

**D4: DOMAIN IV FIELDWORK**

**Purpose: The tool is used to document the support for the conclusions on Conformance with the Standards and Achievement of the Principles in Domain IV: Managing the Internal Audit Function**

**Note to the Assessor: Comment on assessment results of Domain IV and highlight best practices noted as well as areas of improvement**

Entity Name:	[enter entity name]
Date Prepared:	[enter your date]
Prepared By:	[enter your preparer]
Reviewed By:	[enter your reviewer]

Program Step	WP Ref.(s)	Initial / Date	Assessor Notes	Program Notes
1. Review Principles 9-12 and their standards, as well as the related considerations for implementation and examples of evidence of conformance.	Global Internal Audit Standards			
2. Review relevant documents in the A2: Initial Data Request and A5: Domain IV Planning documents, as indicated in the WP Ref.(s) column.	A2, A5			
3. Review results of surveys (B-1 and B-2) for information pertinent to these standards.	B1, B2			
4. Review results of interviews (C-1 through C-4) for information pertinent to these standards.	C1, C2, C3, C4			
5. Determine whether any internal audit function management issues were noted in the assessments of conformance and achievement in Domains II, III, & V.	D2-D3, D5-D6			

		Conclusion	Program Step	WP Ref.(s)		Assessor Notes	Program Notes
<i>(this Section will be completed once D2, D3-D5 have been compiled and completed)</i>							
<b>Principle 9 Plan Strategically</b>	<b>The Head of Internal Audit plans strategically to position the internal audit function to fulfill its mandate and achieve long-term success.</b>						
			<b>Program Step</b>			<b>Assessor Notes</b>	<b>Program Notes</b>
<b>Standard 9.1 Understanding Governance, Risk Management, and Control Processes</b>							
<b>Requirement Ref. #</b>	<b>Requirement</b>	<b>Conclusion (Rating)</b>	<b>Program Step</b>	<b>WP Ref.(s)</b>	<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>
<b>9.1.a</b>	<b>To develop an effective internal audit strategy and plan, the Head of Internal Audit must understand the organization's governance, risk management, and control processes.</b>		6. Review the internal audit charter, internal audit strategy, and internal audit plan, organizational chart and entity's latest annual financial report and performance report, and interview responses. Determine whether the internal audit strategy and audit plan demonstrate that the	Initial Data Request 2, 5, 9, 26, 41 C1, C2			

			Head of Internal Audit adequately understands the organization's governance, risk management, and control processes.			
9.1.b	<p>To understand governance processes, the Head of Internal Audit must consider how the organization:</p> <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</li> </ul>		<p>7. Evaluate the interview responses from the Head of Internal Audit and owners of governance, risk management, and control processes, as well as the Head of Internal Audit's understanding of entity--wide policies, and determine whether the Head of Internal Audit has a sufficient understanding of the entity's governance processes.</p>	Initial Data Request 6e and 13, C1, C2		

	<p>throughout the organization.</p> <ul style="list-style-type: none"> <li>• Coordinates activities and communications among the board, internal and external providers of assurance services, and management.</li> </ul>						
<p><b>9.1.c</b></p>	<p><b>To understand risk management and control processes, the Head of Internal Audit 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:</b></p> <ul style="list-style-type: none"> <li>• Reliability and integrity of financial and</li> </ul>		<p>8. Review the internal audit function's assessments of enterprise risks and identification of relevant external control frameworks, then determine whether the Head of Internal Audit has adequately documented entity's objectives, risks, and controls – for example, in a "universe of auditable subjects," an entity - wide risk and control matrix, or something similar.</p>	<p>Initial Data Request 7, 8, 14, 15, 28</p>			

	operational information. <ul style="list-style-type: none"> <li>• Effectiveness and efficiency of operations and programs.</li> <li>• Safeguarding of assets.</li> <li>• Compliance with laws and/or regulations.</li> </ul>						
			<b>Program Step</b>			<b>Assessor Notes</b>	<b>Program Notes</b>
<b>Standard 9.2 Internal Audit Strategy</b>							
<b>Requirement Ref. #</b>	<b>Requirement</b>	<b>Conclusion</b>	<b>Program Step</b>	<b>WP Ref.(s)</b>	<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>
9.2.a	The Head of Internal Audit 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.		9. Review the internal audit charter and strategy, the entity's latest annual report, and interviews with the Head of Internal Audit, Governing body, and management and determine whether the internal strategy is aligned with the internal audit mandate and the entity's strategies.	Initial Data Request 2, 9, 41, C1, C2			

