is a PC on the critical requirement 1, or</li> <li>A maximum of 2 PCs are identified on the non-critical requirements, or</li> <li>A maximum of 1 DNC is identified on the non-critical requirements.</li> </ul>

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		<p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• A DNC is identified on more than one of the non-critical requirements, or</li> <li>• A DNC is identified on the critical requirement 1, or</li> <li>• 3 or more PCs are identified on the requirements.</li> </ul>
Standard 13.5	<p><b>Engagement Resources</b></p> <ol style="list-style-type: none"> <li>1. When planning an engagement, internal auditors must identify the types and quantity of resources necessary to achieve the engagement objectives.</li> <li>2. Internal auditors must consider: <ul style="list-style-type: none"> <li>• The nature and complexity of the engagement</li> <li>• The time frame within which the engagement is to be completed</li> <li>• Whether the available financial, human, and technological resources are appropriate and sufficient to achieve the engagement objectives.</li> </ul> </li> <li>3. If the available resources are inappropriate or insufficient, internal auditors must discuss the concerns with the chief audit executive to obtain the resources.</li> </ol>	<p><b>Step 1: Roll-up from files to score per requirement:</b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• At the level of the requirements in the Standard, a maximum of 1 file scores a DNC or PC.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• The issue is incidental.</li> <li>• A maximum of 2 files scores a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the specific deviating requirements shows that the additional files do not exhibit the issue.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• The issue is structural.</li> <li>• More than 2 files score a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the deviating requirements shows that it is not an incidental issue.</li> </ul> <p><b>Step 2: Roll-up from scores per requirement to score for the Standard:</b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• There is at most one PC on the underlying requirements, not concerning the critical requirement 1.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• There is a PC on the critical requirement 1, or</li> <li>• A maximum of 2 PCs are identified on the non-critical requirements, or</li> <li>• A maximum of 1 DNC is identified on the non-critical requirements.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• A DNC is identified on more than one of the non-critical requirements, or</li> <li>• A DNC is identified on the critical requirement 1, or</li> <li>• 3 or more PCs are identified on the requirements.</li> </ul>

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<p><b>Standard 13.6</b></p>	<p><b>Work Program</b></p> <ol style="list-style-type: none"> <li>1. Internal auditors must develop and document an engagement work program to achieve the engagement objectives.</li> <li>2. The engagement work program must be based on the information obtained during engagement planning, including, when applicable, the results of the engagement risk assessment.</li> <li>3. The engagement work program must identify: <ul style="list-style-type: none"> <li>• Criteria to be used to evaluate each objective.</li> <li>• Tasks to achieve the engagement objectives.</li> <li>• Methodologies, including the analytical procedures to be used, and tools to perform the tasks.</li> <li>• Internal auditors assigned to perform each task.</li> </ul> </li> <li>4. The chief audit executive must review and approve the engagement work program before it is implemented and promptly when any subsequent changes are made.</li> </ol>	<p><b><u>Step 1: Roll-up from files to score per requirement:</u></b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• At the level of the requirements in the Standard, a maximum of 1 file scores a DNC or PC.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• The issue is incidental.</li> <li>• A maximum of 2 files scores a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the specific deviating requirements shows that the additional files do not exhibit the issue.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• The issue is structural.</li> <li>• More than 2 files score a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the deviating requirements shows that it is not an incidental issue.</li> </ul> <p><b><u>Step 2: Roll-up from scores per requirement to score for the Standard:</u></b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• There is at most one PC on the underlying requirements, not concerning the critical requirement 1 or 2.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• There is a PC on the critical requirement 1 or 2, or</li> <li>• A maximum of 2 PCs are identified on the non-critical requirements, or</li> <li>• A maximum of 1 DNC is identified on the non-critical requirements.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• A DNC is identified on more than one of the non-critical requirements, or</li> <li>• A DNC is identified on the critical requirement 1 or 2, or</li> <li>• 3 or more PCs are identified on the requirements.</li> </ul>
