International Professional Practices Framework (IPPF)
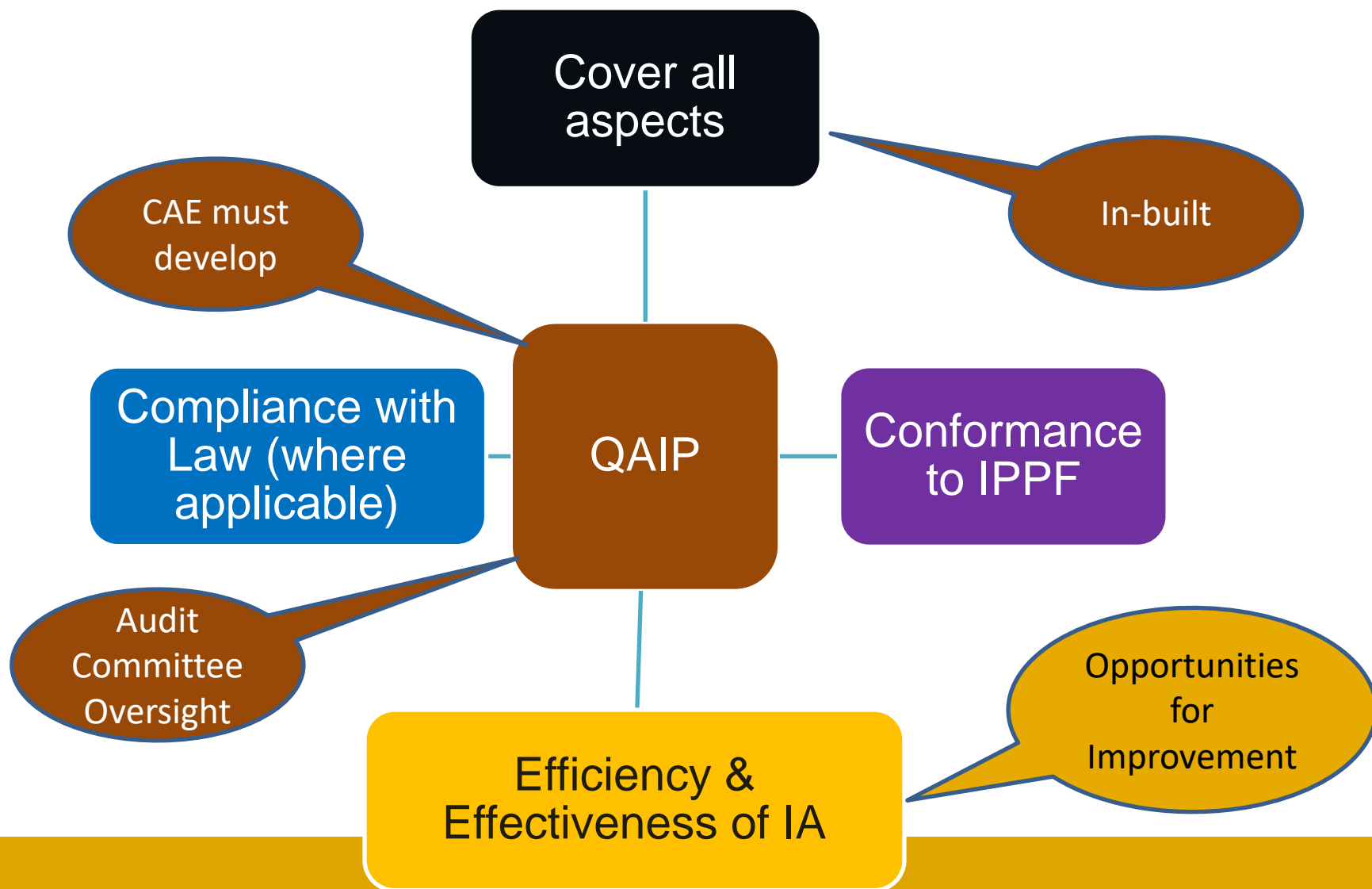
Theme: The Framework for Internal Audit Effectiveness