<p><b>9.2.b</b></p>	<p><b>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.</b></p>		<p>10. Verify whether the internal audit strategy includes long-term objectives that is, the "vision and plans for achieving them T For the objectives that fulfill the mandate, verify whether the supporting initiatives are documented and progress is monitored.</p>	<p>Initial Data Request 2, and 9, C1, C2</p>			
<p><b>9.2.c</b></p>	<p><b>The Head of Internal Audit must review the internal audit strategy with the board and senior management periodically.</b></p>		<p>11. Review communications between the Head of Internal Audit, board, and senior management to verify whether the internal audit strategy and progress on supporting initiatives has been discussed in the current year, and in</p>	<p>IDR3, IDR4, IDR9, C1, C2</p>			

			the previous two years. Determine whether the strategy, supporting initiatives, and progress have remained aligned with the entity's needs.				
			<b>Program Step</b>			<b>Assessor Notes</b>	<b>Program Notes</b>
<b>Standard 9.3 Methodologies</b>							
<b>Requirement Ref. #</b>	<b>Requirement</b>	<b>Conclusion</b>	<b>Program Step</b>	<b>WP Ref.(s)</b>	<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>
9.3.a	The Head of Internal Audit 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.		12. Review relevant entity policies and all internal audit methodologies – whether compiled in a manual, maintained separately, or integrated in a management software application – and evaluate whether they promote conformance with the Standards.	IDR6, IDR9, IDR10, IDR16, IDR20, IDR21, IDR26, IDR31, IDR32, IDR33, IDR34, IDR35, IDR37, IDR39			
9.3.b	The Head of Internal Audit must evaluate the effectiveness of the methodologies and update them as necessary to improve the		13. Review the results of internal and external quality assessments, and the subsequent implementation of the documented corrective actions and	IDR3, IDR4, IDR22, IDR23, IDR24, C1, C2			

	<p><b>internal audit function and respond to significant changes that affect the function.</b></p>	<p>opportunities for improvement (as evidenced in communications between the Head of Internal Audit, Governing body, and senior management), as well as interviews with the Head of Internal Audit, board, and senior management, and determine whether the Head of Internal Audit is adequately maintaining and ensuring the effectiveness of methodologies.</p>				
<p><b>9.3.c</b></p>	<p><b>The Head of Internal Audit must provide internal auditors with training on the methodologies.</b></p>	<p>14. Review the internal audit manual and other documents likely to describe an approach to developing familiarity with the methodologies – e.g. a code of ethics, competency framework and monitoring, engagement supervision checklists</p>	<p>Initial Data Request 11, 12, 16, 17, 18, 19, 20,37</p>			<p>(See also Principles 13 Plan Engagements Effectively, 14 Conduct Engagement Work, and 15 Communicate Engagement Results and Monitor Action Plans, and their standards.)</p>

			– and verify whether it demonstrates the Head of Internal Audit setting expectations for various roles, documenting skills and development plans, committing to a code of ethics and professionalism, and monitoring ongoing adherence to the methodologies.				
			<b>Program Step</b>			<b>Assessor Notes</b>	<b>Program Notes</b>
<b>Standard 9.4 Internal Audit Plan</b>							
<b>Requirement Ref. #</b>	<b>Requirement</b>	<b>Conclusion</b>	<b>Program Step</b>	<b>WP Ref.(s)</b>	<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>
9.4.a	The Head of Internal Audit must create an internal audit plan that supports the achievement of the organization's objectives.		15. Review the current internal audit plan and supporting materials, the list of engagements performed over the last five years (or since the last external quality assessment, if less), the Head of Internal Audit's model of the organization's governance, risk management, and control processes,	Initial Data Request 26, 27, 28, 29			

			and the resource budget with supporting materials. Determine whether the current internal audit plan is based on and supports a documented assessment of the entity's strategies, objectives, and risks.			
9.4.b	<b>The Head of Internal Audit must base the internal audit plan on a documented assessment of the organization's strategies, objectives, and risks.</b>		[see Program step #15]	Initial Data Request 26, 27, 28, 29		
9.4.c	<b>This assessment must be informed by input from the board and senior management as well as the Head of Internal Audit's understanding of the organization's governance, risk management, and control processes.</b>		16. Review communications between the Head of Internal Audit, ,Governing Body and senior management, as well as interview responses, and determine whether the internal audit plan received adequate inputs.	Initial Data Request 3, 4, C1, C2		

9.4.d	<p>The assessment must be performed at least annually.</p>		<p>17. Verify whether the assessment of the entity's strategies, objectives, and risks has been performed at least annually.</p>	<p>Initial Request 28</p>	<p>Data</p>		
9.4.e	<p>The internal audit plan must:</p> <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</li> </ul>		<p>18. Verify whether the current internal audit plan is based on a concurrent assessment of coordinated assurance over the entity's strategies, objectives, and risks.</p> <p>19. Review the internal audit charter and plan, recent assessments of enterprise risks, and the internal audit function's human and technology resource budgets, and determine whether the internal audit plan is adequately responding to the entity's needs. Are advisory engagements performed to the extent described in the charter?</p>	<p>Initial Request 2, 13, 14, 15, 26, 28, 29, 39</p>			

	<p>necessary human, financial, and technological resources necessary to complete the plan.</p> <ul style="list-style-type: none"> <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>					
9.4.f	<p>The Head of Internal Audit must review and revise the internal audit plan as necessary and communicate timely to the board and senior management:</p> <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</li> </ul>	[see Program steps #15 & 16]	Initial Data Request 3, 4, 26 C1, C2			

	<p>activity in the plan.</p> <ul style="list-style-type: none"> <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>					
9.4.g	The Head of Internal Audit must discuss the internal audit plan, including significant interim changes, with the board and senior management.	[see Program steps #15 & 16]	Initial Data Request 3, 4, 26, C1, C2			
9.4.h	The plan and significant changes to the plan must be approved by the board.	[see Program step #16]	3, C1, C2			
		<b>Program Step</b>			<b>Assessor Notes</b>	<b>Program Notes</b>