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<b>Principle 14</b>	<b>Conduct Engagement Work</b>	<p>Roll-up norm for Principle 14: 'Perform Engagement Work' from the 6 underlying Standards.</p> <p><b>GA if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of one PC on the underlying Standards.</li> </ul> <p><b>PA if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of two PCs on the underlying Standards.</li> </ul> <p><b>DNA if:</b></p> <ul style="list-style-type: none"> <li>• One or more of the underlying Standards has a DNC.</li> </ul>
<b>Standard 14.1</b>	<p><b>Gathering Information for Analyses and Evaluation</b></p> <ol style="list-style-type: none"> <li>1. To perform analyses and evaluations, internal auditors must gather information that is: <ul style="list-style-type: none"> <li>• Relevant – consistent with engagement objectives, within the scope of the engagement, and contributes to the development of engagement results.</li> <li>• Reliable – factual and current. Internal auditors use professional skepticism to evaluate whether information is reliable. Reliability is strengthened when the information is: <ul style="list-style-type: none"> <li>– Obtained directly by an internal auditor or from an independent source.</li> <li>– Corroborated</li> <li>– Gathered from a system with effective governance, risk management, and control processes.</li> </ul> </li> <li>• Sufficient – when it enables internal auditors to perform analyses and complete evaluations and can enable a prudent, informed, and competent person to repeat the engagement work program and reach the same conclusions as the internal auditor.</li> </ul> </li> <li>2. Internal auditors must evaluate whether the information is relevant and reliable and whether it is sufficient such that analyses provide a reasonable basis upon which to formulate potential engagement findings and conclusions. (See also Standard 14.2 Analyses and Potential Engagement Findings.)</li> </ol>	<p><b><u>Step 1: Roll-up from files to score per requirement:</u></b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• At the level of the requirements in the Standard, a maximum of 1 file scores a DNC or PC.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• The issue is incidental.</li> <li>• A maximum of 2 files scores a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the specific deviating requirements shows that the additional files do not exhibit the issue.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• The issue is structural.</li> <li>• More than 2 files score a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the deviating requirements shows that it is not an incidental issue.</li> </ul> <p><b><u>Step 2: Roll-up from scores per requirement to score for the Standard:</u></b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• There is at most one PC on the underlying requirements, not concerning the critical requirement 2, 3 or 4.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• There is a PC on the critical requirement 2, 3 or 4, or</li> <li>• A maximum of 2 PCs are identified on the non-critical requirements, or</li> <li>• A maximum of 1 DNC is identified on the non-critical requirements.</li> </ul>



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	<p>3. Internal auditors must determine whether to gather additional information for analyses and evaluation when evidence is not relevant, reliable, or sufficient to support engagement findings.</p> <p>4. If relevant evidence cannot be obtained, internal auditors must determine whether to identify that as a finding</p>	<p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• A DNC is identified on more than one of the non-critical requirements, or</li> <li>• A DNC is identified on the critical requirement 2, 3 or 4, or</li> <li>• 3 or more PCs are identified on the requirements.</li> </ul>
Standard 14.2	<p><b>Analyses and Potential Engagement Findings</b></p> <ol style="list-style-type: none"> <li>1. Internal auditors must analyze relevant, reliable, and sufficient information to develop potential engagement findings. <i>For advisory services, gathering evidence to develop findings may not be necessary, depending on the agreement with relevant stakeholders</i></li> <li>2. Internal auditors must analyze information to determine whether there is a difference between the evaluation criteria and the existing state of the activity under review, known as the “condition.” (See also Standard 13.4 Evaluation Criteria.)</li> <li>3. Internal auditors must determine the condition by using information and evidence gathered during the engagement.</li> <li>4. A difference between the criteria and the condition indicates a potential engagement finding that must be noted and further evaluated.