

Level 1 Performed Process PA 1.1 Process Performance	Rating (N/P/L/F)	Explanation (By marking insufficiently achieved outcomes)
<p>Purpose Statement:</p> <p>The internal audit activity assists the organization in maintaining effective controls over financial reporting by evaluating their effectiveness and efficiency and by promoting continuous improvement.</p> <p><i>The financial reporting (related) activities should be investigated, whether they prove the fulfilment of purpose and existence of the outcomes of the internal audit process contributing to the compliance objectives of financial reporting (activities and controls).</i></p> <p><i>Compliance objectives refer to internal and external regulations or requirements. The internal audit process description - by the purpose statement and the outcomes - sets criteria for compliance with the relevant international standard (IIA) and contribute to the compliance with the regulatory requirements for internal controls over financial reporting (if applicable, like SOX or Basel II).</i></p> <p><i>Internal audit – in compliance with the IIA’s 2130 - Control Standard - through its specific assurance and consulting engagements comprise an important entity-level control process relevant for financial reporting.</i></p>		<p><i>As a result of successful implementation of IFC.IA process:</i></p> <ol style="list-style-type: none"> 1) Adequacy and Effectiveness of Controls evaluated – The internal audit activity evaluate the adequacy and effectiveness of controls - including those relevant for financial reporting - in responding to risks within the organization’s governance, operations, and information systems. 2) Financial Reporting Objectives ascertained – Internal auditors ascertain the extent to which financial reporting objectives have been established and conform to those of the organization. 3) Financial Reporting Activities reviewed – Internal auditors review financial reporting related activities to ascertain the extent to which results are consistent with established objectives to determine whether financial reporting related activities are being implemented or performed as intended. 4) Significant Control Issues alerted – Internal auditors address controls consistent with the engagement’s objectives and be alert to significant internal financial control issues. 5) Knowledge of Controls incorporated – Internal auditors incorporate knowledge of controls gained from consulting engagements into evaluation of the organization’s internal financial control processes.

The descriptions of purpose statement, outcomes and base practices are adapted from the 2130 - Control Standard and related Practice Advisory 2130-1: Assessing the Adequacy of Control Processes of the International Professional Practices Framework © 2009 The Institute of Internal Auditors

Comments on Process Performance (Level 1 – PA 1.1)	Specific assessment indicators (base practices and work products)
<p><i>check whether CAE communications about adequacy and effectiveness of the (financial) control processes are documented</i></p> <p><i>form opinion about how opinions are evidenced</i></p> <p><i>consider how the CAE opinions are received and used by the senior management and the oversight board</i></p>	<p>IFC.IA.BP1 Form Overall Opinion about the Adequacy and Effectiveness</p> <p>The chief audit executive (CAE) forms an overall opinion about the adequacy and effectiveness of the control processes including internal financial controls. The expression of such an opinion by the CAE will be based on sufficient audit evidence obtained through the completion of audits and, where appropriate, reliance on the work of other assurance providers. The CAE communicates the opinion to senior management and the oversight board. [Outcome: 1]</p>
<p><i>check whether audit plan includes engagements related to financial reporting</i></p> <p><i>check how sufficient evidences for concluding on effectiveness of internal financial controls are identified and planned to be collected</i></p> <p><i>consider whether triggers for audit plan adjustments are set</i></p>	<p>IFC.IA.BP2 Develop Internal Audit Plan to Obtain Sufficient Evidence</p> <p>The CAE develops a proposed internal audit plan to obtain sufficient evidence to evaluate the effectiveness of the control processes including internal financial controls. The plan includes audit engagements and/or other procedures to obtain sufficient, appropriate audit evidence about operating units and business functions to be assessed, as well as a review of the major internal financial control processes operating across the organization. [Outcomes: 1, 2, 3]</p> <p>NOTE: The plan should be flexible so that adjustments may be made during the year as a result of changes in management strategies, external conditions, major risk areas, or revised expectations about achieving the organization's objectives.</p>
<p><i>check whether potential changes or events effecting financial reporting and necessary actions reflecting to these changes are identified</i></p>	<p>IFC.IA.BP3 Consider Changes Effecting Financial Reporting Activities</p> <p>The audit plan gives special consideration to those financial reporting related activities (and also other related operations) most affected by recent or unexpected changes. Changes in circumstances can result, for example, from regulations, marketplace or investment conditions, acquisitions and divestitures, organizational restructuring, new systems, and new ventures. [Outcomes: 1, 2, 3]</p>
<p><i>check whether work products (audit or management reports and supporting documentation) produced by other internal or external evaluators or assurance providers are evaluated for relevance and reliance regarding internal financial controls by the CAE</i></p> <p><i>formulate opinion whether the CAE's reliance on other's work is reasonable regarding internal financial controls</i></p>	<p>IFC.IA.BP4 Consider Relevant Work Performed by Others</p> <p>In determining the expected audit coverage for the proposed audit plan, the CAE considers relevant work performed by others who provide assurances to senior management (e.g., reliance by the CAE on the work of corporate compliance officers). [Outcomes: 1, 3]</p> <p>NOTE: The CAE's audit plan also considers audit work completed by the external auditor and management's own assessments of its risk management process, controls, and quality improvement processes.</p>

Comments on Process Performance (Level 1 – PA 1.1)	Specific assessment indicators (base practices and work products)
<p><i>check whether evaluation of coverage of audit plan regarding financial reporting objectives is evidenced (documented)</i></p> <p><i>consider whether communication of gaps in audit coverage regarding financial reporting objectives is adequately documented</i></p>	<p>IFC.IA.BP5 Evaluate Coverage of Audit Plan</p> <p>The CAE evaluate the breadth of coverage of the proposed audit plan to determine whether the scope is sufficient to enable the expression of an opinion about the organization's risk management and control processes including those related to financial reporting. [Outcomes: 1, 2, 3]</p> <p>NOTE: The CAE should inform senior management and the board of any gaps in audit coverage that would prevent the expression of an opinion on all aspects of these processes.</p>
<p><i>check whether individual assessments and their outputs as sources for overall opinion are adequately identified</i></p> <p><i>consider whether integration of the results from assessments using different evaluation methods or performed by personnel of different assurance levels is validated</i></p> <p><i>consider whether prompt correcting or mitigating actions indicated by the individual assessments are considered by the aggregation</i></p>	<p>IFC.IA.BP6 Aggregate Individual Assessments</p> <p>The internal audit activity evaluates the effectiveness of the organization's internal financial controls based on the aggregation of many individual assessments. Those assessments are largely gained from internal audit engagements, reviews of management's self-assessments, and other assurance providers' work. [Outcomes: 1, 4, 5]</p> <p>NOTE: As the engagements progress, internal auditors communicate, on a timely basis, the findings to the appropriate levels of management so prompt action can be taken to correct or mitigate the consequences of discovered control discrepancies or weaknesses.</p>
<p><i>check whether consequence materiality of deficiencies and their aggregations are considered by using consistent approach</i></p> <p><i>check whether risk tolerance and risk appetite regarding financial reporting objectives are considered</i></p>	<p>IFC.IA.BP7 Consider Consequences of Discrepancies</p> <p>In evaluating the overall effectiveness of the organization's control processes including internal financial controls, the CAE considers whether: 1) significant discrepancies or weaknesses were discovered, 2) corrections or improvements were made after the discoveries, and 3) the discoveries and their potential consequences lead to a conclusion that a pervasive condition exists resulting in an unacceptable level of risk. [Outcomes: 1, 4, 5]</p>
<p><i>check whether control risk assessments of the internal financial control processes are timely performed</i></p> <p><i>consider whether risk tolerance and risk appetite regarding financial reporting objectives were set before (separately from) the evaluation</i></p>	<p>IFC.IA.BP8 Consider Risk Exposure</p> <p>The internal auditor considers the nature and extent of risk exposure, as well as the level of potential consequences in determining whether the effectiveness of the internal financial control processes are jeopardized and unacceptable risks exist. [Outcomes: 1, 4, 5]</p>