Standard 9.5 Coordination and Reliance							
Requirement Ref. #	Requirement	Conclusion	Program Step	WP Ref.(s)	Initial / Date	Assessor Notes	Program Notes
9.5.a	The Head of Internal Audit 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.		20. Review the documentation supporting the internal audit plan and Coordination and Reliance Framework as well as interviews with the Head of Internal Audit, key stakeholders, and other assurance providers(internal and external), then determine whether the Head of Internal Audit is effectively coordinating assurance services to minimize duplication of efforts and gaps in coverage of key risks. Consider whether management's interview responses indicate satisfaction with the level of coordination among assurance providers.	Initial Data Request tial D26, C1, C2, C3			



<b>9.5.b</b>	<b>If unable to achieve an appropriate level of coordination, the Head of Internal Audit must raise any concerns with senior management and, if necessary, the board.</b>	21. Review communications between the Head of Internal Audit, Governing Body, and senior management, as well as interview responses from the same, to determine whether there has been any deficiency with the level of assurance coordination in the last year. If the Head of Internal Audit is the one with a prior or current incident of deficiency, verify whether the appropriate communication and escalation processes were followed.	Initial Request 3, 4 Data C1, C2			
<b>9.5.c</b>	<b>When the internal audit function relies on the work of other assurance service providers, the Head of Internal Audit must document the basis for that reliance and is still</b>	22. Review documentation of the Head of Internal Audit's rationale for reliance on other assurance providers, and how that was communicated to the Governing Body. Determine whether	Initial Request 4, 26 Data C1, C2			

	responsible for the conclusions reached by the internal audit function.		the coordination and reliance strategy were adequately communicated – for example, using an assurance map, the Standards, and the Three Lines Model to illustrate the coverage of key objectives and risks, and the competencies and independence (positioning) of other assurance providers.				
		<b>Conclusion</b>	<b>Program Step</b>		<b>Initial / Date</b>		<b>Notes</b>
<b>Principle 10 Manage Resources</b>	<b>The Head of Internal Audit manages resources to implement the internal audit function's strategy and achieve its plan and mandate.</b>						
			<b>Program Step</b>			<b>Assessor Notes</b>	<b>Program Notes</b>
<b>Standard 10.1 Financial Resource Management</b>							
<b>Requirement Ref. #</b>	<b>Requirement</b>	<b>Conclusion</b>	<b>Program Step</b>	<b>WP Ref.(s)</b>	<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>

<p><b>10.1.a</b></p>	<p><b>The Head of Internal Audit must manage the internal audit function's financial resources.</b></p>		<p>23. Review the supporting documentation for the internal audit budget and interview responses from the Head of Internal Audit, Governing Body, and senior management, then determine whether: an identifiable budget for the internal audit function exists; the Head of Internal Audit is given adequate responsibility and authority over the budget; and the Head of Internal Audit sought the Governing Body's approval for the budget by 15<sup>th</sup> February.</p>	<p>Initial Data Request 29 C1, C2</p>			
<p><b>10.1.b</b></p>	<p><b>The Head of Internal Audit must develop a budget that enables the successful implementation of the internal audit strategy and achievement of the plan. The budget includes the</b></p>		<p>24. Determine whether the Head of Internal Audit-developed budget includes sufficient resources to implement the strategy and achieve the audit plan.</p>	<p>Initial Data Request 3, 4, 9, 18, 26, 29, 39, 40, C1, C2</p>			<p>See also Standard 6.2 Internal Audit Charter (6.2.a).</p>

	resources necessary for the function's operation, including training and acquisition of technology and tools.					
10.1.c	The Head of Internal Audit must manage the day-to-day activities of the internal audit function effectively and efficiently, in alignment with the budget.		25. Review the Head of Internal Audit reports to the Governing Body and senior management, the results of internal quality assessment ongoing monitoring, and interview responses, then determine whether the Head of Internal Audit demonstrates regular, effective management of the function's resources.	Initial Data Request 4, 22 C1, C2		
10.1.d	The Head of Internal Audit must seek budget approval from the board.		[see Program step #23]	Initial Data Request 29 C1, C2		
10.1.e	The Head of Internal Audit must communicate promptly the impact of insufficient financial resources		26. If the Head of Internal Audit's monitoring of performance indicated that the function had insufficient resources	Initial Data Request 4, 22, 31, C1, C2		

	to the board and senior management.		to complete the plan or other objectives, verify whether the Head of Internal Audit appropriately followed a process for communicating the impact of the constraint to the Governing Body.				
		<b>Conclusion</b>	<b>Program Step</b>		<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>
<b>Standard 10.2 Human Resources Management</b>							
<b>Requirement Ref. #</b>	<b>Requirement</b>	<b>Conclusion</b>	<b>Program Step</b>	<b>WP Ref.(s)</b>	<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>
10.2.a	The Head of Internal Audit 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.		27. Review the internal audit strategy, audit manual, staff establishment and career progression guidelines, human resource manual and conduct interviews with the Head of Internal Audit, and documentation relating to staff development (methodologies; job descriptions; competency assessments, monitoring, and appraisals) and	Initial Data Request 9, 0, 16, 17, 18, 20 C1			

			determine whether they effectively ensure adequate human resources for the internal audit function.			
<b>10.2.b</b>	<b>The Head of Internal Audit 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.</b>		28. Review the internal audit charter, staff establishment and career progression guidelines, duty allocation letters competency assessment and monitoring, audit plan, resource budget, and service provider contracts, then determine whether the necessary skills – in amount and type, and assignment – have been deployed.	Initial Data Request 2, 18, 19, 26, 29, 30		

