Implementation Guide 1310

Standard 1310 – Requirements of the Quality Assurance and Improvement Program

The quality assurance and improvement program must include both internal and external assessments.

Revised Standards, Effective 1 January 2017

Getting Started

This standard communicates the requirements that make up the quality assurance and improvement program (QAIP). Specifically, Standard 1310 indicates that both internal and external assessments are required as part of the QAIP process.

A QAIP is an ongoing and periodic assessment of the entire spectrum of audit and consulting work performed by the organization's internal audit activity. These ongoing and periodic assessments are composed of rigorous, comprehensive processes; continuous supervision and testing of internal audit and consulting work; and periodic validations of conformance with the Definition of Internal Auditing, the Code of Ethics, and the *Standards.* This also includes ongoing measurements and analyses of performance metrics such as internal audit plan accomplishment, cycle time, recommendations accepted, and customer satisfaction.

If assessment results indicate areas internal audit may improve upon, the chief audit executive (CAE) will typically implement the improvements through the QAIP.

Considerations for Implementation

Standard 1310 requires that the QAIP includes internal assessments, consisting of both ongoing monitoring and periodic self-assessments. In addition, it must include an external assessment at least once every five years.

Internal Assessments

In order to develop and maintain a QAIP, the CAE must perform internal assessments. Consisting of both ongoing monitoring and periodic self-assessment, these serve internal audit by evaluating conformance with the mandatory elements of the IPPF, the quality and supervision of audit work being done, internal audit's policies and procedures, how internal audit adds value, and the achievement of key performance indicators.

The CAE should establish ongoing monitoring and ensure that reviews of the internal audit activity occur periodically. Ongoing monitoring is achieved primarily through continuous activities such as engagement planning and supervision, standard working practices, working paper procedures and signoffs, report reviews, and identifying and addressing weaknesses and areas in need of improvement. Such continuous monitoring determines whether processes are delivering quality on an engagement-by-engagement basis.

Periodic self-assessment is conducted to validate that the internal audit activity is in conformance with the Code of Ethics and the Standards (Attribute and Performance). Through such conformance, internal audit should also achieve conformance with the Definition of Internal Auditing and the Core Principles for the Professional Practice of Internal Audit.

The Implementation Guide for Standard 1311: Internal Assessments provides further guidance on internal assessments.

External Assessments

Per Standard 1312: External Assessments, the CAE is responsible for ensuring the internal audit activity conducts an external assessment at least once every five years. This purpose of the assessment, which must be performed by an independent assessor or assessment team from outside the organization, is to validate that the internal audit activity conforms with the Standards and Code of Ethics.

A self-assessment may take the place of a full external assessment, provided it is validated by a qualified, independent, competent, and professional external assessor. In such cases, the scope of the self-assessment with external independent validation (SAIV) would consist of a comprehensive and fully documented self-assessment process that emulates the full external process; and an independent on-site validation by a qualified, independent assessor.

The Implementation Guide for Standard 1312: External Assessments provides further guidance on external assessments.

Considerations for Demonstrating Conformance

Multiple items may indicate conformance with the standard, including all documentation that demonstrates conformance with Standard 1311 and Standard 1312 covering internal and external assessments, respectively.

For internal assessments (Standard 1311), any evidence that ongoing monitoring activities were completed according to the internal audit activity's QAIP will typically demonstrate conformance. Examples of this may include key performance indicator (KPI) reviews or work paper reviews. In addition, documentation of periodic assessments that have been completed, which include the scope of review and approach plan, work papers, and communication reports, may also demonstrate conformance. Finally, QAIP results – such as corrective action plans and corrective actions taken to improve conformance, as well as actions taken to improve efficiency and effectiveness – may indicate conformance.

For external assessments (Standard 1312), items that may indicate conformance include, most importantly, the external assessor's report. This report will often include recommendations from the external assessor on ways to improve internal audit quality, efficiency, and effectiveness, which may provide new ideas or ways internal audit can better serve the organization's stakeholders and add value.

Additionally, minutes of board meetings where plans for and results of assessments were discussed may demonstrate conformance. A benchmarking report and requests for services may show the organization's due diligence in vetting external assessors.

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Implementation Guides assist internal auditors in applying the *Standards*. They collectively address internal audit's approach, methodologies, and consideration, but do not detail processes or procedures.

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