</li> <li>5. If initial analyses do not provide sufficient evidence to support a potential engagement finding, internal auditors must exercise due professional care to determine whether additional analyses are required.</li> <li>6. If additional analyses are required, the work program must be adjusted accordingly and approved by the chief audit executive</li> <li>7. If internal auditors determine that no additional analyses are required and there is no difference between the criteria and the condition, the internal auditors must provide assurance in the engagement conclusion regarding the effectiveness of the activity’s governance, risk management, and control processes</li> </ol>	<p><b>Note for Advisory Services:</b> Depending on the scope of advisory services, the requirements mentioned in this Standard may not apply. It may not be necessary to analyze information to support findings.</p> <p><b>Step 1: Roll-up from files to score per requirement:</b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• At the level of the requirements in the Standard, a maximum of 1 file scores a DNC or PC.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• The issue is incidental.</li> <li>• A maximum of 2 files scores a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the specific deviating requirements shows that the additional files do not exhibit the issue.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• The issue is structural.</li> <li>• More than 2 files score a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the deviating requirements shows that it is not an incidental issue.</li> </ul> <p><b>Step 2: Roll-up from scores per requirement to score for the Standard:</b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• There is at most one PC on the underlying requirements, not concerning the critical requirement 2, 4 or 5.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• There is a PC on the critical requirement 2, 4 or 5, or</li> <li>• A maximum of 2 PCs are identified on the non-critical requirements, or</li> <li>• A maximum of 1 DNC is identified on the non-critical requirements.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• A DNC is identified on more than one of the non-critical requirements, or</li> </ul>

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		<ul style="list-style-type: none"> <li>A DNC is identified on the critical requirement 2, 4 or 5, or</li> <li>3 or more PCs are identified on the requirements.</li> </ul>
Standard 14.3	<p><b>Evaluation of Findings</b></p> <ol style="list-style-type: none"> <li>Internal auditors must evaluate each potential engagement finding to determine its significance</li> <li>When evaluating potential engagement findings, internal auditors must collaborate with management to identify the root causes when possible, determine the potential effects, and evaluate the significance of the issue.</li> <li>To determine the significance of the risk, internal auditors must consider the likelihood of the risk occurring and the impact the risk may have on the organization's governance, risk management, or control processes.</li> <li>If internal auditors determine that the organization is exposed to a significant risk, it must be documented and communicated as a finding.</li> <li>Internal auditors must determine whether to report other risks as findings, based on the circumstances and established methodologies.</li> <li>Internal auditors must prioritize each engagement finding based on its significance, using methodologies established by the chief audit executive.</li> </ol>	<p><b>Note for Advisory Services:</b> Depending on the scope of advisory services, the requirements mentioned in this Standard may not apply. It may not be necessary to analyze information to support findings.</p> <p><b>Step 1: Roll-up from files to score per requirement:</b>  <b>GC if:</b> <ul style="list-style-type: none"> <li>At the level of the requirements in the Standard, a maximum of 1 file scores a DNC or PC.</li> </ul> <b>PC if:</b> <ul style="list-style-type: none"> <li>The issue is incidental.</li> <li>A maximum of 2 files scores a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the specific deviating requirements shows that the additional files do not exhibit the issue.</li> </ul> <b>DNC if:</b> <ul style="list-style-type: none"> <li>The issue is structural.</li> <li>More than 2 files score a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the deviating requirements shows that it is not an incidental issue.</li> </ul> </p> <p><b>Step 2: Roll-up from scores per requirement to score for the Standard:</b>  <b>GC if:</b> <ul style="list-style-type: none"> <li>There is at most one PC on the underlying requirements, not concerning the critical requirement 1,4 or 6.</li> </ul> <b>PC if:</b> <ul style="list-style-type: none"> <li>There is a PC on the critical requirement 1,4 or 6, or</li> <li>A maximum of 2 PCs are identified on the non-critical requirements, or</li> <li>A maximum of 1 DNC is identified on the non-critical requirements.</li> </ul> <b>DNC if:</b> <ul style="list-style-type: none"> <li>A DNC is identified on more than one of the non-critical requirements, or</li> <li>A DNC is identified on the critical requirement 1,4 or 6, or</li> <li>3 or more PCs are identified on the requirements.</li> </ul> </p>