10.2.c	<p><b>The Head of Internal Audit must communicate with the board and senior management regarding the appropriateness and sufficiency of the internal audit function's human resources.</b></p>	<p>29. Review communications between Head of Internal Audit, Senior management and communication between Governing Body and HIA undertake interviews with the , the same parties. Review the results of ongoing monitoring; and staff establishment and supporting documentation. Determine whether the appropriateness and sufficiency of the internal audit function's human resources were adequately discussed.</p>	Initial Data Request3, 4, 22, 29, C1, C2			
10.2.d	<p><b>If the function lacks appropriate and sufficient human resources to achieve the internal audit plan, the Head of Internal Audit must determine how to</b></p>	[see Program step #29]	C1, C2			<p>This test can be a included in program step #28 for Requirement 10.2.c. (See similar testing in Standard 8.2 Resources.)</p>

	<p>obtain the resources or communicate timely to the board and senior management the impact of the limitations.</p>					
10.2.e	<p>The Head of Internal Audit must evaluate the competencies of individual internal auditors within the internal audit function and encourage professional development.</p>		<p>30. Review internal auditors' job descriptions, career progression guidelines, internal audit annual plan, strategic plan, competency model, and performance monitoring and appraisals (quarterly and annual reports) documentation, then determine whether the Head of Internal Audit's approach encourages professional development.</p>	<p>Initial Data Request 17, 18, 19, 20</p>		
10.2.f	<p>The Head of Internal Audit must collaborate with internal auditors to help them develop their individual competencies through training, supervisory</p>		<p>31. Review the process for appraising internal auditors' performance, the engagement supervision checklist, and evidence of supervision from</p>	<p>Initial Data Request 10, 20, 0, 37, 38</p>		<p>This step would be particularly relevant if the internal audit function is outsourced or uses a significant mix of contracted resources. (See</p>

	feedback, and/or mentoring.		completed projects and determine whether individual competencies are effectively developed. 32. [optional] Determine whether a methodology is in place to evaluate the performance of third-party resources retained to support the internal audit function.				also Standard 3.1 Competency.)
		<b>Conclusion</b>	<b>Program Step</b>		<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>
<b>Standard 10.3 Technological Resources</b>							
<b>Requirement Ref. #</b>	<b>Requirement</b>	<b>Conclusion</b>	<b>Program Step</b>	<b>WP Ref.(s)</b>	<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>
10.3.a	The Head of Internal Audit must strive to ensure that the internal audit function has technology to support the internal audit process.		33. Review the internal audit strategy, resource budget, internal audit annual reports and technology resources used by the internal audit function and determine whether the Head of Internal Audit demonstrated an adequate effort to provide sufficient technology for an effective and efficient function. Consider	Initial Data Request 9, 2939			

			the initiatives supporting the internal audit strategy and whether they were approved.			
<b>10.3.b</b>	<b>The Head of Internal Audit must regularly evaluate the technology used by the internal audit function and pursue opportunities to improve effectiveness and efficiency.</b>		34. Review communications between the Head of Internal Audit, Governing Body, and senior management, and the results of internal and external quality assessments, internal audit annual report and determine whether any action plans to improve technological capabilities that were identified were subsequently completed.	Initial Data Request 3, 4, 23, 24		
<b>10.3.c</b>	<b>When implementing new technology, the Head of Internal Audit must implement appropriate training for internal auditors in the effective use of technological resources.</b>		35. Review the internal audit function's competency modeling, monitoring, and appraisal processes, and internal audit annual workplan, verify whether training on relevant	Initial Data Request 18, 19, 20, 39		

			technology is effectively managed.				
<b>10.3.d</b>	<b>The Head of Internal Audit must collaborate with the organization's information technology and information security functions to implement technological resources properly.</b>		36. Review the internal audit function's technology (software) list and verify through the interviews whether all systems are implemented in compliance with organizational requirements.	Initial Data Request 39, C1, C2			
<b>10.3.e</b>	<b>The Head of Internal Audit must communicate the impact of technology limitations on the effectiveness or efficiency of the internal audit function to the board and senior management.</b>		[see Program step #34]	Initial Data Request 3, 4, 23, 24			This test can be included in program step #33 for Requirement 10.3.b.
		<b>Conclusion</b>	<b>Program Step</b>		<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>
<b>Principle 11 Communicate Effectively</b>	<b>The Head of Internal Audit guides the internal audit function to communicate</b>						

	effectively with its stakeholders.						
			<b>Program Step</b>			<b>Assessor Notes</b>	<b>Program Notes</b>
<b>Standard 11.1 Building Relationships and Communicating with Stakeholders</b>							
	<b>Requirement</b>	<b>Conclusion</b>	<b>Program Step</b>	<b>WP Ref.(s)</b>	<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>
<b>11.1.a</b>	<b>The Head of Internal Audit 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.</b>		37. Review: -- documentation of communications between the Head of Internal Audit, Governing Body, and senior management; -- organizational structure, "universe of auditable subjects," and recent history of audit engagements; -- internal audit strategy; -- relevant engagement methodologies; -- a commitment to ethics and professionalism; -- results of internal and external quality assessments; -- laws and/or	IDR2, IDR3, IDR4, IDR5, IDR9, IDR10, IDR11, IDR13, IDR24, IDR25, IDR27, IDR28, IDR31, IDR32, IDR33, IDR34, IDR35, IDR37, IDR40, C1, C2			

