




MEMORANDUM

TO: FAU BOT Audit and Compliance Committee
Dr. John Kelly, President

FROM: Reuben Iyamu, Inspector General 

DATE: November 15, 2022

SUBJECT: Office of Inspector General's Quality Assurance and Improvement Program Review 2022

I am pleased to submit this report for the completed external validation review of the Office of Inspector General's Quality Assurance and Improvement Program (QAIP). As you may be aware, the Board of Governors (BOG) regulations and the Professional Auditing Standards for Internal Auditing require that the OIG obtain an external assessment review of its QAIP at least once every five years by a qualified, independent party, primarily to assess our conformity with the IIA Standards and Code of Ethics as well as to identify any opportunities for improvement.

The two-person team that conducted the independent external assessment concurred with our self-assessment conclusions and affirmed that the FAU OIG **generally conforms** in all material aspects with the IIA Standards and the Code of Ethics during the period under review. These Standards govern our profession and address such matters as independence, professional judgment, competence, and audit product quality. "Generally Conforms" (the highest possible rating) means that FAU OIG has policies, procedures, and a charter that were judged to be in accordance with the IIA Standards and Code of Ethics; however, opportunities for continuous improvement may exist.

We are very proud that the external validation review report cited (1) our adherence to the *International Standards for the Professional Practice of Internal Auditing* and (2) some of the strengths of the OIG. We also appreciate the observations and recommendations provided by the external validation team to further enhance our operations and demonstrate adherence to the *International Standards for the Professional Practice of Internal Auditing*. We will make the appropriate changes to our procedures to address the external validation team's recommendations.

Of the seven improvement recommendations provided by the independent external validation team, the two listed below pertaining to Governance are notable and may require your assistance in addressing:

- Giving the Audit Committee and documenting in its charter a more active role in the IG's hiring/firing, performance appraisal, and compensation. This supports independence of the internal audit function and its already existing dual reporting structure, which should encompass the personnel actions for its leader. *This recommendation was also reported as an opportunity during the 2017 external quality assessment validation.*
- Considering adding the IG to the President's Cabinet, which has become a common practice and allows for the IG to provide value at a more strategic level.

Please let me know if you have any questions or require any additional information.

Sincerely,

cc: Stacy Volnick, Chief Operating Officer & Vice President for Administrative Affairs



October 28, 2022

Pamela Dunleavy
Chief Audit Executive
University of South Carolina Audit & Advisory Services
1600 Hampton Street, Suite 610
Columbia, SC 29208

Toni Stephens
Chief Audit Executive
University of Texas at Dallas
800 W. Campbell Road., SPN 32
Richardson, TX 75080

Dear Ms. Stephens and Ms. Dunleavy:

Thank you for the opportunity to respond to your Independent Validation Report of the Quality Assurance Self-Assessment Review dated October 28, 2022, issued to the Florida Atlantic University Office of Inspector General (FAU OIG). We are pleased that you concur with our self-assessment conclusions (attached) and affirm that the FAU OIG **generally conforms** in all material respects to the *IIA Standards* and the *IIA Code of Ethics* during the period under review.

We are grateful to you for indicating that positive responses were received from the individuals that were interviewed and surveyed regarding the value provided by the OIG. In addition, thank you for acknowledging some of the successful practices established within our department.

We also appreciate your observations and recommendations to further enhance our operations and demonstrate adherence to the *International Standards for the Professional Practice of Internal Auditing*. Accordingly, we concur with your observations and will make the necessary corrective actions to address your recommendations along with the recommendations contained in our self-assessment.

As for the opportunities for continuous improvements, we concur with your comments regarding Governance and Staff. We will address these issues both internally and with applicable FAU management.

We appreciate your collaborative efforts, time spent, observations made, and the recommendations provided. We would also like to thank you for your professionalism, fairness, and full cooperation with our office during this review process. Please feel free to contact me if you have any questions or concerns.