Comments on Process Performance (Level 1 – PA 1.1)	Specific assessment indicators (base practices and work products)
<p><i>check whether annual/periodic reporting is appropriately documented</i></p> <p><i>formulate opinion on how senior management and the oversight board receive and use the annual/periodic reports on internal financial controls</i></p>	<p>IFC.IA.BP9 Report on Internal Financial Controls</p> <p>The CAE’s report on the organization’s control processes including internal financial controls is normally presented once a year to senior management and the board. [Outcomes: 1, 4]</p> <p>NOTE 1: The report states the critical role played by the control processes in the achievement of the organization’s financial reporting objectives.</p> <p>NOTE 2: The report also describes the nature and extent of the work performed by the internal audit activity and the nature and extent of reliance on other assurance providers in formulating the opinion.</p>
<p><i>for supporting above judgments make references to concerning documents</i></p> <p><i>Note: work products and their characteristics should be considered as a starting point for considering whether, given the context, they are contributing to the intended purpose of the process, not as a check-list of what every organization must have</i></p>	<p>Work Products:</p> <ul style="list-style-type: none"> Audit Charter [Outcomes: 1, 2, 3, 4, 5] Audit Plans [Outcomes: 1, 2, 3, 4, 5] Audit Reports [Outcomes: 1, 4, 5] Audit Files [Outcome: 1, 4, 5] Financial Reporting Objectives [Outcome: 2] Financial Reporting Deficiencies and Resolutions Reports [Outcomes: 1, 4, 5] Internal Control Deficiencies Records [Outcomes: 1, 4, 5] Management Reports [Outcomes: 1, 4, 5] Monitoring Reports [Outcomes: 1, 4, 5] Operating and Compliance Information [Outcomes: 1, 3, 4, 5] Related Business Activities [Outcome: 3] Review Records [Outcomes: 1, 2, 3, 4, 5] Risk and Control Documentation [Outcomes: 1, 4, 5] Risk Assessment Reports [Outcomes: 1, 4, 5] Remediation Plans [Outcomes: 1, 4, 5] Reporting/ Adjustment Triggers [Outcomes: 1, 2, 3, 4, 5]

Level 2 Managed Process PA 2.1 Performance Management	Rating (N/P/L/F)	Explanation (Marking insufficiently achieved outcomes)
<p>Attribute Context: The performance management attribute is a measure of the extent to which the performance of the control process is managed.</p> <p><i>The financial reporting (related) activities should be investigated, whether the performance management indicators of the internal audit process are assessable as outcome measures of the reliability objectives of financial reporting (activities and controls).</i></p> <p><i>Management of internal audit related to internal financial controls might be additionally evaluated by considering compliance with the relevant (series of) IIA Standards.</i></p>		<p><i>As a result of full achievement of this attribute:</i></p> <ul style="list-style-type: none"> a) objectives for the performance of the control process are identified; b) performance of the control process is planned and monitored; c) performance of the control process is adjusted to meet work programmes; d) responsibilities and authorities for performing the control process are defined, assigned and communicated; e) resources and information necessary for performing the control process are identified, made available, allocated and used; f) interfaces between the involved parties are managed to ensure both effective communication and also clear assignment of responsibility.

Comments on Performance Management (Level 2 – PA 2.1)	Generic assessment indicators (generic practices, resources and work products)
<p><i>check whether CAE defines objectives for audit engagement planning related to internal financial controls, e.g. engagement scope, time and resource allocation, schedule, tasks, quality requirements, etc</i></p> <p><i>consider whether internal audit activity related to internal financial controls is conformant with the relevant IIA Standards:</i></p> <p><i>2210 Engagement Objectives</i></p> <p><i>Objectives must be established for each engagement.</i></p> <p><i>2210.A1 Internal auditors must conduct a preliminary assessment of the risks relevant to the activity under review. Engagement objectives must reflect the results of this assessment.</i></p> <p><i>2210.A2 Internal auditors must consider the probability of significant errors, fraud, noncompliance, and other exposures when developing the engagement objectives.</i></p> <p><i>2210.A3 Adequate criteria are needed to evaluate controls. Internal auditors must ascertain the extent to which management has established adequate criteria to determine whether objectives and goals have been accomplished. If adequate, internal auditors must use such criteria in their evaluation. If inadequate, internal auditors must work with management to develop appropriate evaluation criteria.</i></p> <p><i>2210.C1 Consulting engagement objectives must address governance, risk management, and control processes to the extent agreed upon with the client.</i></p> <p><i>2220 Engagement Scope</i></p> <p><i>The established scope must be sufficient to satisfy the objectives of the engagement.</i></p>	<p>IFC.GP 2.1.1 Identify the objectives for the performance of the control process</p> <p>Performance objectives may include – (1) quality of the artefacts produced, (2) control process cycle time or frequency and (3) resource usage, (4) boundaries of the control process. Performance objectives are identified based on control process requirements.</p> <p>Assumptions and constraints are considered when identifying the performance objectives.</p> <p><i>Related Controls: CE.MPO Management Philosophy and Operating Style, RA.FRO Financial Reporting Objectives, RA. FRR Financial Reporting Risks, RA.FR Fraud Risk</i></p>

Comments on Performance Management (Level 2 – PA 2.1)	Generic assessment indicators (generic practices, resources and work products)
<p><i>2220.A1 The scope of the engagement must include consideration of relevant systems, records, personnel, and physical properties, including those under the control of third parties.</i></p> <p><i>2220.A2 If significant consulting opportunities arise during an assurance engagement, a specific written understanding as to the objectives, scope, respective responsibilities, and other expectations should be reached and the results of the consulting engagement communicated in accordance with consulting standards.</i></p> <p><i>2220.C1 In performing consulting engagements, internal auditors must ensure that the scope of the engagement is sufficient to address the agreed-upon objectives. If internal auditors develop reservations about the scope during the engagement, these reservations must be discussed with the client to determine whether to continue with the engagement.</i></p>	
<p><i>check whether engagement work programmes are set and reviewed, performances are monitored conforming to internal and external requirements</i></p> <p><i>check how engagement activities are coordinated and supervised</i></p> <p><i>formulate opinion whether (financial reporting) risks are appropriately addressed</i></p> <p><i>check whether recommendations from third parties are considered</i></p> <p><i>consider whether internal audit activity related to internal financial controls is conformant with the relevant IIA Standards:</i></p> <p><i>2200 Engagement Planning</i></p> <p><i>Internal auditors must develop and document a plan for each engagement, including the engagement’s objectives, scope,</i></p>	<p>IFC.GP 2.1.2 Plan and monitor the performance of the control process to fulfil the identified objectives.</p> <p>Plan(s) for the performance of the control process are developed.</p> <p>Key milestones for the performance of the control process are established.</p> <p>Schedule is defined and aligned with the approach to performing the process.</p> <p>Process work product reviews are planned.</p> <p>The control process is performed according to the work programme(s).</p> <p>Process performance is monitored to ensure planned results are achieved.</p> <p><i>Related Controls: CE.OB Oversight Board,</i></p> <p><i>CA.IRA Integration with Risk Assessment,</i></p> <p><i>MO.OSE Ongoing and Separate Evaluations</i></p>

Comments on Performance Management (Level 2 – PA 2.1)	Generic assessment indicators (generic practices, resources and work products)
<p><i>timing, and resource allocations.</i></p> <p><i>2201 Planning Considerations</i></p> <p><i>In planning the engagement, internal auditors must consider:</i></p> <ul style="list-style-type: none"> • <i>The objectives of the activity being reviewed and the means by which the activity controls its performance;</i> • <i>The significant risks to the activity, its objectives, resources, and operations and the means by which the potential impact of risk is kept to an acceptable level;</i> • <i>The adequacy and effectiveness of the activity’s risk management and control processes compared to a relevant control framework or model; and</i> • <i>The opportunities for making significant improvements to the activity’s risk management and control processes.</i> <p><i>2240 Engagement Work Program</i></p> <p><i>Internal auditors must develop and document work programs that achieve the engagement objectives.</i></p> <p><i>2240.A1 Work programs must include the procedures for identifying, analyzing, evaluating, and documenting information during the engagement. The work program must be approved prior to its implementation, and any adjustments approved promptly.</i></p> <p><i>2240.C1 Work programs for consulting engagements may vary in form and content depending upon the nature of the engagement.</i></p>	
<p><i>make opinion how engagement deficiencies are managed (prevented, detected and corrected)</i></p> <p><i>check whether potential scenarios (risks) are considered</i></p> <p><i>consider whether internal audit activity related to internal</i></p>	<p>IFC.GP 2.1.3 Control the performance of the control process.</p> <p>Appropriate actions are taken when planned results and objectives are not achieved.</p> <p>The work programmes(s) are adjusted, as necessary.</p> <p>Rescheduling is performed as necessary.</p>

