

## QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

### INTRODUCTION

International Standards for the Professional Practice of Internal Auditing (IIA Standards) 1300 through 1312 require the Chief Audit Executive to develop a Quality Assurance and Improvement program (QAIP) to ensure consistent quality in the internal audit function. In order to address this, the QAIP must include:

- Internal Assessments on an ongoing and periodic basis; and
- An External assessment at least once every five years.

A QAIP should conclude on the quality of the internal audit activity and lead to recommendations for appropriate improvements. The QAIP should provide reasonable assurance that Internal Audit:

- Performs its work in accordance with its Charter, which should be consistent with IIA Standards and the Code of Ethics;
- Operates in an effective and efficient manner; and
- Is perceived by stakeholders as adding value.

### INTERNAL ASSESSMENTS

Internal assessments include both ongoing monitoring of the performance of the internal audit activity, as well as periodic reviews performed through self-assessment of the internal audit process.

#### Ongoing Reviews/Monitoring

Ongoing monitoring provides assurance that the processes in place are working effectively to ensure quality is delivered on an audit-by-audit basis. Ongoing monitoring provides assurance that quality internal audit work is performed and in conformance with IIA Standards and Code of Ethics.

- Supervision of Engagements and Staff
  - a. Engagement reviews for each audit ensures there is sufficient evidence to support conclusions and that audit objectives have been met,
  - b. For each audit performed, management feedback is provided to staff on their work performance,

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- c. Follow up engagements are conducted 6-12 months, or as appropriate, after the conclusion of the audit,
  - d. During each audit, supervisors are available for discussion regarding work and conclusions,
  - e. Audit Staff receives annual performance evaluations, which includes setting objectives and receiving feedback on the performance of audit work with recommendations for improvement.
- Review of Work Papers and Reports
  - a. Review of work papers and reports occur for each audit engagement,
  - b. Workpapers are created by staff for audits and reviewed by the lead auditor (when applicable) and the Manager,
  - c. Written review notes are provided to assist in strengthening support evidence and improving future performance,
  - d. Reports are reviewed and approved by the Director.
- Performance Measurement
  - a. An annual risk based audit plan of activity is created each year and approved by the Board of Regents' Audit Committee,
  - b. Progress and updates to the audit plan are conveyed to the Board of Regents at scheduled meetings.
- Professional Development
  - a. Each staff member complete an average of 40 hours of training and education each year. Training hours are discussed and reviewed during annual performance evaluations,
  - b. Participation in organizations (i.e. IIA, ISACA) is encouraged for each staff member,
  - c. Professional certifications are encouraged for audit staff.

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### **Periodic Assessments**

Periodic assessments are designed to assess conformance with Internal Audit's Charter, the IIA Standards, and definition of Internal Auditing, the Code of Ethics, and the efficiency and effectiveness of internal audit in meeting the needs of its various stakeholders.

The periodic assessment will assist the department in keeping current on changes and emerging best practices in internal auditing. Periodic assessments will include the adequacy of:

- Internal Audit Charter
- Internal Audit Protocols and Procedures
- Internal Audit Resources
- Staff Competencies
- Audit Programs

### **EXTERNAL ASSESSMENTS**

The External assessment will apprise and express an opinion about internal audit's conformance with the Standards, definition of Internal auditing and Code of Ethics and include recommendations for improvement, as appropriate.

External assessments must be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization.

The results from the external assessment are communicated to the Office of Internal Audit, Board of Regent's Audit Committee, and the Chancellor.

### **REPORTING ON QUALITY ASSURANCE IMPROVEMENT PROGRAM**

When an internal assessment determines that improvements are needed to ensure that Internal Audit remains in conformance with Internal Audit's Charter and the International Professional Practices Framework's mandatory guidance (Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing, Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing*), such improvements will be



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reported annually to the Chancellor and the Chair of the Audit Committee by the Director of Internal Audit.