Sincerely,

Reuben Iyamu
FAU Inspector General

cc: Dr. John Kelly, President
Mr. Brent Burns, BOT Audit & Compliance Committee Chair
Stacy Volnick, Vice President for Administrative Affairs and Chief Operating Officer

Independent Validation Report of the Quality Assurance Self-Assessment Review

Florida Atlantic University

Office of the Inspector General

October 28, 2022

FAU Office of the Inspector General Overall Opinion

**It is our overall opinion that the Office of the Inspector General at Florida Atlantic University
Generally Conforms
with the *Standards and the IIA Code of Ethics*.**

This level of conformance demonstrates a clear intent and commitment to achieving the Core Principles for the Professional Practice of Internal Auditing and the Definition of Internal Auditing.

Governance		Staff		Management		Process	
Standard	Rating	Standard	Rating	Standard	Rating	Standard	Rating
1000	GC	1200	GC	2000	GC	2200	GC
1100	GC			2100	GC	2300	GC
1300	GC			2450	GC	2400	GC
Code of Ethics	GC			2600	GC	2500	GC

The external validation team appreciates the courtesy, cooperation, and collaboration with the Inspector General and his team, and the FAU staff and executives with whom we interacted during this review.

Quality Assurance Team

Ms. Pam Dunleavy, CPA, CIA, CISA, Chief Audit Executive, The University of South Carolina
Ms. Toni Stephens, CPA, CIA, CRMA, Chief Audit Executive, The University of Texas at Dallas



GC = Generally Conforms PC = Partially Conforms DNC = Does Not Conform
See Attachment A for detailed list

Table of Contents

Executive Summary	4
Summary of Observations – <i>Successful Internal Audit Practices</i>	5
Summary of Observations – <i>Gaps to Conformance</i>	6
Summary of Observations – <i>Opportunities for Continuous Improvement</i>	8
 <u>Attachments</u>	
Attachment A: Independent Evaluation Summary and Rating Definitions	10
Attachment B: Objectives, Scope, and Methodology	12
Attachment C: Self-Assessment Report	13

Executive Summary

In June 2022, the Inspector General (IG) for the Office of the Inspector General (OIG) engaged an independent review team consisting of internal audit professionals with extensive higher education experience to perform an independent validation of the OIG's self-assessment.

In September 2022, the OIG completed a self-assessment of internal audit activities in accordance with guidelines published by the Institute of Internal Auditors (IIA) for the performance of a quality assurance (QAR) review. The primary objective of the validation was to verify the assertions made in the QA report concerning the OIG's conformity to the IIA's [*International Standards for the Professional Practice of Internal Auditing*](#) (the IIA *Standards*) and Code of Ethics. Compliance with IIA *Standards* require that an internal audit activity obtain a QAR at least once every five years by a qualified, independent assessor or assessment team from outside the organization.

In acting as validators, the team is fully independent of the organization, has no conflicts of interest, and has the necessary knowledge and skills to undertake this engagement. The validation, conducted during the period of September – October 2022, consisted primarily of interviews and surveys with executive leadership, the IG and his staff members, and a review and test of the procedures and results of the self-assessment.

Based on our independent validation of the QAR performed by the OIG, we agree with their overall conclusion that the internal audit function "**Generally Conforms**" with the IIA's *Standards*.

"Generally conforms" is the top rating and means that an internal audit activity has a charter, policies, and processes that are judged to be in conformance with the *Standards*. A detailed description of conformance criteria can be found in Attachment A. We also believe that the OIG conforms to the IIA's Code of Ethics and the Definition of Internal Auditing.

The following report contains a summary of observations, including successful practices and opportunities for enhancing the internal audit function, specifically in the areas of governance and staff opportunities for professional development.

Summary of Observations – *Successful Internal Audit Practices*

The current Inspector General has been at the University for about two years serving in the chief audit executive role and continues to make improvements to audit operations. We reviewed the results of surveys and interviewed stakeholders regarding the value provided by the OIG. Their responses were very positive, and stakeholders commented as follows:

- *"The team has a strong grasp on institutional practices which makes them very effective at understanding and breaking down business processes. This makes them well positioned to quickly find areas for improvements."*
- *"The FAU Office of Inspector General has implemented technology-enabled processes and is leveraging automation as a means to improve the office operations and activities and, ultimately, to continue to add value to the University. The internal audit function has improved greatly over the last year. Rather than just focusing on finding problems, they partner to improve the functions of the University. They are adding value and helping us improve."*

In addition, we noted the following successful practices:

- The team is well respected and senior leadership views them as collaborative partners, noting recent improvements in audit operations.
- The team is highly experienced in auditing, and most team members possess certification in the areas of internal auditing and investigations.
- Investigations process is well structured and documented.