Comments on Performance Management (Level 2 – PA 2.1)	Generic assessment indicators (generic practices, resources and work products)
<p><i>financial controls is conformant with the relevant IIA Standard: 2000 Managing the Internal Audit Activity</i></p> <p><i>The chief audit executive must effectively manage the internal audit activity to ensure it adds value to the organization.</i></p> <p><i>2340 Engagement Supervision</i></p> <p><i>Engagements must be properly supervised to ensure objectives are achieved, quality is assured, and staff is developed.</i></p>	<p><i>Related Controls: CA.IRA Integration with Risk Assessment, MO.OSE Ongoing and Separate Evaluations</i></p>
<p><i>check whether internal audit charter adequately determine responsibilities and authorities including supervision, coordination and management of internal audit activity regarding internal financial controls by meeting external and internal requirements</i></p> <p><i>consider whether internal audit activity related to internal financial controls is conformant with the relevant IIA Standards:</i></p> <p><i>1000 Purpose, Authority, and Responsibility</i></p> <p><i>The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Definition of Internal Auditing, the Code of Ethics, and the Standards. The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.</i></p> <p><i>2440 Disseminating Results</i></p> <p><i>The chief audit executive must communicate results to the appropriate parties.</i></p> <p><i>2440.A1 The chief audit executive is responsible for communicating the final results to parties who can ensure that the results are given due consideration.</i></p>	<p>IFC.GP 2.1.4 Define responsibilities and authorities for performing the control process.</p> <p>Responsibilities, commitments and authorities to perform the control process are defined, assigned and communicated.</p> <p>Responsibilities and authorities to verify control process work products are defined and assigned.</p> <p><i>Related Control: CE.AR Authority and Responsibility</i></p>

Comments on Performance Management (Level 2 – PA 2.1)	Generic assessment indicators (generic practices, resources and work products)
<p><i>2440.A2 If not otherwise mandated by legal, statutory, or regulatory requirements, prior to releasing results to parties outside the organization the chief audit executive must:</i></p> <ul style="list-style-type: none"> • <i>Assess the potential risk to the organization;</i> • <i>Consult with senior management and/or legal counsel as appropriate; and</i> • <i>Control dissemination by restricting the use of the results.</i> <p><i>2440.C1 The chief audit executive is responsible for communicating the final results of consulting engagements to clients.</i></p> <p><i>2440.C2 During consulting engagements, governance, risk management, and control issues may be identified. Whenever these issues are significant to the organization, they must be communicated to senior management and the board.</i></p>	
<p><i>check whether human and infrastructure requirements are identified and resources are appropriately allocated by the engagement work programmes</i></p> <p><i>check whether access to and use of relevant internal and external information are appropriately regulated, provided and protected</i></p> <p><i>consider whether internal audit activity related to internal financial controls is conformant with the relevant IIA Standards:</i></p> <p><i>2030 Resource Management</i></p> <p><i>The chief audit executive must ensure that internal audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan.</i></p> <p><i>2230 Engagement Resource Allocation</i></p> <p><i>Internal auditors must determine appropriate and sufficient</i></p>	<p>IFC.GP 2.1.5 Identify and make available resources to perform the control process according to work programme.</p> <p>The human and infrastructure resources necessary for performing the control process are identified, made available, allocated and used.</p> <p>The information necessary to perform the control process is identified and made available.</p> <p>The necessary infrastructure and facilities are identified and made available.</p> <p><i>Related Controls: CE.HR Human Resources, CA.IT Information Technology</i></p>

Comments on Performance Management (Level 2 – PA 2.1)	Generic assessment indicators (generic practices, resources and work products)
<p><i>resources to achieve engagement objectives based on an evaluation of the nature and complexity of each engagement, time constraints, and available resources.</i></p>	
<p><i>check whether nomination and changes of internal audit and other relevant personnel are appropriately identified</i></p> <p><i>check whether communication interfaces are set and modified accordingly</i></p> <p><i>make opinion about the effectiveness of communication related to internal financial control issues</i></p> <p><i>consider whether internal audit activity related to internal financial controls is conformant with the relevant IIA Standards:</i></p> <p><i>2020 Communication and Approval</i></p> <p><i>The chief audit executive must communicate the internal audit activity’s plans and resource requirements, including significant interim changes, to senior management and the board for review and approval. The chief audit executive must also communicate the impact of resource limitations.</i></p> <p><i>2050 Coordination</i></p> <p><i>The chief audit executive should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of efforts.</i></p> <p><i>2060 Reporting to Senior Management and the Board</i></p> <p><i>The chief audit executive must report periodically to senior management and the board on the internal audit activity’s purpose, authority, responsibility, and performance relative to its plan.</i></p> <p><i>Reporting must also include significant risk exposures and</i></p>	<p>IFC.GP 2.1.6 Manage the interfaces between involved parties.</p> <p>The individuals and groups involved in the control process performance are determined.</p> <p>Responsibilities of the involved parties are assigned.</p> <p>Interfaces between the involved parties are managed.</p> <p>Communication is assured between the involved parties.</p> <p>Communication between the involved parties is effective.</p> <p><i>Related Controls: CE.OS Organizational Structure, CA.IT Information Technology, IC.IC Internal Communication, IC.EC External Communication</i></p>

<p>Comments on Performance Management (Level 2 – PA 2.1)</p>	<p>Generic assessment indicators (generic practices, resources and work products)</p>
<p><i>control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the board.</i></p> <p><i>2400 Communicating Results</i></p> <p><i>Internal auditors must communicate the engagement results.</i></p> <p><i>2410 Criteria for Communicating</i></p> <p><i>Communications must include the engagement’s objectives and scope as well as applicable conclusions, recommendations, and action plans.</i></p> <p><i>2410.A1 Final communication of engagement results must, where appropriate, contain internal auditors overall opinion and/or conclusions.</i></p> <p><i>2410.A2 Internal auditors are encouraged to acknowledge satisfactory performance in engagement communications.</i></p> <p><i>2410.A3 When releasing engagement results to parties outside the organization, the communication must include limitations on distribution and use of the results.</i></p> <p><i>2410.C1 Communication of the progress and results of consulting engagements will vary in form and content depending upon the nature of the engagement and the needs of the client.</i></p> <p><i>2420 Quality of Communications</i></p> <p><i>Communications must be accurate, objective, clear, concise, constructive, complete, and timely.</i></p>	
<p><i>consider generic performance management resources to identify methods and technologies used for managing oversight activities</i></p>	<p>Generic Resources for PA 2.1</p> <ul style="list-style-type: none"> ✓ Resources with identified objectives, responsibilities and authorities; [PA 2.1 Outcomes: a, d, e, f] ✓ Programme planning, management and control tools, including time and cost reporting;