Quality Assurance & Improvement Program

17th - 18th March 2021
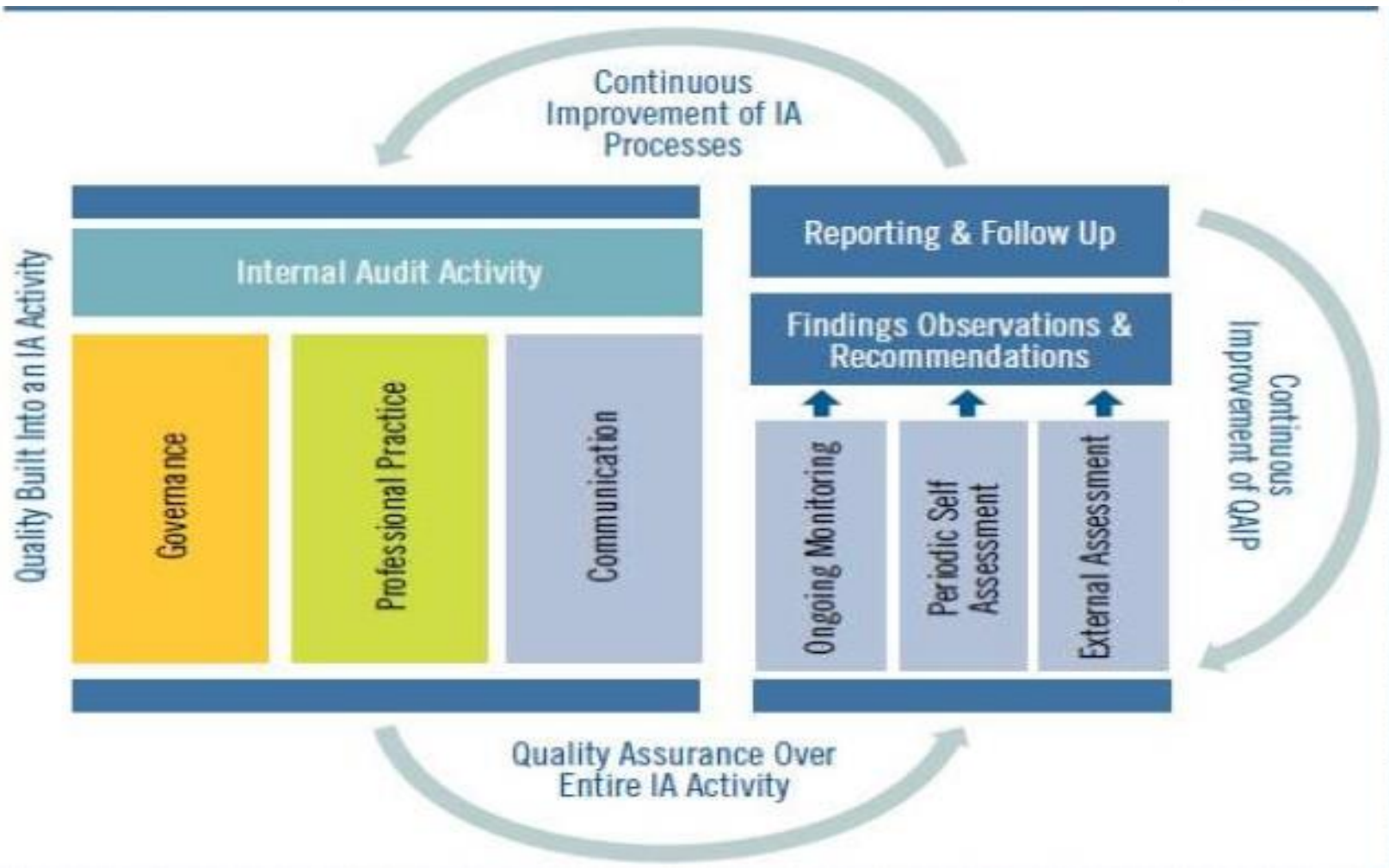
**CIA, CPA Muondu Daniel,
CFE, CISA**

Standard 1300

Cover all aspects

In-built

CAE must develop

QAIP

Compliance with Law (where applicable)

Conformance to IPPF

Audit Committee Oversight

Efficiency & Effectiveness of IA

Opportunities for Improvement

What is Quality?