			<p>regulations relevant to internal auditing;</p> <p>-- interview responses.</p> <p>-- Coordination and Reliance Framework</p> <p>Determine whether the Head of Internal Audit has demonstrated a methodical, sufficient approach to communicating with key stakeholders and building trust.</p>			
11.1.b	<p><b>The Head of Internal Audit must promote formal and informal communication between the internal audit function and stakeholders, contributing to the mutual understanding of:</b></p> <ul style="list-style-type: none"> <li>• Organizational interests and concerns.</li> <li>• Approaches for identifying and managing risks and providing assurance.</li> </ul>		<p>38. Review:</p> <p>-- audit committee charter, the internal audit charter, and organization wide policies;</p> <p>-- the Head of Internal Audit's overview of the risk management process and identification of relevant laws, regulations, and external control frameworks;</p> <p>-- the entity's latest annual report;</p> <p>-- any entity-wide communications</p>	Initial Data Request 1, 2, 6, 7, 8, 40, 41, 42, C1, C2		

	<ul style="list-style-type: none"> <li>• Roles and responsibilities of relevant parties and opportunities for collaboration.</li> <li>• Relevant regulatory requirements.</li> <li>• Significant organizational processes, including financial reporting.</li> </ul>		<p>promoting the internal audit function's role in good governance and risk management processes;</p> <p>-- interview responses.</p> <p>--Coordination and Reliance Framework</p> <p>--Organizational Structure</p> <p>Determine whether the Head of Internal Audit, Governing Body, and senior management are sufficiently promoting and communicating governance and risk management roles, responsibilities, and priorities.</p>				
		<b>Conclusion</b>	<b>Program Step</b>		<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>
<b>Standard 11.2 Effective Communication</b>							
<b>Requirement Ref. #</b>	<b>Requirement</b>	<b>Conclusion</b>	<b>Program Step</b>	<b>WP Ref.(s)</b>	<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>

<p><b>11.2.a</b></p>	<p><b>The Head of Internal Audit must establish and implement methodologies to promote accurate, objective, clear, concise, constructive, complete, and timely internal audit communications.</b></p>		<p>39. Review the internal audit methodologies (policies and procedures) for engagements and escalating matters to the Governing Body, and the engagement supervision checklist, and determine whether they promote communications that are accurate, objective, clear, concise, constructive, complete, and timely. Consider the expectations of the Governing Body, senior management, and other relevant stakeholders.</p> <p>40. Review internal audit competency models and development monitoring and verify whether communications skills are included.</p>	<p>Initial Data Request 10, 18, 19, 31, 32, 33, 34, 35, 37</p>			<p>1. See also testing in Standard 3.1 Competency. 2. The testing of engagement communications is covered in 'D6', 15.1.b-15.1.h.</p>
		<p><b>Conclusion</b></p>	<p><b>Program Step</b></p>	<p><b>Initial / Date</b></p>	<p><b>Assessor Notes</b></p>		<p><b>Program Notes</b></p>

Standard 11.3 Communicating Results							
Requirement Ref. #	Requirement	Conclusion	Program Step	WP Ref.(s)	Initial / Date	Assessor Notes	Program Notes
11.3.a	<b>The Head of Internal Audit must communicate the results of internal audit services to the board and senior management periodically and for each engagement as appropriate.</b>		41. Review communications between the Head of Internal Audit, Governing Body and senior management, the list of recent audits, and related methodologies for reporting, then determine whether the results of audit services were reported appropriately for a recent period.	Initial Data Request 3, IDR4, IDR10, IDR27, IDR34			The program step focuses on the alignment of methodologies with expectations. The testing of a sample of engagements' reports is done in Domain V.
11.3.b	<b>The Head of Internal Audit must understand the expectations of the board and senior management regarding the nature and timing of communications.</b>  <b>The results of internal audit services can include:</b>		42. Review the internal audit charter, communications between the Head of Internal Audit, Governing Body, and senior management, and interview responses and determine whether the Head of Internal Audit understands reporting expectations, including	Initial Data Request 2, 3, 4, C1, C2			The program step focuses on the alignment of methodologies with expectations. The testing of a sample of engagements' reports is done in Domain V.