Comments on Performance Management (Level 2 – PA 2.1)	Generic assessment indicators (generic practices, resources and work products)
	<p>[PA 2.1 Outcomes: b, c]</p> <ul style="list-style-type: none"> ✓ Workflow management system; [PA 2.1 Outcomes: d, f] ✓ Email and/or other communication mechanisms; [PA 2.1 Outcomes: d, f] ✓ Information and/or experience repository; [PA 2.1 Outcomes: b, e] ✓ Problem and issues management mechanisms. [PA 2.1 Outcome c]
<p><i>for supporting above judgments make references to concerning documents</i></p> <p><i>Note: work products and their characteristics should be considered as a starting point for considering whether, given the context, they are contributing to the intended purpose of the process, not as a check-list of what every organization must have</i></p>	<p>Generic Work Products for PA 2.1</p> <p>WPR-00 Work Programme [PA 2.1 Outcomes: a, b, c, d, e, f]</p> <ul style="list-style-type: none"> ✓ Defines objectives to perform the control process. ✓ Describes assumptions and constraints considered in defining the objectives. ✓ Includes milestones and timetable to produce the work products of the control process. ✓ Identifies tasks, resources, responsibilities and infrastructure needed to perform the control process. ✓ Considers risks related to fulfil defined objectives. ✓ Identifies stakeholders and communication mechanisms to be used. ✓ Describes how the work programme is controlled and adjusted when needed. <p>REC-00 Record [PA 2.1 Outcomes: d, e, f]</p> <ul style="list-style-type: none"> ✓ States achieved results or provides evidence of activities performed in a control process. ✓ Provides evidence of communication, meetings, reviews and corrective actions. <p>REG-00 Register [PA 2.1 Outcomes: c, e]</p> <ul style="list-style-type: none"> ✓ Contains status information about corrective actions, schedule and work breakdown structure. ✓ Monitors identified risks. <p>PR-00 Progress Report [PA 2.1 Outcomes: b, c]</p> <ul style="list-style-type: none"> ✓ Monitors process performance against defined objectives and plans. ✓ Identifies deviations in process performance. ✓ Describes results and status of the process. ✓ Provides evidence of management activities.

Level 2 Managed Process PA 2.2 Work Product Management	Rating (N/P/L/F)	Explanation (Marking insufficiently achieved outcomes)
<p>Attribute Context:</p> <p>The work product management attribute is a measure of the extent to which the work products produced by the control process are appropriately managed.</p> <p><i>The financial reporting (related) activities should be investigated, whether the work product management indicators of the internal audit process are assessable as outcome measures of the reliability objectives of financial reporting (activities and controls).</i></p> <p><i>Management of internal audit activity related to internal financial controls might be additionally evaluated by considering compliance with the relevant (series of) IIA Standards.</i></p>		<p><i>As a result of full achievement of this attribute:</i></p> <ul style="list-style-type: none"> a) requirements for the work products of the control process are defined; b) requirements for documentation and control of the work products are defined; c) work products are appropriately identified, documented, and controlled; d) work products are reviewed in accordance with planned arrangements and adjusted as necessary to meet requirements. <p>NOTE 1: Requirements for documentation and control of work products may include requirements for the identification of changes and revision status, approval and re-approval of work products, and the creation of relevant versions of applicable work products available at points of use.</p> <p>NOTE 2: The work products referred to in this clause are those that result from the achievement of the control process outcomes.</p>

Comments on Work Product Management (Level 2 – PA 2.2)	Generic assessment indicators (generic practices, resources and work products)
<p><i>check whether definition, content and quality requirements of the engagement work products are established for review and approval</i></p> <p><i>make opinion on how the established requirements are mapped to the achievement of the outcomes of the internal audit activity related to internal financial control</i></p> <p><i>consider whether internal audit activity related to internal financial controls is conformant with the relevant IIA Standard:</i> 2310 Identifying Information</p> <p><i>Internal auditors must identify sufficient, reliable, relevant, and useful information to achieve the engagement’s objectives.</i></p> <p><i>Interpretation: Sufficient information is factual, adequate, and convincing so that a prudent, informed person would reach the same conclusions as the auditor. Reliable information is the best attainable information through the use of appropriate engagement techniques. Relevant information supports engagement observations and recommendations and is consistent with the objectives for the engagement. Useful information helps the organization meet its goals.</i></p>	<p>IFC.GP 2.2.1 Define the requirements for the work products.</p> <p>The requirements for the work products to be produced are defined. Requirements may include defining contents and structure.</p> <p>Quality criteria of the work products are identified.</p> <p>Appropriate review and approval criteria for the work products are defined.</p> <p><i>Related Controls: IC.FRI Financial Reporting Information, IC.ICI Internal Control Information</i></p>
<p><i>check whether control activities effecting the engagement work products are defined, including document and workflow management, access and version control, archiving, etc</i></p> <p><i>check whether internal audit personnel understand these control activities</i></p> <p><i>consider whether internal audit activity related to internal financial controls is conformant with the relevant IIA Standards:</i> 2330 Documenting Information</p>	<p>IFC.GP 2.2.2 Define the requirements for documentation and control of the work products.</p> <p>Requirements for the documentation and control of the work products are defined. Such requirements may include requirements for (1) distribution, (2) identification of work products and their components (3) traceability</p> <p>Dependencies between work products are identified and understood.</p> <p>Requirements for the approval of work products to be controlled are defined.</p> <p><i>Related Control: CA.PP Policies and Procedures</i></p>

Comments on Work Product Management (Level 2 – PA 2.2)	Generic assessment indicators (generic practices, resources and work products)
<p><i>Internal auditors must document relevant information to support the conclusions and engagement results.</i></p> <p><i>2330.A1 The chief audit executive must control access to engagement records. The chief audit executive must obtain the approval of senior management and/or legal counsel prior to releasing such records to external parties, as appropriate.</i></p> <p><i>2330.A2 The chief audit executive must develop retention requirements for engagement records, regardless of the medium in which each record is stored. These retention requirements must be consistent with the organization’s guidelines and any pertinent regulatory or other requirements.</i></p> <p><i>2330.C1 The chief audit executive must develop policies governing the custody and retention of consulting engagement records, as well as their release to internal and external parties. These policies must be consistent with the organization’s guidelines and any pertinent regulatory or other requirements.</i></p>	
<p><i>check whether internal audit personnel perform these control activities, e.g. engagement work programmes or final reports are approved and accessible, access to audit files and is secure and traceable, audit charter is up to date, audit documentations are adequately formatted and filed</i></p> <p><i>consider whether internal audit activity related to internal financial controls is conformant with the relevant IIA Standards:</i></p> <p><i>2300 Performing the Engagement</i></p> <p><i>Internal auditors must identify, analyze, evaluate, and document sufficient information to achieve the engagement’s objectives.</i></p> <p><i>2310 Identifying Information</i></p> <p><i>Internal auditors must identify sufficient, reliable, relevant, and</i></p>	<p>IFC.GP 2.2.3 Identify, document and control the work products.</p> <p>The work products to be controlled are identified.</p> <p>Change control is established for work products.</p> <p>The work products are documented and controlled in accordance with requirements.</p> <p>Versions of work products are assigned to product configurations as applicable.</p> <p>The work products are made available through appropriate access mechanisms.</p> <p>The revision status of the work products may readily be ascertained.</p> <p><i>Related Controls: CA.IT Information Technology,</i> <i>IC.FRI Financial Reporting Information,</i> <i>IC.ICI Internal Control Information</i></p>

<p>Comments on Work Product Management (Level 2 – PA 2.2)</p>	<p>Generic assessment indicators (generic practices, resources and work products)</p>
<p><i>useful information to achieve the engagement’s objectives.</i></p> <p><i>2320 Analysis and Evaluation</i></p> <p><i>Internal auditors must base conclusions and engagement results on appropriate analyses and evaluations.</i></p> <p><i>2330 Documenting Information</i></p> <p><i>Internal auditors must document relevant information to support the conclusions and engagement results.</i></p> <p><i>2440 Disseminating Results</i></p> <p><i>The chief audit executive must communicate results to the appropriate parties.</i></p> <p><i>2440.A1 The chief audit executive is responsible for communicating the final results to parties who can ensure that the results are given due consideration.</i></p> <p><i>2440.A2 If not otherwise mandated by legal, statutory, or regulatory requirements, prior to releasing results to parties outside the organization the chief audit executive must:</i></p> <ul style="list-style-type: none"> <i>• Assess the potential risk to the organization;</i> <i>• Consult with senior management and/or legal counsel as appropriate; and</i> <i>• Control dissemination by restricting the use of the results.</i> <p><i>2440.C1 The chief audit executive is responsible for communicating the final results of consulting engagements to clients.</i></p> <p><i>2440.C2 During consulting engagements, governance, risk management, and control issues may be identified. Whenever these issues are significant to the organization, they must be communicated to senior management and the board.</i></p>	