Summary of Observations – Gaps to Conformance

In general, we agree with the recommendations outlined in the OIG QA report at Attachment C. We also offer the following recommendations where we believe the OIG is operating in a manner that only partially conforms with the *Standards*.

Observation and Recommendation	Institute of Internal Auditors Standard	OIG Response
<p>Observations (contained in the self-assessment report) The self-assessment identified one Standard 1320 – Reporting on the Quality Assurance and Improvement Program, that was deemed “partially conforms.” This was a result of the OIG not currently reporting on the ongoing monitoring process of the QAIP on an annual basis. Partially conforms deficiencies in practice are judged to deviate from the Standards, but the deficiencies do not preclude the OIG activity from performing its responsibilities.</p>	<p>1320 – Reporting on the Quality Assurance and Improvement Program <i>The chief audit executive must communicate the results of the quality assurance and improvement program to senior management and the board.</i></p>	<p>OIG will commence reporting on the ongoing monitoring process as part of the Annual Report of Activities for the Fiscal Year Ended June 30, 2022.</p>
<p>Observations: A risk assessment process is documented in the working papers; however, documentation does not exist that ties the risks directly to the audit work program. As a result, it is difficult to determine if the risks considered during the planning phase were properly addressed in the fieldwork phase.</p> <p>Based on discussions with the team, the IG is involved in the planning phase and work program approval; however, this approval is not documented.</p> <p>Recommendation: Develop a process that evidences the risks and provides documentation as to whether the risk will be addressed in fieldwork or why it was not addressed.</p> <p>Also, ensure that IG approval for the work program and any adjustments needed, are documented.</p>	<p>2200 – Engagement Planning <i>Internal auditors must develop and document a plan for each engagement, including the engagement’s objectives, scope, timing, and resource allocations. The plan must consider the organization’s strategies, objectives, and risk relevant to the engagement.</i></p> <p>2240 – Engagement Work Program <i>Internal auditors must develop and document work programs that achieve the engagement objectives. ...The work program must be approved prior to its implementation, and any adjustments approved promptly.</i></p>	<p>OIG will enhance the Risk and Control Matrix (RACM) to include documentation that includes the test procedures to be conducted during fieldwork. In addition, we will add a notation on the Fieldwork Audit program that identifies the risk number assigned on the RACM. If a risk will not be addressed during fieldwork, the rationale for this decision will be documented within the RACM.</p> <p>The IG currently reviews and approves all workpapers and programs within all phases of the engagement. This approval occurs when the information is uploaded by the respective auditor to the AutoAudit system.</p> <p>To ensure there is no confusion regarding the IG approval of work programs and its timeliness, we will establish a new protocol that the IG performs a preliminary approval of the work program during the Preliminary Survey phase of the audit which precedes the commencement of the fieldwork phase.</p>

Summary of Observations – Gaps to Conformance

Observation and Recommendation	Institute of Internal Auditors Standard	OIG Response
<p>Observation: The annual audit plan is intended to ensure that internal audit coverage adequately examines areas with the greatest exposure to the key risks that could affect the University's ability to achieve its objectives. The Inspector General (CAE) developed the current annual assessment with the audit universe that was developed by the previous CAE. That audit universe is not comprehensive, and does not document all auditable areas of the University. The current CAE is working on revising or updating the audit universe to cover all auditable risk areas of the University. Such an update will help ensure that the OIG is reasonably addressing or examining all areas of greatest exposure to the keys that could affect the University.</p> <p>The following allocations were made in the FY22 audit plan based on current resources:</p> <ul style="list-style-type: none"> • 18% required audits by the State of Florida • 26% indirect/administrative time (considered reasonable) • 56% risk-based audits <p>We commend the university for hiring a third party vendor to audit cybersecurity, which is considered to be the highest risk; however, current processes and resources do not allow the team to reasonably assess all of the highest risks at the University.</p> <p>Recommendation: Revise the audit universe, document the planning process that explains criteria for risk levels, and provide management with risk mitigation processes for the highest risks.</p>	<p>2010 – Planning The chief audit executive must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization's goals.</p> <p>The internal audit activity's plan of engagements must be based on a documented risk assessment undertaken at least annually.</p>	<p>OIG has begun revising the audit universe and will enhance the documentation that explains the criteria for risk levels.</p> <p>OIG will work with applicable FAU leadership and the BOT Audit and Compliance Committee regarding the mitigation of high-risk areas that cannot be addressed due to resource limitations.</p> <p>The implementation of a robust ERM process will assist in the mitigation of risks.</p>