	<ul style="list-style-type: none"> <li>• <b>Engagement conclusions.</b></li> <li>• <b>Themes such as effective practices or root causes.</b></li> <li>• <b>Conclusions at the level of the business unit or organization.</b></li> </ul>		<p>communicating issues noted across multiple engagements. Determine whether the Head of Internal Audit or Governing Body encourage acknowledging satisfactory performance in engagement results.</p>			
11.3.c	<p><b>Engagement Conclusions</b> The Head of Internal Audit must review and approve final engagement communications, which include engagement conclusions, and decide to whom and how they will be disseminated before they are issued. If these duties are delegated to other internal auditors, the Head of Internal Audit retains overall responsibility.</p>		<p>[see Program step #42]</p>	IDR34		<p>This can be included in program step #40 related to Requirement 11.3.a. The testing of a sample of engagements' reports is done in Domain V.</p>

11.3.d

**Engagement Conclusions (cont.)**  
**The Head of Internal Audit 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.**

43. Ask the Head of Internal Audit if any engagement results were requested to be released to outside parties in the past two years, and whether the Head of Internal Audit has documentation seeking advice from the entity's legal counsel before determining whether to satisfy each request. Determine whether the final engagement communications are released to parties outside the entity in accordance with the entity's communication policies and procedures

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11.3.e	<p><b>Themes</b>  <b>The findings and conclusions of multiple engagements, when viewed holistically, may reveal patterns or trends, such as root causes. When the Head of Internal Audit 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.</b></p>		<p>44. If any themes or conclusions at an organizational level were communicated by the Head of Internal Audit in the last two years, verify whether the issues were adequately described and analyzed, and whether any additional discussions were held with management to identify adequate action plan responses and whether action was taken.</p>	Initial Data Request 4, 36 C1, C2			
11.3.f	<p><b>Conclusions at the Level of the Business Unit or Organization</b>  <b>The Head of Internal Audit may be required to make a conclusion at the level of the business unit or organization about</b></p>		[see Program step #44]	IDR4, IDR36, C1, C2			This can be included in program step #43 related to Requirement 11.3.e.



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 Head of Internal Audit based on multiple engagements and must be supported by relevant, reliable, and sufficient information.

When communicating such a conclusion to the board or senior management, the Head of Internal Audit must include:

- A summary of the

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	<p>request.</p> <ul style="list-style-type: none"> <li>• The criteria used as a basis for the conclusion; for example a governance framework or risk and control framework.</li> <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>Conclusion</b>	<b>Program Step</b>		<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>
<b>Standard 11.4 Errors and Omissions</b>							
<b>Requirement Ref. #</b>	<b>Requirement</b>	<b>Conclusion</b>	<b>Program Step</b>	<b>WP Ref.(s)</b>	<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>

11.4.a	<p>If a final engagement communication contains a significant error or omission, the Head of Internal Audit must communicate corrected information promptly to all parties who received the original communication.</p> <p>Significance is determined according to criteria agreed upon with the board.</p>		45. Review the internal audit methodologies and determine whether errors and omissions in final engagement communications are covered. Ask the Head of Internal Audit, Governing Body, and senior management if the process has needed to be invoked in the last two years, and if so, was it properly done?	IDR10, IDR34, C1, C2			
		<b>Conclusion</b>	<b>Program Step</b>		<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>
<b>Standard 11.5 Communicating the Acceptance of Risks</b>							
<b>Requirement Ref. #</b>	<b>Requirement</b>	<b>Conclusion</b>	<b>Program Step</b>	<b>WP Ref.(s)</b>	<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>
11.5.a	The Head of Internal Audit must communicate unacceptable levels of risk.		46. Review the Head of Internal Audit's reports to the Governing Body and senior management, including overviews of risk management	Initial Data Request 4, 7, 10, 13, 14, 15, 31, 34, 35 C1, C2			

			<p>in significant areas; methodologies for reporting engagement results and significant risks; and interview responses. Determine whether the Head of Internal Audit has developed methodologies aligned with the entity's formal and informal expectations for risk management.</p>			
11.5.b	<p><b>When the Head of Internal Audit 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.</b></p>		<p>47. Review the Head of Internal Audit's reports to the Governing body and senior management; the results of internal quality assessment ; recent status reports for the disposition of management action plans; and interview responses. Determine whether the Head of Internal Audit has appropriately confirmed the implementation of corrective actions or invoked the risk</p>	<p>Initial Data Request 4, IDR22, IDR36, C1, C2</p>		

			acceptance escalation process over the last 12 months.				
<b>11.5.c</b>	<b>If the Head of Internal Audit 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 Head of Internal Audit to resolve the risk.</b>		[see Program step #47]	IDR4, IDR22, IDR36, C1, C2			This can be included in program step #46 related to Requirement 11.5.b.
		<b>Conclusion</b>	<b>Program Step</b>		<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Notes</b>
<b>Principle 12 Enhance Quality</b>	<b>The Head of Internal Audit is responsible for the internal audit function's conformance with the Global Internal Audit Standards and continuous performance improvement.</b>						
			<b>Program Step</b>			<b>Assessor Notes</b>	<b>Program Notes</b>

Standard 12.1 Internal Quality Assessment							
Requirement Ref. #	Requirement	Conclusion	Program Step	WP Ref.(s)	Initial / Date	Assessor Notes	Program Notes
12.1.a	The Head of Internal Audit must develop and conduct internal assessments of the internal audit function's conformance with the Global Internal Audit Standards and progress toward performance objectives.		48. Review the Head of Internal Audit's reports to the Governing Body and senior management and verify whether the internal quality assessments (ongoing monitoring and periodic self-assessments) were adequately performed and reported. If action plans for improvement opportunities were identified in the assessments, verify whether they were adequately documented in the reports. If a nonconformance was identified, verify whether its impact on the function was adequately communicated in the reports.	Initial Data Request 4, IDR22, IDR23			The testing for the development and documentation of methodologies is in 12.1.b, so the program step for 12.1.a focuses on verifying the performance of ongoing monitoring and periodic self-assessments.