Comments on Work Product Management (Level 2 – PA 2.2)	Generic assessment indicators (generic practices, resources and work products)
<p><i>make opinion whether reviews and adjustments of the engagement work products are adequately performed according to predefined requirements and schedules</i></p> <p><i>check whether personnel performing reviews and adjustments of work products are competent and acknowledged</i></p> <p><i>check adequacy of issues' resolution</i></p> <p><i>consider whether internal audit activity related to internal financial controls is conformant with the relevant IIA Standards:</i></p> <p><i>2340 Engagement Supervision</i></p> <p><i>Engagements must be properly supervised to ensure objectives are achieved, quality is assured, and staff is developed.</i></p> <p><i>Interpretation: The extent of supervision required will depend on the proficiency and experience of internal auditors and the complexity of the engagement. The chief audit executive has overall responsibility for supervising the engagement, whether performed by or for the internal audit activity, but may designate appropriately experienced members of the internal audit activity to perform the review. Appropriate evidence of supervision is documented and retained.</i></p> <p><i>2420 Quality of Communications</i></p> <p><i>Communications must be accurate, objective, clear, concise, constructive, complete, and timely.</i></p> <p><i>2421 Errors and Omissions</i></p> <p><i>If a final communication contains a significant error or omission, the chief audit executive must communicate corrected information to all parties who received the original</i></p>	<p>IFC.GP 2.2.4 Review and adjust work products to meet the defined requirements.</p> <p>Work products are reviewed according to defined requirements.</p> <p>Work products are reviewed according to planned arrangements.</p> <p>Issues arising from work product reviews are resolved.</p> <p><i>Related Controls: MO.OSE Ongoing and Separate Evaluations, MO.RD Reporting Deficiencies</i></p>

Comments on Work Product Management (Level 2 – PA 2.2)	Generic assessment indicators (generic practices, resources and work products)
<p><i>communication.</i></p> <p><i>2440 Disseminating Results</i></p> <p><i>The chief audit executive must communicate results to the appropriate parties.</i></p> <p><i>Interpretation: The chief audit executive or designee reviews and approves the final engagement communication before issuance and decides to whom and how it will be disseminated.</i></p>	
<p><i>consider generic work product management resources to identify methods and technologies used for managing documents and related information for oversight activities</i></p>	<p>Generic Resources for PA 2.2</p> <ul style="list-style-type: none"> ✓ Requirement management method / toolset; [PA 2.2 Outcomes: a, b, c] ✓ Configuration management system; [PA 2.2 Outcomes: b, c] ✓ Documentation elaboration and support tool; [PA 2.2 Outcomes: b, c] ✓ Document identification and control procedure; [PA 2.2 Outcomes: b, c] ✓ Work product review methods and experiences; [PA 2.2 Outcomes: d] ✓ Review management method / toolset; [PA 2.2 Outcome: d] ✓ Intranets, extranets and/or other communication mechanisms; [PA 2.2 Outcomes: b, c] ✓ Problem and issue management mechanisms. [PA 2.2 Outcome: d]
<p><i>for supporting above judgments make references to concerning documents</i></p> <p><i>Note: work products and their characteristics should be considered as a starting point for considering whether, given the context, they are contributing to the intended purpose of the process, not as a check-list of what every organization must have</i></p>	<p>Generic Work Products for PA 2.2</p> <p>WPR-00 Work Programme [PA 2.2 Outcome: b]</p> <ul style="list-style-type: none"> ✓ Expresses selected policy or strategy to manage work products. ✓ Describes requirements to develop, distribute, and maintain the work products. ✓ Defines quality control actions needed to manage the quality of the work product. <p>REC-00 Record [PA 2.2 Outcome: d]</p> <ul style="list-style-type: none"> ✓ Demonstrates work product reviews and contributes to traceability. ✓ Describes non-conformance detected during work product reviews. ✓ Provides evidence that the changes are under control. <p>REG-00 Register [PA 2.2 Outcome: c]</p>

Comments on Work Product Management (Level 2 – PA 2.2)	Generic assessment indicators (generic practices, resources and work products)
	<ul style="list-style-type: none"> ✓ Records the status of documentation or work product. REP-00 Repository [PA 2.2 Outcome: c] ✓ Contains and makes available work products and/or configuration items. ✓ Supports monitoring of changes to work products. WPS-00 Work Product Standard [PA 2.2 Outcome: a] ✓ Defines the functional and non-functional requirements for work products. ✓ Identifies work product dependencies. ✓ Identifies approval criteria for documents. WPT-00 Work Product Template [PA 2.2 Outcomes: a, b] ✓ Defines the attributes associated with a work product to be created. WP-00 Work Product [PA 2.2 Outcomes: a, b, c, d] ✓ Demonstrates control process specific work products to be managed.

<p>Level 3 Established Process PA 3.1 Process Definition</p>	<p>Rating (N/P/L/F)</p>	<p>Explanation (Marking insufficiently achieved outcomes)</p>
<p>Attribute Context:</p> <p>The process definition attribute is a measure of the extent to which a standard process is maintained to support the deployment of the defined process and the embedded controls.</p> <p><i>The financial reporting (related) activities should be investigated together with the organizational/entity level policies and procedures; whether the process definition indicators of internal audit process are assessable as outcome measures of the operational effectiveness and efficiency objectives of financial reporting (at corporate levels).</i></p> <p><i>In case of complex corporate structure the internal audit activities might be even more standardized. The entity can establish wider scoped Policies and Procedures with coverage of internal audit activities related to internal financial controls over the whole organization.</i></p> <p><i>Standardization is necessary for supporting measurement of operational effectiveness and efficiency, when evaluation is based on predefined comparable information.</i></p> <p><i>The internal audit process will better support the achievement of effectiveness and efficiency goals of operational units (effecting financial reporting objectives), if its design is based on Policies and Procedures consistent with the corporate structure and the entity's risk appetite.</i></p>		<p><i>As a result of full achievement of this attribute:</i></p> <ul style="list-style-type: none"> a) a standard process, including appropriate tailoring guidelines, is defined that describes the fundamental elements that must be incorporated into a defined process; b) the sequence and interaction of the standard process with other processes are determined; c) required competencies and roles, for performing a process are identified as part of the standard process; d) required infrastructure and work environment for performing a process are identified as part of the standard process; e) suitable methods for monitoring the effectiveness and suitability of the process are determined. <p>NOTE: A standard process may be used as-is when deploying a defined process, in which case tailoring guidelines would not be necessary.</p>

Comments on Process Definition (Level 3 – PA 3.1)	Generic assessment indicators (generic practices, resources and work products)
<p><i>check whether corporate internal audit activities related to internal financial controls are referred by the relevant Policies and Procedures</i></p> <p><i>check whether relevant Procedures with tailoring guidance (if necessary) are provided for performing internal audit of internal financial controls</i></p> <p><i>make opinion how standardization of internal audit activities supports achievement of financial reporting objectives at corporate levels</i></p> <p><i>consider how entity's risk appetite regarding financial reporting objectives is reflected by the standard internal audit process</i></p> <p><i>consider whether internal audit activities at corporate levels related to internal financial controls are conformant with the relevant IIA Standards:</i></p> <p><i>1000 Purpose, Authority, and Responsibility</i></p> <p><i>The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Definition of Internal Auditing, the Code of Ethics, and the Standards. The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.</i></p> <p><i>Interpretation: The internal audit charter is a formal document that defines the internal audit activity's purpose, authority, and responsibility. The internal audit charter establishes the internal audit activity's position within the organization; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the internal audit charter resides with the board.</i></p> <p><i>1000.A1 The nature of assurance services provided to the</i></p>	<p>IFC.GP 3.1.1 Define the standard process that will support the deployment of the defined process and embedded controls.</p> <p>A standard process is developed that includes the fundamental process elements.</p> <p>The standard process identifies the deployment needs and deployment context, especially the embedded controls.</p> <p>Guidance and/or procedures are provided to support implementation of the process as needed.</p> <p>Appropriate tailoring guideline(s) are available as needed.</p> <p><i>Related Controls: CE.OS Organizational Structure, RA.FRO Financial Reporting Objectives, CA.PP Policies and Procedures</i></p>

