

# INTERNAL AUDIT QUALITY ASSURANCE SEMINAR

**Theme: In pursuit of continuous improvement  
of Internal Audit functions**

**Internal Assessments**

**23<sup>rd</sup> - 24<sup>th</sup> June 2021**

**CPA Charles Ndegwa**

# Contents



1. Poll questions
2. Internal Assessments
3. Linkage to External Assessments
4. Q&A



# Poll Questions



1. We create awareness amongst our clients on the value they should expect from the Internal Audit Function? (Yes, No)
2. We seek feedback from our clients on the value they expect from the Internal Audit Function? (Yes, No)
3. We create awareness amongst our clients on the Internal Audit Process and how we shall involve them in the process? (Yes, No)
4. For each engagement, a detailed review of the working papers and audit report is undertaken? (Yes, No)

# Background



- Internal Audit – points out areas of improvement
- Clients also expect Internal Audit to improve and change as the entity changes
- A poor rating by an external assessor dents the credibility of the Internal Audit Function
- Quality – the extent to which our value meet clients' / stakeholders' expectations
- Use internal assessments to prepare for external one

## Opinion

Generally Conforms  
(GC)

Partially Conforms (PC)

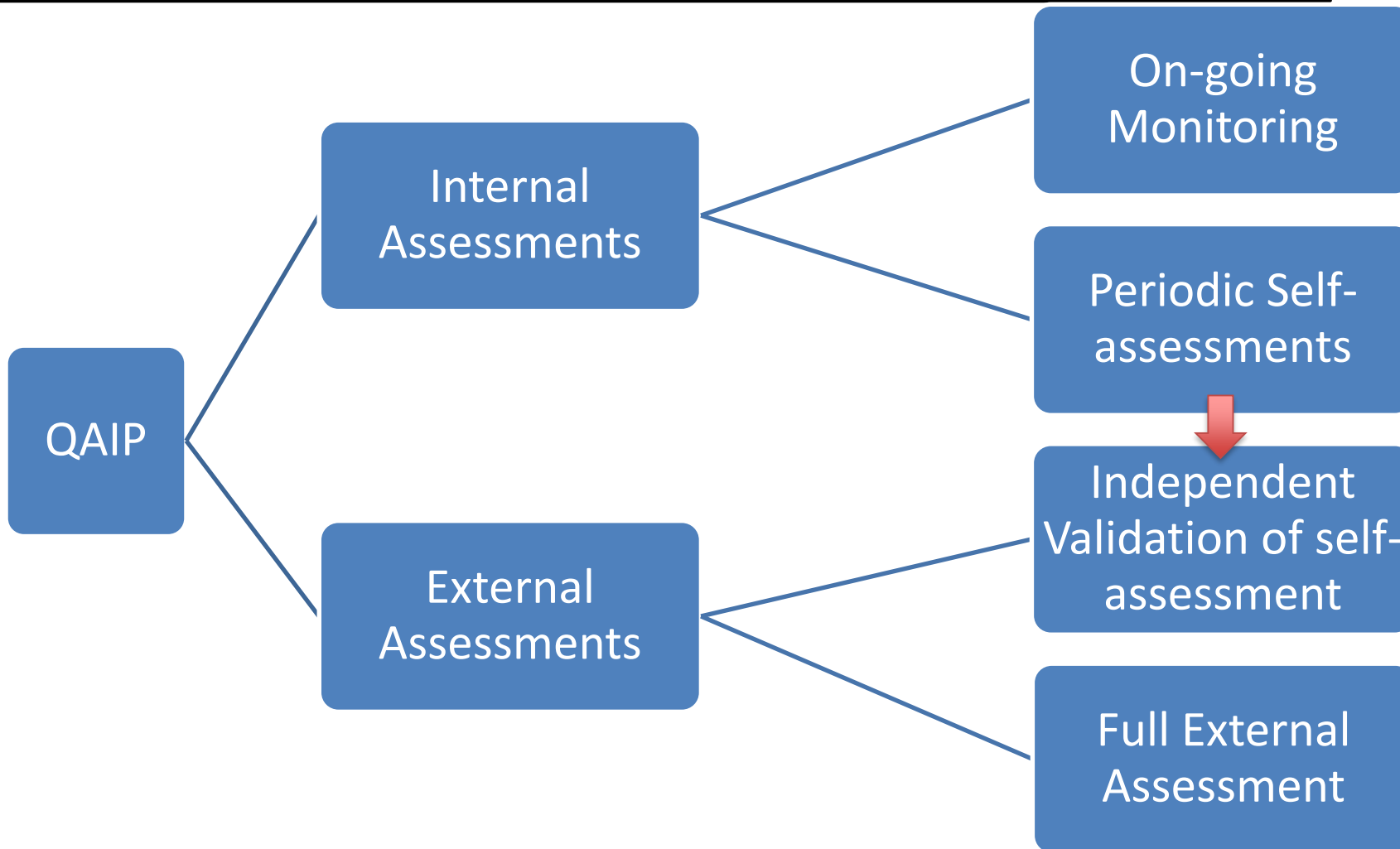
Does Not Conform  
(DNC)