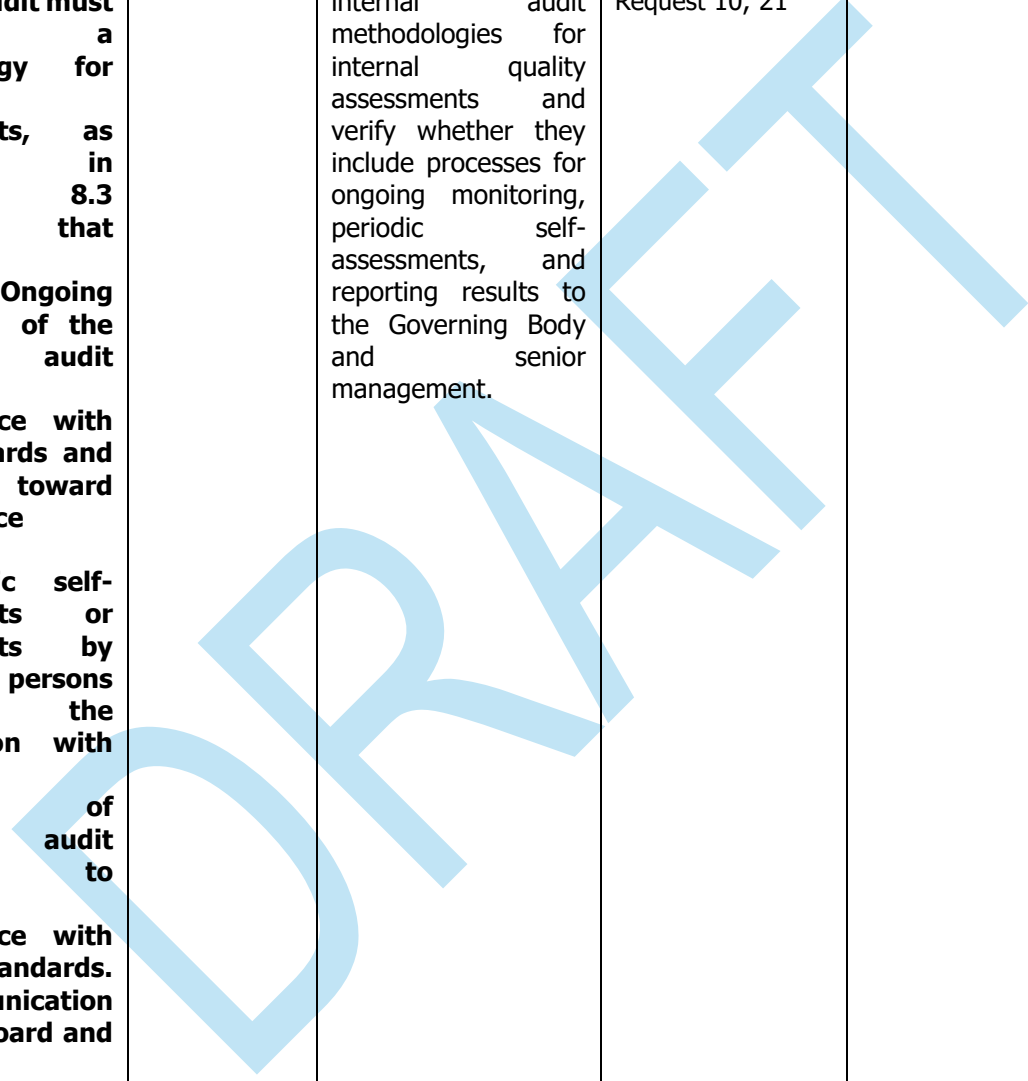
12.1.b

**The Head of Internal Audit must establish a methodology for internal assessments, as described in Standard 8.3 Quality, that includes:**

- **Ongoing monitoring of the internal audit function's conformance with the Standards and progress toward performance objectives.**
- **Periodic self-assessments or assessments by other persons within the organization with sufficient knowledge of internal audit practices to evaluate conformance with the Standards.**
- **Communication with the board and senior management about**

49. Review the internal audit methodologies for internal quality assessments and verify whether they include processes for ongoing monitoring, periodic self-assessments, and reporting results to the Governing Body and senior management.

Initial Data Request 10, 21



	the results of internal assessments.					
12.1.c	Based on the results of periodic self-assessments, the Head of Internal Audit must develop action plans to address instances of nonconformance with the Standards and opportunities for improvement, including a proposed timeline for actions.		[see Program step #48]	IDR23		The test is included in program step #47 related to Requirement 12.1.a.
12.1.d	The Head of Internal Audit must communicate the results of periodic self-assessments and action plans to the board and senior management.		[see Program step #48]	IDR4, IDR23		The test is included in program step #47 related to Requirement 12.1.a. (See also Standards 8.1 Board Interaction and 8.3 Quality.)