Comments on Process Definition (Level 3 – PA 3.1)	Generic assessment indicators (generic practices, resources and work products)
<p><i>organization must be defined in the internal audit charter. If assurances are to be provided to parties outside the organization, the nature of these assurances must also be defined in the internal audit charter.</i></p> <p><i>1000.C1 The nature of consulting services must be defined in the internal audit charter.</i></p> <p><i>2010 Planning</i></p> <p><i>The chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organization s goals.</i></p> <p><i>Interpretation: The chief audit executive is responsible for developing a risk-based plan. The chief audit executive takes into account the organization s risk management framework, including using risk appetite levels set by management for the different activities or parts of the organization. If a framework does not exist, the chief audit executive uses his/her own judgment of risks after consultation with senior management and the board.</i></p> <p><i>2010.A1 The internal audit activity s plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process.</i></p> <p><i>2010.C1 The chief audit executive should consider accepting proposed consulting engagements based on the engagement s potential to improve management of risks, add value, and improve the organization s operations. Accepted engagements must be included in the plan.</i></p> <p><i>2040 Policies and Procedures</i></p> <p><i>The chief audit executive must establish policies and procedures to guide the internal audit activity.</i></p> <p><i>Interpretation: The form and content of policies and procedures are dependent upon the size and structure of the</i></p>	

Comments on Process Definition (Level 3 – PA 3.1)	Generic assessment indicators (generic practices, resources and work products)
<p><i>internal audit activity and the complexity of its work.</i></p>	
<p><i>check whether sequence and interaction with the other internal control processes (e.g. Oversight Board, Financial Reporting Risk, Fraud Risk, Ongoing and Separate Evaluations, Reporting Deficiencies, etc.) are defined adequately to entity’s risk appetite regarding financial reporting objectives</i></p> <p><i>consider how measures of risk appetite regarding financial control objectives are used (e.g. capability profiles of control processes)</i></p> <p><i>consider whether capability level targets for the other internal control processes are sufficiently and consistently established</i></p> <p><i>special consideration should be given to the interaction with the risk assessment and monitoring processes</i></p> <p><i>consider whether internal audit activities at corporate levels related to internal financial controls are conformant with the relevant IIA Standards:</i></p> <p><i>1100 Independence and Objectivity</i></p> <p><i>The internal audit activity must be independent, and internal auditors must be objective in performing their work.</i></p> <p><i>1110 Organizational Independence</i></p> <p><i>The chief audit executive must report to a level within the organization that allows the internal audit activity to fulfil its responsibilities. The chief audit executive must confirm to the board, at least annually, the organizational independence of the internal audit activity.</i></p> <p><i>1110.A1 The internal audit activity must be free from interference in determining the scope of internal auditing, performing work, and communicating results.</i></p> <p><i>1111 Direct Interaction With the Board</i></p>	<p>IFC.GP 3.1.2 Determine the sequence and interaction between processes so that they work as an integrated system of processes.</p> <p>The standard process’s sequence and interaction with other processes are determined.</p> <p>Deployment of the standard process as a defined process maintains integrity of processes.</p> <p><i>Related Controls: CA.IRA Integration with Risk Assessment, CA.SD Selection and Development of Control Activities</i></p>

Comments on Process Definition (Level 3 – PA 3.1)	Generic assessment indicators (generic practices, resources and work products)
<p><i>The chief audit executive must communicate and interact directly with the board.</i></p> <p><i>1120 Individual Objectivity</i></p> <p><i>Internal auditors must have an impartial, unbiased attitude and avoid any conflict of interest.</i></p> <p><i>2050 Coordination</i></p> <p><i>The chief audit executive should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of efforts.</i></p>	
<p><i>check whether assurance and consulting roles and competencies are adequately referred by the relevant procedures and guidance</i></p> <p><i>consider whether internal audit activities at corporate levels related to internal financial controls are conformant with the relevant IIA Standards:</i></p> <p><i>1220 Due Professional Care Internal auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility.</i></p> <p><i>1220.A1 Internal auditors must exercise due professional care by considering the:</i></p> <ul style="list-style-type: none"> <i>• Extent of work needed to achieve the engagement's objectives;</i> <i>• Relative complexity, materiality, or significance of matters to which assurance procedures are applied;</i> <i>• Adequacy and effectiveness of governance, risk management, and control processes;</i> <i>• Probability of significant errors, fraud, or noncompliance;</i> 	<p>IFC.GP 3.1.3 Identify the roles and competencies for performing the standard process.</p> <p>Process performance roles are identified</p> <p>Competencies for performing the process are identified.</p> <p><i>Related Controls: CE.FRC Financial Reporting Competencies, CA.PP Policies and Procedures</i></p>

Comments on Process Definition (Level 3 – PA 3.1)	Generic assessment indicators (generic practices, resources and work products)
<p><i>and</i></p> <ul style="list-style-type: none"> <i>Cost of assurance in relation to potential benefits.</i> <p><i>1220.A2 In exercising due professional care internal auditors must consider the use of technology-based audit and other data analysis techniques.</i></p> <p><i>1220.A3 Internal auditors must be alert to the significant risks that might affect objectives, operations, or resources. However, assurance procedures alone, even when performed with due professional care, do not guarantee that all significant risks will be identified.</i></p> <p><i>1230 Continuing Professional Development</i></p> <p><i>Internal auditors must enhance their knowledge, skills, and other competencies through continuing professional development.</i></p>	
<p><i>check whether infrastructure for internal audit activities is adequately defined by the relevant procedures and guidance</i></p> <p><i>consider whether internal audit activities at corporate levels related to internal financial controls are conformant with the relevant IIA Standards:</i></p> <p><i>1210 Proficiency</i></p> <p><i>Internal auditors must possess the knowledge, skills, and other competencies needed to perform their individual responsibilities. The internal audit activity collectively must possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities.</i></p> <p><i>Interpretation: Knowledge, skills, and other competencies is a collective term that refers to the professional proficiency required of internal auditors to effectively carry out their professional responsibilities. Internal auditors are encouraged to demonstrate their proficiency by obtaining appropriate professional certifications and qualifications, such as the</i></p>	<p>IFC.GP 3.1.4 Identify the required infrastructure and work environment for performing the standard process.</p> <p>Process infrastructure components are identified (facilities, tools, networks, methods, etc).</p> <p>Work environment requirements are identified.</p> <p><i>Related Controls: CA.IT Information Technology, IC.IC Internal Communication, IC.EC External Communication</i></p>

Comments on Process Definition (Level 3 – PA 3.1)	Generic assessment indicators (generic practices, resources and work products)
<p><i>Certified Internal Auditor designation and other designations offered by The Institute of Internal Auditors and other appropriate professional organizations.</i></p> <p><i>1210.A1 The chief audit executive must obtain competent advice and assistance if the internal auditors lack the knowledge, skills, or other competencies needed to perform all or part of the engagement.</i></p> <p><i>1210.A2 Internal Auditors must have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organization, but are not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud.</i></p> <p><i>1210.A3 Internal auditors must have sufficient knowledge of key information technology risks and controls and available technology-based audit techniques to perform their assigned work. However, not all internal auditors are expected to have the expertise of an internal auditor whose primary responsibility is information technology auditing.</i></p> <p><i>1210.C1 The chief audit executive must decline the consulting engagement or obtain competent advice and assistance if the internal auditors lack the knowledge, skills, or other competencies needed to perform all or part of the engagement.</i></p> <p><i>2030 Resource Management</i></p> <p><i>The chief audit executive must ensure that internal audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan.</i></p>	
<p><i>check whether internal audit activities at different corporate levels are adequately monitored</i></p> <p><i>check whether evaluation criteria for effectiveness of internal audit activities are determined</i></p> <p><i>check whether information on internal audit activities are</i></p>	<p>IFC.GP 3.1.5 Determine suitable methods to monitor the effectiveness and suitability of the standard process.</p> <p>Methods for monitoring the effectiveness and suitability of the process are determined.</p> <p>Appropriate criteria and data needed to monitor the effectiveness and suitability of the</p>