# Opinion Criteria

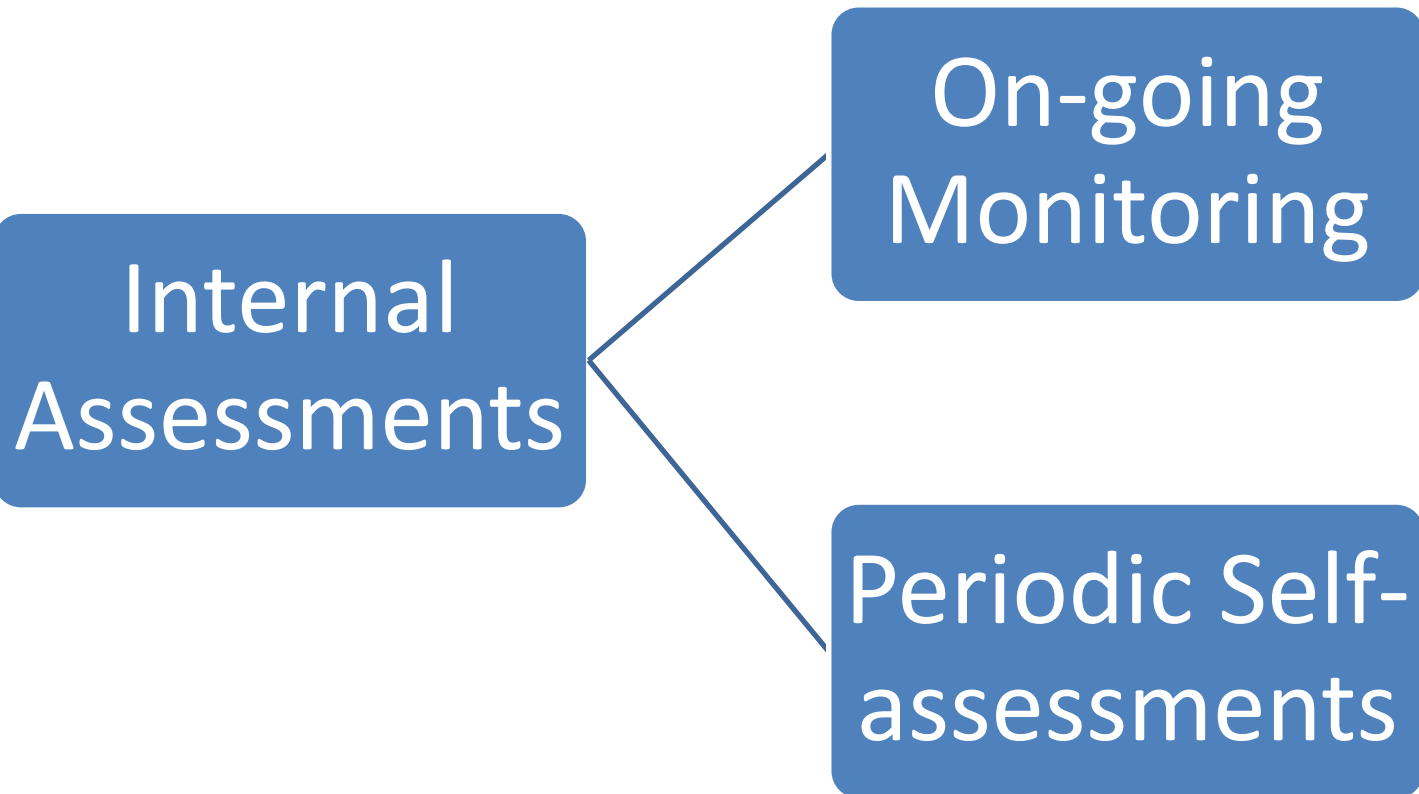


Opinion	Description
Generally Conforms (GC)	Internal Audit structures, policies, procedures and practices comply with the requirements of individual Standards and Code of Ethics.
Partially Conforms (PC)	Internal Audit is making good-faith efforts to comply with the requirement of the individual Standards and Code of Ethics but falls short of achieving some major objectives.
Does Not Conform (DNC)	Internal Audit is not aware of or is not making good-faith efforts to comply with the requirements of the individual Standards and Code of Ethics.

# QAIP Components



# Internal Assessments



# On-going Monitoring



- Supervision - review and approval of engagement plans, audit programs, working papers, reports
- Survey client after each engagement
- Quality Assurance Role (person or section)
- Action plan to address identified gaps
- KPIs and implementation status reported to Management and Board





# Periodic Self-assessments



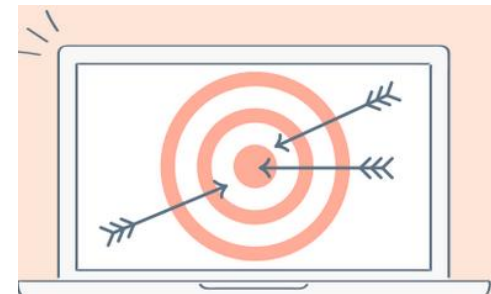
Objective is to evaluate:

- Conformance with the IIA Standards
- Compliance with applicable legal requirements
- Done by staff with sufficient knowledge of IPPF:
  - Senior Staff in Internal Audit
  - Other staff in the organization
- Assessments have various components
  - Stakeholders' feedback
  - Pillars reviewed: Internal Audit's governance, Management, Human Capital and Processes

# Linkage with External Assessment



- External assessment through validation of internal self-assessment