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<p><b>Standard 14.4</b></p>	<p><b>Recommendations and Action Plans</b></p> <ol style="list-style-type: none"> <li>Internal auditors must determine whether to develop recommendations, request action plans from management, or collaborate with management to agree on actions to: <ul style="list-style-type: none"> <li>Resolve the differences between the established criteria and the existing condition.</li> <li>Mitigate identified risks to an acceptable level.</li> <li>Address the root cause of the finding</li> <li>Enhance or improve the activity under review.</li> </ul> </li> <li>When developing recommendations, internal auditors must discuss the recommendations with the management of the activity under review.</li> <li>If internal auditors and management disagree about the engagement recommendations and/ or action plans, internal auditors must follow an established methodology to allow both parties to express their positions and rationale and to determine a resolution. (See also Standard 9.3 Methodologies.)</li> </ol>	<p><b><u>Step 1: Roll-up from files to score per requirement:</u></b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>At the level of the requirements in the Standard, a maximum of 1 file scores a DNC or PC.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>The issue is incidental.</li> <li>A maximum of 2 files scores a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the specific deviating requirements shows that the additional files do not exhibit the issue.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>The issue is structural.</li> <li>More than 2 files score a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the deviating requirements shows that it is not an incidental issue.</li> </ul> <p><b><u>Step 2: Roll-up from scores per requirement to score for the Standard:</u></b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>There is at most one PC on the underlying requirements, not concerning the critical requirement 2or 3.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>There is a PC on the critical requirement 2or 3, or</li> <li>A maximum of 2 PCs are identified on the non-critical requirements, or</li> <li>A maximum of 1 DNC is identified on the non-critical requirements.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>A DNC is identified on more than one of the non-critical requirements, or</li> <li>A DNC is identified on the critical requirement 2 or 3, or</li> <li>3 or more PCs are identified on the requirements.</li> </ul>
<p><b>Standard 14.5</b></p>	<p><b>Engagement Conclusions</b></p> <ol style="list-style-type: none"> <li>Internal auditors must develop an engagement conclusion that summarizes the engagement results relative to the engagement objectives and management's objectives.</li> </ol>	<p><b><u>Step 1: Roll-up from files to score per requirement:</u></b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>At the level of the requirements in the Standard, a maximum of 1 file scores a DNC or PC.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>The issue is incidental.</li> </ul>

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	<p>2. The engagement conclusion must summarize the internal auditors' professional judgment about the overall significance of the aggregated engagement findings</p> <p>3. Assurance engagement conclusions must include the internal auditors' judgment regarding the effectiveness of the governance, risk management, and/or control processes of the activity under review, including an acknowledgment of when processes are effective.</p>	<ul style="list-style-type: none"> <li>A maximum of 2 files scores a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the specific deviating requirements shows that the additional files do not exhibit the issue.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>The issue is structural.</li> <li>More than 2 files score a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the deviating requirements shows that it is not an incidental issue.</li> </ul> <p><b><u>Step 2: Roll-up from scores per requirement to score for the Standard:</u></b></p> <p>GC if:</p> <ul style="list-style-type: none"> <li>There is no PC or DNC.</li> </ul> <p>PC if:</p> <ul style="list-style-type: none"> <li>There is 1 PC on the critical requirements 1, 2 or 3.</li> </ul> <p>DNC if:</p> <ul style="list-style-type: none"> <li>There is a DNC on the critical requirements 1, 2 or 3, or</li> <li>There are 2 or more PCs on the critical requirements.</li> </ul>