Comments on Process Definition (Level 3 – PA 3.1)	Generic assessment indicators (generic practices, resources and work products)
<p><i>collected and available for evaluation</i></p> <p><i>check whether changes of related policies, procedures and guidance are managed</i></p> <p><i>consider process capability assessment (ISO/IEC 15504) method for establishing process characteristics; and setting criteria and data to monitor effectiveness and suitability based on entity's risk appetite regarding financial control objectives</i></p> <p><i>consider whether internal audit activities at corporate levels related to internal financial controls are conformant with the relevant IIA Standards:</i></p> <p><i>1300 Quality Assurance and Improvement Program</i></p> <p><i>The chief audit executive must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity.</i></p> <p><i>Interpretation: A quality assurance and improvement program is designed to enable an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.</i></p> <p><i>1310 Requirements of the Quality Assurance and Improvement Program</i></p> <p><i>The quality assurance and improvement program must include both internal and external assessments.</i></p> <p><i>1311 Internal Assessments</i></p> <p><i>Internal assessments must include:</i></p> <ul style="list-style-type: none"> <i>• Ongoing monitoring of the performance of the internal audit activity; and</i> <i>• Periodic reviews performed through self-assessment or</i> 	<p>process are defined.</p> <p>The need to establish the characteristics of the process is considered.</p> <p>The need to conduct internal audit and management review is established.</p> <p>Process changes are implemented to maintain the standard process.</p> <p><i>Related Controls: IC.ICI Internal Control Information,</i> <i>MO.OSE Ongoing and Separate Evaluations,</i> <i>MO.RD Reporting Deficiencies</i></p>

Comments on Process Definition (Level 3 – PA 3.1)	Generic assessment indicators (generic practices, resources and work products)
<p><i>by other persons within the organization with sufficient knowledge of internal audit practices.</i></p> <p><i>1312 External Assessments</i></p> <p><i>External assessments must be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization. The chief audit executive must discuss with the board:</i></p> <ul style="list-style-type: none"> • <i>The need for more frequent external assessments; and</i> • <i>The qualifications and independence of the external reviewer or review team, including any potential conflict of interest.</i> <p><i>2100 Nature of Work</i></p> <p><i>The internal audit activity must evaluate and contribute to the improvement of governance, risk management, and control processes using a systematic and disciplined approach.</i></p>	
<p><i>consider generic process definition resources to identify methods and technologies used for standardizing internal audit activities over corporate levels</i></p>	<p>Generic Resources for PA 3.1</p> <ul style="list-style-type: none"> ✓ Process modelling methods / tools; [PA 3.1 Outcomes: a, b, c, d] ✓ Training material and courses. [PA 3.1 Outcomes: a, b, c] ✓ Resource management system. [PA 3.1 Outcomes: b, c] ✓ Process infrastructure. [PA 3.1 Outcomes: a, b] ✓ Audit and trend analysis tools. [PA 3.1 Outcome: e] ✓ Process monitoring method. [PA 3.1 Outcome: e]
<p><i>for supporting above judgments make references to concerning documents</i></p> <p><i>Note: work products and their characteristics should be considered as a starting point for considering whether, given the context, they are contributing to the intended purpose of the process, not as a check-list of what every organization must have</i></p>	<p>Generic Work Products for PA 3.1</p> <p>SPP-00 Standard Process Policy [PA 3.1 Outcomes: a, b, c, d, e]</p> <ul style="list-style-type: none"> ✓ Provides evidence of organizational commitment to maintain a standard process to support the deployment of the defined process. <p>SPD-00 Standard Process Description [PA 3.1 Outcomes: a, b, c, e]</p> <ul style="list-style-type: none"> ✓ Describes the standard process, including the fundamental process elements, the

Comments on Process Definition (Level 3 – PA 3.1)	Generic assessment indicators (generic practices, resources and work products)
	<p>embedded controls, interactions with other processes and appropriate tailoring guidelines.</p> <ul style="list-style-type: none"> ✓ Addresses the performance, management and deployment of the process, as described by capability levels 1 and 2 and the PA 3.2 Process deployment attribute. ✓ Addresses methods to monitor process effectiveness and suitability. ✓ Identifies data and records to be collected when performing the defined process, in order to improve the standard process. ✓ Identifies and communicates the personnel competencies, roles and responsibilities for the standard and defined process. ✓ Identifies the personnel performance criteria for the standard and defined process. ✓ Identifies the tailoring guidelines for the standard process. <p>SPR-00 Standard Process Repository [PA 3.1 Outcome: d]</p> <ul style="list-style-type: none"> ✓ Is used to support and maintain the standard process assets. <p>PS-00 Process Standards [PA 3.1 Outcome: a]</p> <ul style="list-style-type: none"> ✓ Provides reference for the standards used by the standard process and identification about how they are used. <p>SPS-00 Standard Process Strategy [PA 3.1 Outcomes: c, d]</p> <ul style="list-style-type: none"> ✓ Identifies approaches for defining, maintaining and supporting a standard process, including infrastructure, work environment, training, internal audit and management review.

Level 3 Established Process PA 3.2 Process Deployment	Rating (N/P/L/F)	Explanation (Marking insufficiently achieved outcomes)
<p>Attribute Context:</p> <p>The process deployment attribute is a measure of the extent to which the standard process is effectively deployed as a defined process to achieve its process outcomes including embedded controls.</p> <p><i>The financial reporting (related) activities should be investigated together with the organizational/entity level policies and procedures; whether the process deployment indicators of internal audit process are assessable as outcome measures of the operational effectiveness and efficiency objectives of financial reporting (at corporate levels).</i></p> <p><i>Considering allocation and usage of resources for implementing standardized internal audit activities at corporate levels helps to better understand the process characteristics.</i></p> <p><i>The internal audit process can provide higher level assurance regarding the achievement of financial reporting objectives, if its operation effectively and efficiently deploys Policies and Procedures consistent with the corporate structure and the entity's risk appetite.</i></p>		<p><i>As a result of full achievement of this attribute:</i></p> <ul style="list-style-type: none"> a) a defined process is deployed based upon an appropriately selected and/or tailored standard process; b) required roles, responsibilities and authorities for performing the defined process are assigned and communicated; c) personnel performing the defined process are competent on the basis of appropriate education, training, and experience; d) required resources and information necessary for performing the defined process are made available, allocated and used; e) required infrastructure and work environment for performing the defined process are made available, managed and maintained; f) appropriate data are, collected and analysed as a basis for understanding the behaviour of, and to demonstrate the suitability and effectiveness of the process, and to evaluate where continuous improvement of the process can be made. <p>NOTE: Competency results from a combination of knowledge, skills and personal attributes that are gained through education, training and experience.</p>

Comments on Process Deployment (Level 3 – PA 3.2)	Generic assessment indicators (generic practices, resources and work products)
<p><i>check whether standard internal audit process is implemented based on relevant procedures and guidance at corporate levels</i></p> <p><i>check whether conformance of internal audit activities at corporate levels are verified against the relevant standard policies and procedures</i></p> <p><i>consider whether internal audit activities at corporate levels related to internal financial controls are conformant with the relevant IIA Standards:</i></p> <p><i>2000 Managing the Internal Audit Activity</i></p> <p><i>The chief audit executive must effectively manage the internal audit activity to ensure it adds value to the organization.</i></p> <p><i>Interpretation: The internal audit activity is effectively managed when:</i></p> <ul style="list-style-type: none"> • <i>The results of the internal audit activity's work achieve the purpose and responsibility included in the internal audit charter;</i> • <i>The internal audit activity conforms with the Definition of Internal Auditing and the Standards; and</i> • <i>The individuals who are part of the internal audit activity demonstrate conformance with the Code of Ethics and the Standards.</i> <p><i>2010 Planning</i></p> <p><i>The chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organization's goals.</i></p> <p><i>Interpretation: The chief audit executive is responsible for developing a risk-based plan. The chief audit executive takes into account the organization's risk management framework,</i></p>	<p>IFC.GP 3.2.1 Deploy a defined process that satisfies the context specific requirements of the use of the standard process.</p> <p>The defined process is appropriately selected and/or tailored from the standard process.</p> <p>Conformance of defined process with standard process requirements is verified.</p> <p><i>Related Controls: CE.IEV Integrity and Ethical Values,</i> <i>CA.SD Selection and Development of Control Activities,</i> <i>MO.OSE Ongoing and Separate Evaluations</i></p>