QAIP Framework

QAIP Implementation

Internal Assessment

External Assessment

On-going Monitoring	Periodic Self-Assessment	External Assessment
• Engagement supervision • Audit client feedback • Engagement completion checklist • KPIs assessment	• Internal resource (certified Quality Assessor) • Conformance to IPPF (Code of Ethics and Standards) • Compliance to the legal framework	• External resource (certified Quality Assessor) • Conformance and compliance • 3-5 years

Report to Senior Management and Audit Committee

Assessment Scale

Assessment Scales

QA Manual Assessment Scale

Generally Conforms	Opportunities For Improvement	Effectiveness And Efficiency Of IAA
Partially Conforms		
Does Not Conform		

Beyond Conforming

Leading — Innovates Best Practices / Strategic Partner / Leader in IA Profession

Leveraging — Emphasizes Best Practice / Anticipates Change / Expanding Roles

Conforming

Conforming — Generally Conforms / External Assessment / Continuous Improvement

Non-Conforming

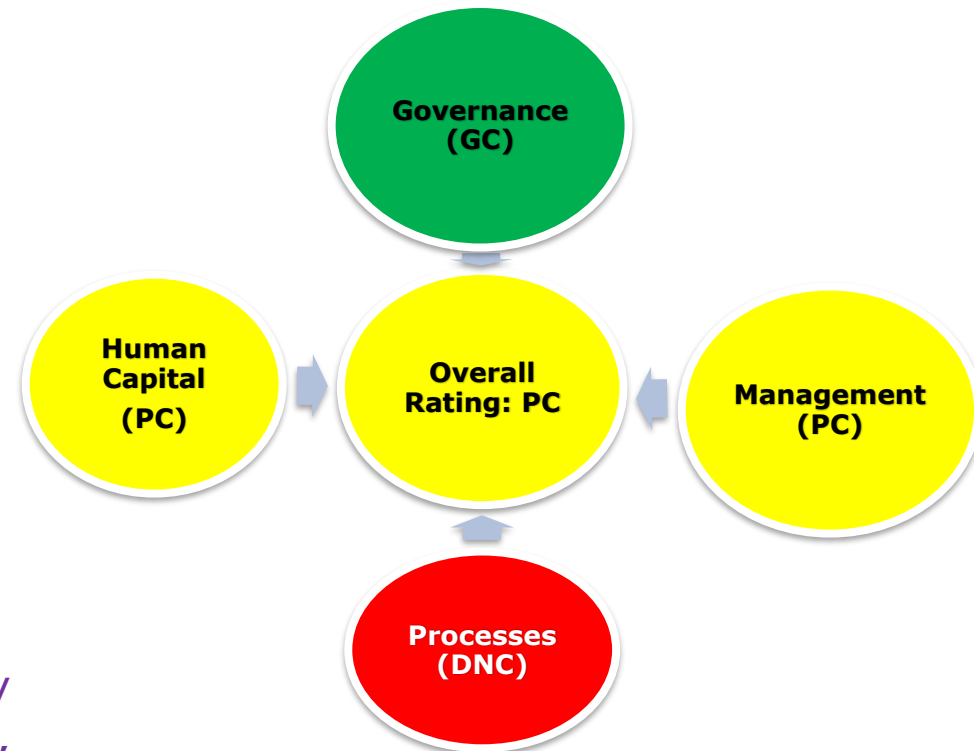Emerging — Partially Conforms / Self Assessment / Action Plans

Beginning — Innovates / Does Not Conform / New Internal Audit Activity QAIP

Path to Quality (Maturity Model) Scale

Opinion and Conclusion

Pillar	Legal Compliance	IPPF Conformance	Overall
Governance	GC	GC	GC
Human Capital	GC	PC	PC
IAD Management	PC	DNC	PC
IAD Process	DNC	DNC	DNC

Overall Satisfaction rating of IAD by stakeholders (Board, Audit Committee, Management, External Auditor) **XX%**

Governance (GC)

Human Capital (PC)

Overall Rating: PC

Management (PC)

Processes (DNC)

Scale
Generally Conforms/Complies (GC)
Partially Conforms/Complies (PC)
Does Not Conform/Complies (DNC)

Trend Analysis

Pillar	Current Assessment	Previous Assessment
Governance	GC	DNC
Human Capital	PC	DNC
IAD Management	PC	DNC
IAD Process	DNC	DNC

What has been implemented since the last EQA

What is outstanding?