Standard 14.6	<p><b>Engagement Documentation</b></p> <ol style="list-style-type: none"> <li>Internal auditors must document information and evidence to support the engagement results.</li> <li>The analyses, evaluations, and supporting information relevant to an engagement must be documented such that an informed, prudent internal auditor, or similarly informed and competent person, could repeat the work and derive the same engagement results</li> <li>Internal auditors and the engagement supervisor must review the engagement documentation for accuracy, relevance, and completeness.</li> <li>The chief audit executive must review and approve the engagement documentation</li> <li>Internal auditors must retain engagement documentation according to relevant laws and/or regulations as well as policies and procedures of the internal audit function and the organization.</li> </ol>	<p><b><i>Note: The guiding principle for maintaining the file is "If it's not documented, it's not done."</i></b></p> <p><b><i>The file must comply with policies and laws/regulations on the one hand, and be complete on the other.</i></b></p> <p><b><u>Step 1: Roll-up from files to score per requirement:</u></b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>At the level of the requirements in the Standard, a maximum of 1 file scores a DNC or PC.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>The issue is incidental.</li> <li>A maximum of 2 files scores a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the specific deviating requirements shows that the additional files do not exhibit the issue.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>The issue is structural.</li> </ul>

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		<ul style="list-style-type: none"> <li>More than 2 files score a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the deviating requirements shows that it is not an incidental issue.</li> </ul> <p><b><u>Step 2: Roll-up from scores per requirement to score for the Standard:</u></b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>There is at most one PC on the underlying requirements, not concerning the critical requirement 2 or 5.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>There is a PC on the critical requirement 2 or 5, or</li> <li>A maximum of 2 PCs are identified on the non-critical requirements, or</li> <li>A maximum of 1 DNC is identified on the non-critical requirements.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>A DNC is identified on more than one of the non-critical requirements, or</li> <li>A DNC is identified on the critical requirement 2 or 5, or</li> <li>3 or more PCs are identified on the requirements.</li> </ul>
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<b>Principle 15</b>	<b>Communicate Engagement Results and Monitor Action Plans</b>	<p>Roll-up norm for Principle 15: ‘Communicate Engagement Results and Monitor Action Plans’ from the 2 underlying Standards.</p> <p><b>GA if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of one PC on the underlying Standards.</li> </ul> <p><b>PA if:</b></p> <ul style="list-style-type: none"> <li>• A maximum of two PCs on the underlying Standards.</li> </ul> <p><b>DNA if:</b></p> <ul style="list-style-type: none"> <li>• One or more of the underlying Standards has a DNC.</li> </ul>
<b>Standard 15.1</b>	<p><b>Final Engagement Communication</b></p> <ol style="list-style-type: none"> <li>1. For each engagement, internal auditors must develop a final communication that includes the engagement’s objectives, scope, recommendations and/or action plans if applicable, and conclusions.</li> <li>2. The final communication for assurance engagements also must include: <ul style="list-style-type: none"> <li>• The findings and their significance and prioritization</li> <li>• An explanation of scope limitations, if any.</li> <li>• A conclusion regarding the effectiveness of the governance, risk management, and control processes of the activity reviewed.</li> </ul> </li> <li>3. The final communication must specify the individuals responsible for addressing the findings and the planned date by which the actions should be completed</li> <li>4. When internal auditors become aware that management has initiated or completed actions to address a finding before the final communication, the actions must be acknowledged in the communication.</li> <li>5. The final communication must be accurate, objective, clear, concise, constructive, complete, and timely, as described in Standard 11.2 Effective Communication.</li> <li>6. Internal auditors must ensure the final communication is reviewed and approved by the chief audit executive before it is issued</li> <li>7. The chief audit executive must disseminate the final communication to parties who can ensure that the results are given due consideration. (See also Standard 11.3 Communicating Results.)</li> </ol>	<p><b><u>Step 1: Roll-up from files to score per requirement:</u></b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• At the level of the requirements in the Standard, a maximum of 1 file scores a DNC or PC.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• The issue is incidental.