- Self-assessment should have been comprehensively documented
- As a preparation for external assessment
- The results of both internal and external assessments:
  - a. Inform an action plan
  - b. Results / progress on action plan are reported to Senior Management and the Board



# Implication – IA Strategic Plan



Schedule QAIP activities in the implementation matrix

No	Activity Description	Year 1	Year 2	Year 3
1.	Review Internal Audit Charter and Audit Manual	√		
2.	Undertake Internal Self-Assessment	√		
3.	Audit Working Papers Automation		√	
4.	Undertake External Quality Assessment			√

# Implication – IA Annual Plan



## Schedule activities in the Annual Workplan

No	Activity Description	Month	Budget
1.	Train team on Quality Assessment	Sep 2021	
2.	Review Internal Audit Manual	Oct 2021	
3.	Internal Self Assessment	Nov 2021	
4.	Run Internal Audit awareness campaign for audit clients	May 2022	
5.	Undertake annual Internal Audit Clients satisfaction survey	June 2022	

# Implication – IA Tools



Integrate quality in the Internal Audit Processes

1. Charters and Audit Manual
2. Audit working papers software that requires users to meet IPPF requirements
3. IA budgeting process considers the resources required to maintain and improve quality

# Resources for Reference



# Q&A





# Q&A



Charles Ndegwa

Tel > +254-722-798241

Email > [charles.ndegwa@ramses.co.ke](mailto:charles.ndegwa@ramses.co.ke)

Studio House, Ground Floor  
Plums Lane, Off Ojjo Road, Parklands  
P.O.Box 12878 - 00100 Nairobi  
Website > [www.ramses.co.ke](http://www.ramses.co.ke)