12.1.e	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.		50. Review documentation from the last (or current) external quality assessment and verify whether the results of internal quality assessments were included.	IDR24			(See also Standard 8.4 External Quality Assessment.)
12.1.f	If nonconformance with the Standards affects the overall scope or operation of the internal audit function, the Head of Internal Audit must disclose to the board and senior management the nonconformance and its impact.		[see Program step #48]	IDR4, IDR22, IDR23			The test is included in program step #47 related to Requirement 12.1.a.
			<b>Program Step</b>			<b>Assessor Notes</b>	<b>Program Notes</b>
<b>Standard 12.2 Performance Measurement</b>							
<b>Requirement Ref. #</b>	<b>Requirement</b>	<b>Conclusion</b>	<b>Program Step</b>	<b>WP Ref.(s)</b>	<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>
12.2.a	The Head of Internal Audit must develop objectives to evaluate the internal audit		51. Review the competency model, audit plan, resource budget, and other relevant documentation,	Initial Data Request 18, 26, 29, 43, C1, C2			

	<b>function's performance.</b>		including interview responses, and verify whether the Head of Internal Audit has adequately communicated with the Governing Body and senior management for the identification of performance objectives.			
<b>12.2.b</b>	<b>The Head of Internal Audit must consider the input and expectations of the board and senior management when developing the performance objectives.</b>		[see Program step #51]	C1, C2		The test is included in program step #50 related to Requirement 12.2.a.
<b>12.2.c</b>	<b>The Head of Internal Audit must develop a performance measurement methodology to assess progress toward achieving the function's objectives and to promote the continuous improvement of</b>		52. Review internal audit methodologies for measuring performance towards objectives and determine whether continuous improvement is adequately promoted.	Initial Data Request 10, 22		

	the internal audit function.					
12.2.d	<b>When assessing the internal audit function's performance, the Head of Internal Audit must solicit feedback from the board and senior management as appropriate.</b>		53. Review communications between the Head of Internal Audit, Governing Body, and senior management, as well as interview responses, and determine whether the assessment of the function's performance is consistent among all parties.	Initial Request 3, 4, C1, C2	Data	
12.2.e	<b>The Head of Internal Audit must develop an action plan to address issues and opportunities for improvement.</b>		54. Review the Head of Internal Audit's reports to the Governing Body and senior management, and the results of internal quality assessment ,HIA performance appraisal report, Audit Committee Annual Report ongoing monitoring, and determine whether action plans were documented for identified issues and opportunities for	IDR4, IDR22		

			improvement and whether action was taken				
			<b>Program Step</b>			<b>Assessor Notes</b>	<b>Program Notes</b>
<b>Standard 12.3 Oversee and Improve Engagement Performance</b>							
<b>Requirement Ref. #</b>	<b>Requirement</b>	<b>Conclusion</b>	<b>Program Step</b>	<b>WP Ref.(s)</b>	<b>Initial / Date</b>	<b>Assessor Notes</b>	<b>Program Notes</b>
12.3.a	The Head of Internal Audit must establish and implement methodologies for engagement supervision, quality assurance, and the development of competencies.		55. Review the relevant internal audit methodologies and determine whether they adequately cover engagement supervision, quality assurance, and competency development.	Initial Data Request 10, 16, 21, 32, 33, 37			
12.3.b	The Head of Internal Audit or an engagement supervisor must provide internal auditors with guidance throughout the engagement, verify work programs are complete, and confirm engagement workpapers adequately support		56. Review workpapers for a sample of audit engagements (see D4: Domain V Fieldwork for sample) and determine whether documentation reveals adequate supervision to verify the methodologies were followed and conclusions	Initial Data Request 38			

	<b>findings, conclusions, and recommendations.</b>		adequately supported.			
<b>12.3.c</b>	<b>To assure quality, the Head of Internal Audit must verify whether engagements are performed in conformance with the Standards and the internal audit function's methodologies.</b>		[see Program step #56]	IDR38		The test is included in program step #55 related to Requirement 12.3.b.
<b>12.3.d</b>	<b>To develop competencies, the Head of Internal Audit must provide internal auditors with feedback about their performance and opportunities for improvement.</b>		57. Review the designs of the auditor performance appraisal and engagement supervision processes and determine whether they would provide adequate feedback to internal auditors to develop competencies.	IDR20, IDR37		
<b>12.3.e</b>	<b>The extent of supervision required depends on the maturity of the internal audit function, the proficiency and</b>		[see Program step #56]	IDR38		The test is included in program step #55 related to Requirement 12.3.b.

	<p>experience of internal auditors, and the complexity of engagements.</p> <p>The Head of Internal Audit is responsible for supervising engagements, whether the engagement work is performed by the internal audit staff or by other service providers. Supervisory responsibilities may be delegated to appropriate and qualified individuals, but the Head of Internal Audit retains ultimate responsibility.</p>						
12.3.f	<p>The Head of Internal Audit must ensure that evidence of supervision is documented and retained, according to the internal audit function's</p>		[see Program step #56]	IDR38			<p>The test is included in program step #55 related to Requirement 12.3.b.</p>

	<b>established methodologies.</b>						

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