



Assessing Compliance

The I/A function critically assesses all information gathered to demonstrate degree of compliance with the IPPF.

Degree of compliance is judged to be one of the following:

- **Generally Complies**
- **Partially Complies**
- **Does Not Comply**



Although the annual QAIP can be performed by a variety of individuals, the CAE is ultimately responsible and should review and approve the QAIP results, opportunities for improvement and action plans.

Compliance with the standards should only be claimed if sufficient competent evidentiary matter can be gathered to support an affirmative conclusion.

Updating the QAIP assessment is a valuable training opportunity for upcoming leaders within the I/A department.



Professional Standards require an annual QAIP.

Supporting documentation should be continually updated as a part of ongoing operations.

CAEs should consider updating the assessment of standards period-over-period



Reporting Compliance

The CAE is responsible for reporting quality activities within his/her organization.

The CAE is obligated to report on the following items:

- 1) Results of the assessment process with the Audit Committee as well as the Senior Management of their organization
- 2) Design, implementation and costs of corrective measures necessary to bring the I/A function into IPPF compliance
- 3) Constraints that prevent compliance with standards and the resulting impact to the I/A function.



Deliver reports relating to IPPF Compliance timely

Communicate QAIP results and action plans in writing and reinforce with face-to-face explanations

Share QAIP results and action plans with I/A staff members as an educational opportunity



Adding Value For Less

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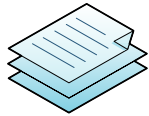
QAIP Pocket Reference

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The QAR *infocus* Quality Assurance and Improvement Program Process (QAIP)



Gathering Information

The process begins with gathering key information needed to document how the I/A function meets the requirements in the standards.

The following documents are gathered or created:

<i>Internal Audit Charter</i>	<i>Aud. Comm. Charter</i>
<i>Entity Org. Chart</i>	<i>I/A Org. Chart</i>
<i>CAE Reporting Activities</i>	<i>I/A Audit Universe</i>
<i>IT Audit Universe</i>	<i>IT Background</i>
<i>Annual Audit Plan</i>	<i>I/A Risk Assessment</i>
<i>Policies & Procedures</i>	<i>Operating Budget</i>
<i>Staff Ed. & Experience</i>	<i>Conflict of Interest Info.</i>
<i>Staff Skills Inventory</i>	<i>CPE Program</i>
<i>Performance Appraisals</i>	<i>Staff Dev. Program</i>
<i>Time Usage</i>	<i>I/A Metrics</i>
<i>Audit Reports</i>	<i>QA Program Info</i>
<i>IA Background Info.</i>	<i>Entity Annual Report</i>
<i>Aud. Comm. Interview</i>	<i>CAE Interview</i>
<i>External Auditor Interview</i>	<i>Internal Provider Interview</i>
<i>Other</i>	



Relevant feedback is obtained from a number of key stakeholders via face-to-face interviews.

An Internal Audit function achieves compliance by creating and maintaining sufficient documentation to demonstrate IPPF required activities and outcomes.



Analyzing Documents & Interviews

The assessor analyzes the documentation and interview information using the IPPF requirements as a baseline.

This analysis seeks to determine level of compliance with the letter and intent of the **mandatory guidance**. In addition, the **strongly recommended guidance** further allows the assessor to identify opportunities for the I/A activity to improve.



Internal Assessments may be performed by individuals within the I/A department itself or within the same organization.

The CAE may also choose to use an external assessor or team to perform the annual QAIP.



Professional Standards refer to the QAIP as a “periodic review” performed by someone knowledgeable of I/A activities, practices and the IPPF.

These reviews not only encompass the Standards, but include the Definition of Internal Auditing and the Code of Ethics as well.

The information gathering and analysis phases of the QAIP are therefore not static, but dynamic activities that seek to reflect changes in practice, governance, personnel and other conditions.



Obtaining Customer & Staff Feedback

The I/A activity solicits input and feedback from their customers and staff members to corroborate underlying documents and interview data.

This is usually accomplished via short surveys that can be sent to the target persons via email or on paper. In some cases, personal interviews can be used as well. This feedback asks questions specifically geared to contribute to the assessors look at the I/A function’s compliance with the IPPF.



Professional Standards also require the QAIP to include ongoing monitoring. Such monitoring might include:

- Semi-annual staff surveys
- Quarterly rotational management surveys
- Survey content that includes scope to address professional standards
- Representative sampling of workpapers completed throughout the year.



Reviewing Workpapers

The I/A activity reviews workpapers to demonstrate compliance with the IPPF.

This is usually accomplished using a specialized questionnaire (in addition to any supervisory review checklist) that facilitates analyzing and documenting compliance with applicable IPPF requirements.