</li> <li>• A maximum of 2 files scores a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the specific deviating requirements shows that the additional files do not exhibit the issue.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• The issue is structural.</li> <li>• More than 2 files score a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the deviating requirements shows that it is not an incidental issue.</li> </ul> <p><b><u>Step 2: Roll-up from scores per requirement to score for the Standard:</u></b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• There is at most one PC on the underlying requirements, not concerning the critical requirement 2, 3, 6, 7.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• There is a PC on the critical requirement 2, 3, 6, 7, or</li> <li>• A maximum of 2 PCs are identified on the non-critical requirements, or</li> <li>• A maximum of 1 DNC is identified on the non-critical requirements.</li> </ul>

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	<p>8. If the engagement is not conducted in conformance with the Standards, the final engagement communication must disclose the following details about the nonconformance:</p> <ul style="list-style-type: none"> <li>• Standard(s) with which conformance was not achieved.</li> <li>• Reason(s) for nonconformance.</li> <li>• Impact of nonconformance on the engagement findings and conclusions.</li> </ul>	<p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• A DNC is identified on more than one of the non-critical requirements, or</li> <li>• A DNC is identified on the critical requirement 2, 3, 6, 7, or</li> <li>• 3 or more PCs are identified on the requirements.</li> </ul>
Standard 15.2	<p><b>Confirming the Implementation of Recommendations or Action Plans</b></p> <ol style="list-style-type: none"> <li>1. Internal auditors must confirm that management has implemented internal auditors' recommendations or management's action plans following an established methodology, which includes: <ul style="list-style-type: none"> <li>• Inquiring about progress on the implementation.</li> <li>• Performing follow-up assessments using a risk-based approach.</li> <li>• Updating the status of management's actions in a tracking system</li> </ul> </li> <li>2. The extent of these procedures must consider the significance of the finding</li> <li>3. If management has not progressed in implementing the actions according to the established completion dates, internal auditors must obtain and document an explanation from management and discuss the issue with the chief audit executive. The chief audit executive is responsible for determining whether senior management, by delay or inaction, has accepted a risk that exceeds the risk tolerance. (See also Standard 11.5 Communicating the Acceptance of Risks.)</li> </ol>	<p><i><b>Explanation:</b> The auditor does not assume responsibility or ownership of an action but has a monitoring role. It is possible that the monitoring (potentially including action points from other assurance providers) is carried out by another function, for example, from the second line. The Head of the Internal Audit Function (IAF) must then oversee both the results of this monitoring and the functioning of this system.</i></p> <p><b>Step 1: Roll-up from files to score per requirement:</b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• At the level of the requirements in the Standard, a maximum of 1 file scores a DNC or PC.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• The issue is incidental.</li> <li>• A maximum of 2 files scores a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the specific deviating requirements shows that the additional files do not exhibit the issue.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• The issue is structural.</li> <li>• More than 2 files score a DNC or PC at the level of the requirements in the Standard, and an extension of the file selection on the deviating requirements shows that it is not an incidental issue.</li> </ul> <p><b>Step 2: Roll-up from scores per requirement to score for the Standard:</b></p> <p><b>GC if:</b></p> <ul style="list-style-type: none"> <li>• There is at most one PC on the underlying requirements, not concerning the critical requirement 1 or 3.</li> </ul> <p><b>PC if:</b></p> <ul style="list-style-type: none"> <li>• There is a PC on the critical requirement 1 or 3, or</li> <li>• A maximum of 2 PCs are identified on the non-critical requirements, or</li> </ul>

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		<ul style="list-style-type: none"> <li>• A maximum of 1 DNC is identified on the non-critical requirements.</li> </ul> <p><b>DNC if:</b></p> <ul style="list-style-type: none"> <li>• A DNC is identified on more than one of the non-critical requirements, or</li> <li>• A DNC is identified on the critical requirement 1 or 3, or</li> <li>• 3 or more PCs are identified on the requirements.</li> </ul>
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