Summary of Observations – *Opportunities for Continuous Improvement*

Self Assessment Recommendations

The review team agrees with the opportunities for continuous improvement recommendations contained in the self-assessment report regarding the following:

- *Consideration to enhance use of data analytics.*
- *Continuing to build out and formalize the OIG strategic plan, including participation in the ERM process and outreach programs.*

We also offer the following opportunities for consideration:

Governance

Enhance the governance of audit operations by:

- Giving the Audit Committee and documenting in its charter a more active role in the IG's hiring/firing, performance appraisal, and compensation. This supports independence of the internal audit function and its already existing dual reporting structure, which should encompass the personnel actions for its leader. *This recommendation was also reported as an opportunity during the 2017 external quality assessment validation.*

IG Response: We will address this topic with the BOT Audit and Compliance Committee and applicable FAU management.

- Consider adding the IG to the President's Cabinet, which has become a common practice in the audit profession and allows for the IG to provide value at a more strategic level.

IG Response: We will address this with the BOT Audit and Compliance Committee and applicable FAU management.

Staff

Improve staff training and morale by:

- Ensuring the staff receive more focused training in higher education auditing. As the University continues to increase research funding, staff should also receive training in university research to ensure adequate expertise in this area. Consider developing an annual training plan for each staff member tied to the audit plan as well as the university's strategic goals.

IG Response: The IG will address and explore this topic with team members and applicable FAU management.

- Ensuring resources are provided to staff members with goals to achieve certifications and become members of audit-related organizations outside of the Institute of Internal Auditors and the Association of College and University Auditors.

IG Response: The IG will address and explore this topic with team members and applicable FAU management.

ATTACHMENTS

Attachment A

Independent Evaluation Summary and Rating Definitions – FAU OIG

*GC = Generally Conforms, PC = Partially Conforms, DNC = Does Not Conform		GC	PC	DNC	Performance Standards (2000 – 2600)		GC	PC	DNC
Overall Evaluation		✓			2000	Managing the Internal Audit Activity	✓		
Attribute Standards (1000 – 1300)		GC	PC	DNC	2010	Planning		✓	
1000	Purpose, Authority, and Responsibility	✓			2020	Communication and Approval	✓		
1010	Recognizing Mandatory Guidance in the Internal Audit Charter	✓			2030	Resource Management	✓		
1100	Independence and Objectivity	✓			2040	Policies and Procedures	✓		
1110	Organizational Independence	✓			2050	Coordination and Reliance	✓		
1111	Direct Interaction with the Board	✓			2060	Reporting to Senior Management and the Board	✓		
1112	Chief Audit Executive Roles Beyond Internal Auditing	✓			2070	External Service Provider and Organizational Responsibility for Internal Auditing	✓		
1120	Individual Objectivity	✓			2100	Nature of Work	✓		
1130	Impairment to Independence or Objectivity	✓			2110	Governance	✓		
1200	Proficiency and Due Professional Care	✓			2120	Risk Management	✓		
1210	Proficiency	✓			2130	Control	✓		
1220	Due Professional Care	✓			2200	Engagement Planning		✓	
1230	Continuing Professional Development	✓			2201	Planning Considerations	✓		
1300	Quality Assurance and Improvement Program	✓			2210	Engagement Objectives	✓		
1310	Requirements of the Quality Assurance and Improvement Program	✓			2220	Engagement Scope	✓		
1311	Internal Assessments	✓			2230	Engagement Resource Allocation	✓		
1312	External Assessments	✓			2240	Engagement Work Program		✓	
1320	Reporting on the Quality Assurance and Improvement Program		✓		2300	Performing the Engagement	✓		
1321	Use of "Conforms with the International Standards for the Professional Practice of Internal Auditing"	✓			2310	Identifying Information	✓		
1322	Disclosure of Nonconformance	✓			2320	Analysis and Evaluation	✓		
Code of Ethics		✓			2330	Documenting Information	✓		
					2340	Engagement Supervision	✓		
					2400	Communicating Results	✓		
					2410	Criteria for Communicating	✓		
					2420	Quality of Communications	✓		
					2421	Errors and Omissions	✓		
					2430	Use of "Conducted in Conformance with the <i>International Standards for the Professional Practice of Internal Auditing</i> "	✓		
					2431	Engagement Disclosure of Nonconformance	✓		
					2440	Disseminating Results	✓		
					2450	Overall Opinions	✓		
					2500	Monitoring Progress	✓		
					2600	Communicating the Acceptance of Risks	✓		

