

Dear Q&A

Does my internal audit function need to perform an internal assessment against the Internal Audit Standards in the year the five year external quality assessment is performed?

My internal audit function performs an annual internal assessment against the Internal Audit Standards. We use the Quality Analysis Template in the IIA-Australia Quality Toolkit which we find to be a convenient way to do it. We even embed supporting documents into the template such as the internal audit charter, internal audit manual, quality assurance and improvement program, etc. We perform these internal audit assessments every year.

Answer

The Internal Audit Standards require an internal audit function to have a quality assurance and improvement program (Standard 1300) covering all aspects of internal audit operations. This needs to contain ongoing and periodic internal assessment activities (Standard 1311) and external assessments (Standard 1312).

If you do not have a formal quality assurance and improvement program in a single document, there is a simple template available in the IIA-Australia Quality Toolkit.

The internal audit function that asked the question is doing everything right by preparing an internal assessment against the Internal Audit Standards every year and an external assessment every fifth year. While annual internal assessment against the Internal Audit Standards is a good practice and recommended, periodic review is specified in the Internal Audit Standards – not specifically annual review.

An internal assessment against the Internal Audit Standards would be a good thing to do before an external assessment to make sure the internal audit function has its 'ducks in a row', but is not mandatory in the year an external assessment takes place.