Rating Per Pillar

ICPAK — Uphold Public Interest

IAD Governance Rating			
Compliance (Legal)		**Conformance (IPPF)**	
Governance Overall Compliance Rating	**GC**	**Governance Overall Conformance Rating**	**GC**
PFMR s160-Mandate.	GC	Standard 1000-Purpose, Authority and Responsibility.	GC
PFMR s161-requirement to conform to IPPF.	GC	Standard 1100-Independence and Objectivity.	GC
PFMR s162 and s168-Independence.	GC	Code of Ethics.	GC
PFMR s169 – recognition of the legal and disciplinary liability of internal auditors due to non-compliance with the PFMA and PFMR.	GC		
PFMR s172-Enforcement of Internal Audit Recommendations.	PC		
Mwongozo 3.4-Audit Committee and Internal Audit.	GC		

IAD Human Capital Rating			
Compliance (Legal)		**Conformance (IPPF)**	
Human Capital Overall Compliance Rating	**GC**	**Human Capital Overall Conformance Rating**	**PC**
PFMR s166(2)-Performance Appraisal (Annual Review of IAD Performance and Competency Level).	GC	Standard 1200: Proficiency and Due Professional Care.	PC
		Standard 2030: appropriate and sufficient human capital.	PC

Rating

| IAD Management Rating			
Compliance (Legal)		**Conformance (IPPF)**	
IAD Management Overall Compliance Rating	**PC**	**IAD Management Overall Conformance Rating**	**DNC**
PFMR s170-Risk Based Audit Assessment Strategic Plan.	GC	Standard 2000: Managing the Internal Audit Activity.	PC
PFMR s166 (1) & (2)-Performance Appraisal (Annual Assessment of the Effectiveness of IAD).	PC	Standard 2100: Nature of Work.	PC
PFMR s160-Mandate (assurance on governance, risk management and financial & non-financial controls).	PC	Standard 2600: Management Acceptance of Risks.	DNC
PFMR s166 (3)-Performance Appraisal (External assessment every 3-5 years).	PC	Standard 1300: Quality Assurance and Improvement Program.	DNC
PFMR s173-Preparation and Submission of Quarterly and Annual Reports.	PC		

IAD Process Rating			
Compliance (Legal)		**Conformance (IPPF)**	
Process Overall Compliance Rating	**DNC**	**Process Overall Conformance Rating**	**DNC**
PFMR s167-Reporting Material Breaches and Persistent Material Breaches.	PC	Standard 2200-Engagement Planning.	DNC
PFMR s171-Communicating Results.	PC	Standard 2300-Performing the Engagement.	DNC
		Standard 2400-Communicating Results.	PC
		Standard 2500-Monitoring Progress.	DNC

QIAP Output

- Use of the Term: "The internal audit activity conforms with the International Standards for the Professional Practice of Internal Auditing"---based on the outcome of assessment
- CAE must disclose impact on non-conformance & compliance
- Action plan to improve performance, raise value added and enhance brand equity—annual monitoring of implementation
- IA that is not effective and efficient is a risk to an organization
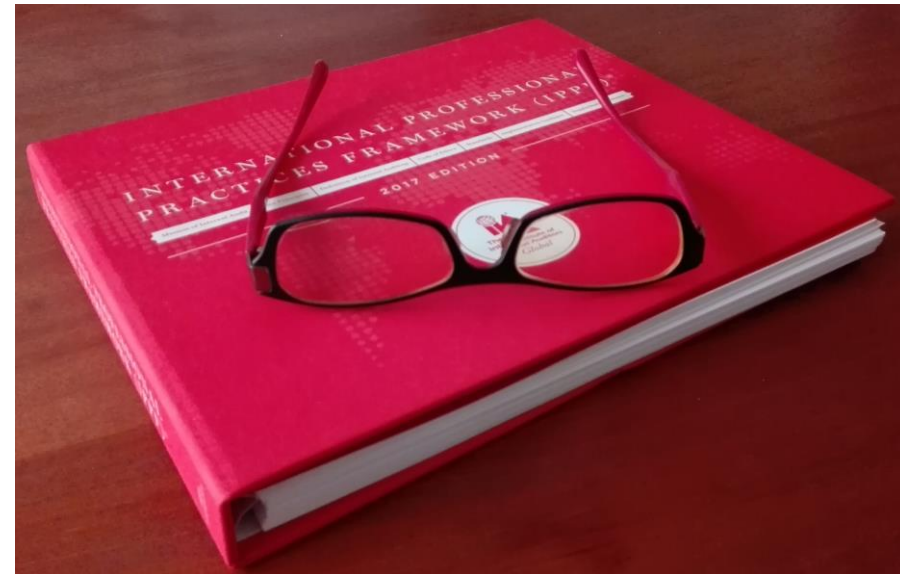
END

Thank you

International Professional Practices Framework (IPPF)

Theme: The Framework for Internal Audit Effectiveness

Quality Assurance & Improvement Program

17th - 18th March 2021

CIA Muondu Daniel,
CPA, CFE, CISA

Uphold public interest