Word Cloud

The “word cloud” captures and demonstrates the frequency and importance of the key words from key stakeholder interviews.



Attachment B

Objectives, Scope, and Methodology

Objectives and Scope

As outlined in the agreement with the OIG, the objective of the external validation review was to determine whether, during the period of March 1, 2021, through June 30, 2022, the FAU OIG internal quality control system was suitably designed and operating effectively to provide reasonable assurance of complying with the *Definition of Internal Auditing, the Code of Ethics, and the Standards* promulgated by the Institute of Internal Auditors.

Methodology

Using the methodology recommended in the Institute of Internal Auditor's *Quality Assessment Manual for the Internal Audit Activity*, the external validation team conducted the following procedures:

- Reviewed the information and the self-assessment report compiled by the OIG.
- Reviewed relevant documentation regarding the department's operations.
- Administered a survey to the OIG's customers/management.
- Reviewed the working papers for two audits and an investigation.
- Conducted interviews of the OIG's audit committee chair, customers/management, and staff members.
- Determined, based on the above procedures, the team's opinion regarding the OIG's compliance with the *Standards*.


ATTACHMENT C

FAU Self-Assessment Report



MEMORANDUM

TO: Mr. Brent Burns, Chair – BOT Audit and Compliance Committee
Dr. John Kelly, FAU President

FROM: Reuben Iyamu, Inspector General 

DATE: September 19, 2022

SUBJECT: Office of Inspector General’s Self-Assessment – Quality Assurance Review

The Office of Inspector General (OIG) has completed a self-assessment review of its system of quality assurance and conformance with the Professional Standards. This self-assessment is part of the OIG Quality Assurance and Improvement Program (QAIP) and will be validated by a two-member independent assessment team during the week of September 26–30, 2022. The Board of Governor (BOG)’s regulations and the Professional Auditing Standards require that we perform this QAIP assessment every five years, primarily to assess our conformity with standards and identify any opportunities for improvement.

As shown below, the internal assessor concluded that the OIG Internal Audit activities generally conforms with the Professional Standards, Code of Ethics, and the Definition of Internal Auditing. The assessor also identified a few opportunities for improvement and provided recommendations for enhancing the OIG operations and activities. We have accepted those recommendations and plan to take corrective actions.

The independent external assessment will be conducted by Ms. Toni Stephens, Chief Audit Executive – University of Texas at Dallas, and Ms. Pamela Dunleavy, Chief Audit Executive – University of South Carolina. Both are highly qualified internal auditing professionals with extensive higher education and external validation experience. The objective of their review is to validate the results of this self-assessment and express an opinion regarding the indicated level of OIG’s conformity with the Standards, Code of Ethics, and the Definition of Internal Auditing. The validation team will issue a final report on their assessment upon completion, which I will also share with you as required by the BOG regulations and Professional Standards.

Please let me know if you have any questions or require any additional information.

Sincerely,

cc: Ms. Stacy Volnick, Vice President for Administrative Affairs & Chief Administrative Officer

Office of Inspector General • 777 Glades Road • Boca Raton, FL 33431

Tel: 561.297.3682 • Fax: 561.297.2479 • www.fau.edu/admin/oig

An Equal Opportunity/Equal Access Institution



MEMORANDUM

TO: Reuben Christian Iyamu, Inspector General

FROM: Robert Weintraub, Senior Auditor/Investigator, Office of the Inspector General

DATE: September 16, 2022

SUBJECT: FAU Office of Inspector General’s 2022 Required External Assessment

I have completed a self-assessment review of the Office of Inspector General’s (OIGs) system of quality assurance. This self-assessment will be validated by a two-member external review team during the week of September 26-30, 2022. Our review covered the period March 1, 2021, through June 30, 2022. In conducting our review, we followed the standards and guidelines contained in the implementation guidance for assessing conformance with the International Standards for the Professional Practice of International Auditing.

The general purpose of the assessment was to:

1. Provide an opinion as to whether the OIG activity conforms to the Institute of Internal Auditors (IIA) *International Standards for the Professional Practice of Internal Auditing* (Standards), Code of Ethics, Definition of Internal Auditing, and Core Principles of the Professional Practice of Internal Auditing.
2. Assess the efficiency and effectiveness of the OIG's activities and operations.
3. Identify opportunities for improvement and offer ideas to the Inspector General and staff on ways to improve the office activities, compliance, and performance.

To achieve the stated purpose of the assessment, I:

- Reviewed various aspects of the OIG quality assurance system to determine whether the Quality Assurance and Improvement Program (QAIP) provide reasonable assurance of conformance with the Standards, Code of Ethics, Definition of Internal Auditing, and IIA Core Principles.
- Reviewed a sample of issued audits and work papers to assess quality of engagements, effectiveness, efficiencies, and compliance with the Standards.
- In collaboration with the external validation team, issued Quality Assessment Questionnaires relating to OIG activities and administration to the Board of Trustee Audit and Compliance Committee members, University officials, and the OIG staff.

Overall Opinion

Based on the self-assessment, I have concluded that the FAU Office of Inspector General “generally conforms” in all material aspects to the IIA Standards, Code of Ethics, Definition of Internal Audit, and Core Principles. This rating is the top rating, which means the Office of Inspector General activity has a charter, policies, and processes, and the execution and results of these are judged to be in conformance with the Standards.

The self-assessment identified one Standard 1320 – Reporting on the Quality Assurance and Improvement Program, that was deemed “partially conforms.” This was a result of the OIG not currently reporting on the ongoing monitoring process of the QAIP on an annual basis. Partially conforms deficiencies in practice are judged to deviate from the Standards, but the deficiencies do not preclude the OIG activity from performing its responsibilities. The

OIG will commence reporting on the ongoing monitoring process as part of the Annual Report of Activities for the Fiscal Year Ended June 30, 2022.

Opportunities for improvement

The self-assessment also resulted in identifying areas of opportunity regarding the continued development and growth of the audit function. This includes ensuring continuous improvement in the services provided and meeting stakeholder expectations.

These included:

1. The consideration to enhance our use of data analytics in the planning, conducting, and reporting of OIG engagements. These tools provide the advantage of analyzing large data sets and provide built in tests that run instantly and show trends and outliers. Additional benefits may include better risk management, greater assurance, enhanced efficiency, clearer reporting, and improved audit quality. Accordingly, this would entail the OIG to research and perform a cost benefit analysis of the use of a data analytics software tool.
2. Continue to build out the OIG strategic plan by developing a formalized Strategic Plan document that addresses the following areas of future focus of the audit function (not an all-inclusive list):
 - o The ongoing participation of OIG with other FAU oversight functions to research and provide guidance in the implementation of an Enterprise Risk Management (ERM) framework that is aligned with Florida Atlantic University's strategic priorities and ever-changing initiatives.
 - o The expansion of the OIG Outreach program that will establish new and creative ways for the department to communicate and interact with the FAU community regarding the mission, role, and services of the OIG function.

The independent external assessment of our office will be conducted by Ms. Toni Stephens, Chief Audit Executive – University of Texas at Dallas and Ms. Pamela Dunleavy, Chief Audit Executive – University of South Carolina. The objective of their review is to validate the results of the self-assessment. They will issue a final report on the observations and recommendations identified during the External Validation and express an opinion regarding the indicated level of OIG's conformity with the IIA Standards and Code of Ethics.

Please advise if you require any additional information.

Sincerely,

Robert Weintraub

Robert Weintraub CIA, CRMA
Senior Auditor/Investigator, Office of the Inspector General

Office of Inspector General • 777 Glades Road • Boca Raton, FL 33431

Tel: 561.297.3682 • Fax: 561.297.2479 • www.fau.edu/admin/oig

An Equal Opportunity/Equal Access Institution

Self Assessment - Evaluation Summary and Rating Definitions

Attribute Standards				
Standard		GC	PC	DNC
1000	Purpose, Authority, and Responsibility	X		
	<i>1010 – Recognizing Mandatory Guidance in the Internal Audit Charter</i>	X		
1100	Independence and Objectivity	X		
	<i>1110 – Organizational Independence</i>	X		
	<i>1111 – Direct Interaction with the Board</i>	X		
	<i>1112 – Chief Audit Executive Roles Beyond Internal Auditing</i>	X		
	<i>1120 – Individual Objectivity</i>	X		
	<i>1130 – Impairment to Independence or Objectivity</i>	X		
1200	Proficiency and Due Professional Care	X		
	<i>1210 – Proficiency</i>	X		
	<i>1220 – Due Professional Care</i>	X		
	<i>1230 – Continuing Professional Development</i>	X		
1300	Quality Assurance Improvement Program	X		
	<i>1310 – Requirements of the Quality Assurance and Improvement Program</i>	X		
	<i>1311 – Internal Assessments</i>	X		
	<i>1312 – External Assessments</i>	X		
	<i>1320 – Reporting on the Quality Assurance and Improvement Program</i>		X	
	<i>1321 – Use of “Conforms with the International Standards for the Professional Practice of Internal Auditing”</i>	X		
	<i>1322 – Disclosure of Nonconformance</i>	X		
Performance Standards				
Standard		GC	PC	DNC
2000	Managing the Internal Audit Activity	X		
	<i>2010 – Planning</i>	X		
	<i>2020 – Communication and Approval</i>	X		
	<i>2030 – Resource Management</i>	X		
	<i>2040 – Policies and Procedures</i>	X		
	<i>2050 – Coordination and Reliance</i>	X		
	<i>2060 – Reporting to Senior Management and the Board</i>	X		
	<i>2070 – External Service Provider and Organizational Responsibility for Internal Auditing</i>	N/A	N/A	N/A
2100	Nature of Work	X		
	<i>2110 – Governance</i>	X		
	<i>2120 – Risk Management</i>	X		
	<i>2130 – Control</i>	X		
2200	Engagement Planning	X		
	<i>2201 – Planning Considerations</i>	X		
	<i>2210 – Engagement Objectives</i>	X		
	<i>2220 – Engagement Scope</i>	X		
	<i>2230 – Engagement Resource Allocation</i>	X		
	<i>2240 – Engagement Work Program</i>	X		
2300	Performing the Engagement	X		
	<i>2310 – Identifying Information</i>	X		
	<i>2320 – Analysis and Evaluation</i>	X		
	<i>2330 – Documenting Information</i>	X		
	<i>2340 – Engagement Supervision</i>	X		
2400	Communicating Results	X		
	<i>2410 – Criteria for Communicating</i>	X		
	<i>2420 – Quality of Communications</i>	X		
	<i>2421 – Errors and Omissions</i>	X		
	<i>2430 – Use of “Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing”</i>	X		
	<i>2431 – Engagement Disclosure of Nonconformance</i>	X		
	<i>2440 – Disseminating Results</i>	X		
	<i>2450 – Overall Opinions</i>	X		
2500	Monitoring Progress	X		
2600	Communicating the Acceptance of Risks	X		
	Code of Ethics	X		

LEGEND - Rating Definitions

GC - Generally Conforms - This is the top rating, which means that an internal audit activity has a charter, policies, and processes, and the execution and results of these are judged to be in conformance with the Standards.

PC - Partially Conforms - Deficiencies in practice are judged to deviate from the Standards, but these deficiencies did not preclude the internal audit activity from performing its responsibilities.

DNC - Does not Conform - Deficiencies in practice are judged to be so significant that they seriously impair or preclude the internal audit activity from performing adequately in all or in significant areas of its responsibilities.