Comments on Process Deployment (Level 3 – PA 3.2)	Generic assessment indicators (generic practices, resources and work products)
<p><i>including using risk appetite levels set by management for the different activities or parts of the organization. If a framework does not exist, the chief audit executive uses his/her own judgment of risks after consultation with senior management and the board.</i></p> <p><i>2010.A1 The internal audit activity's plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process.</i></p> <p><i>2010.C1 The chief audit executive should consider accepting proposed consulting engagements based on the engagement's potential to improve management of risks, add value, and improve the organization's operations. Accepted engagements must be included in the plan.</i></p>	
<p><i>check whether internal audit roles, responsibilities and authorities defined by relevant policies and procedures are adequately assigned and communicated at corporate levels</i></p> <p><i>consider whether internal audit activities at corporate levels related to internal financial controls are conformant with the relevant IIA Standard:</i></p> <p><i>2020 Communication and Approval</i></p> <p><i>The chief audit executive must communicate the internal audit activity's plans and resource requirements, including significant interim changes, to senior management and the board for review and approval. The chief audit executive must also communicate the impact of resource limitations.</i></p>	<p>IFC.GP 3.2.2 Assign and communicate roles, responsibilities and authorities for performing the defined process.</p> <p>The roles for performing the defined process are assigned and communicated.</p> <p>The responsibilities and authorities for performing the defined process are assigned and communicated.</p> <p><i>Related Controls: CE.AR Authority and Responsibility, IC.IC Internal Communication</i></p>
<p><i>check whether internal audit competencies over financial reporting are identified and ensured at corporate levels</i></p> <p><i>consider whether internal audit activities at corporate levels related to internal financial controls are conformant with the relevant IIA Standards:</i></p>	<p>IFC.GP 3.2.3 Ensure necessary competencies for performing the defined process.</p> <p>Appropriate competencies for assigned personnel are identified.</p> <p>Suitable training is available for those deploying the defined process.</p> <p><i>Related Controls: CE.FRC Financial Reporting Competencies, CE.HR Human Resources</i></p>

Comments on Process Deployment (Level 3 – PA 3.2)	Generic assessment indicators (generic practices, resources and work products)
<p><i>1210 Proficiency</i></p> <p><i>Internal auditors must possess the knowledge, skills, and other competencies needed to perform their individual responsibilities. The internal audit activity collectively must possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities.</i></p> <p><i>Interpretation: Knowledge, skills, and other competencies is a collective term that refers to the professional proficiency required of internal auditors to effectively carry out their professional responsibilities. Internal auditors are encouraged to demonstrate their proficiency by obtaining appropriate professional certifications and qualifications, such as the Certified Internal Auditor designation and other designations offered by The Institute of Internal Auditors and other appropriate professional organizations.</i></p> <p><i>1210.A1 The chief audit executive must obtain competent advice and assistance if the internal auditors lack the knowledge, skills, or other competencies needed to perform all or part of the engagement.</i></p> <p><i>1210.A2 Internal Auditors must have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organization, but are not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud.</i></p> <p><i>1210.A3 Internal auditors must have sufficient knowledge of key information technology risks and controls and available technology-based audit techniques to perform their assigned work. However, not all internal auditors are expected to have the expertise of an internal auditor whose primary responsibility is information technology auditing.</i></p> <p><i>1210.C1 The chief audit executive must decline the consulting engagement or obtain competent advice and assistance if the internal auditors lack the knowledge, skills, or other competencies needed to perform all or part of the</i></p>	

Comments on Process Deployment (Level 3 – PA 3.2)	Generic assessment indicators (generic practices, resources and work products)
<p><i>engagement.</i></p> <p><i>1230 Continuing Professional Development</i></p> <p><i>Internal auditors must enhance their knowledge, skills, and other competencies through continuing professional development.</i></p>	
<p><i>check whether personnel necessary for performing internal audit activities at corporate levels are available and adequately used</i></p> <p><i>check whether internal audit personnel have access to relevant financial reporting and internal control information at corporate levels</i></p> <p><i>consider whether internal audit activities at corporate levels related to internal financial controls are conformant with the relevant IIA Standard:</i></p> <p><i>2030 Resource Management</i></p> <p><i>The chief audit executive must ensure that internal audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan.</i></p> <p><i>Interpretation: Appropriate refers to the mix of knowledge, skills, and other competencies needed to perform the plan. Sufficient refers to the quantity of resources needed to accomplish the plan. Resources are effectively deployed when they are used in a way that optimizes the achievement of the approved plan.</i></p>	<p>IFC.GP 3.2.4 Provide resources and information to support the performance of the defined process.</p> <p>Required human resources are made available, allocated and used.</p> <p>Required information to perform the process is made available, allocated and used.</p> <p><i>Related Controls: CE.HR Human Resources,</i> <i>IC.FRI Financial Reporting Information,</i> <i>IC.ICI Internal Control Information</i></p>
<p><i>check whether relevant infrastructure for internal audit activities are available, used and maintained at corporate levels</i></p> <p><i>check whether necessary technology support at corporate levels are available</i></p> <p><i>consider applicability of generic resources of Process</i></p>	<p>IFC.GP 3.2.5 Provide adequate process infrastructure to support the performance of the defined process.</p> <p>Required infrastructure and work environment is available.</p> <p>Organizational support to effectively manage and maintain the infrastructure and work environment is available.</p> <p>Infrastructure and work environment is used and maintained.</p>

Comments on Process Deployment (Level 3 – PA 3.2)	Generic assessment indicators (generic practices, resources and work products)
<p><i>Deployment for internal audit activities at corporate levels consider whether internal audit activities at corporate levels related to internal financial controls are conformant with the relevant IIA Standard:</i></p> <p><i>1220.A2 In exercising due professional care internal auditors must consider the use of technology-based audit and other data analysis techniques.</i></p>	<p><i>Related Controls: CA.IT Information Technology, IC.IC Internal Communication, IC.EC External Communication</i></p>
<p><i>check whether necessary information about internal audit activities are identified, collected and analysed at corporate levels</i></p> <p><i>check whether information necessary to assess internal audit activities for the target process attributes are determined and collected</i></p> <p><i>consider whether information about internal audit activities at corporate levels are used in process improvement context</i></p> <p><i>consider whether internal audit activities at corporate levels related to internal financial controls are conformant with the relevant IIA Standards:</i></p> <p><i>1311 Internal Assessments</i></p> <p><i>Internal assessments must include:</i></p> <ul style="list-style-type: none"> • <i>Ongoing monitoring of the performance of the internal audit activity; and</i> • <i>Periodic reviews performed through self-assessment or by other persons within the organization with sufficient knowledge of internal audit practices.</i> <p><i>Interpretation: Ongoing monitoring is an integral part of the day-to-day supervision, review, and measurement of the internal audit activity. Ongoing monitoring is incorporated into the routine policies and practices used to manage the internal audit activity and uses processes, tools, and information</i></p>	<p>IFC.GP 3.2.6 Collect and analyse data about performance of the process to demonstrate its suitability and effectiveness.</p> <p>Data required understanding the behaviour; suitability and effectiveness of the defined process are identified.</p> <p>Data are collected and analysed to understand the behaviour, suitability and effectiveness of the defined process.</p> <p>Results of the analysis are used to identify where continual improvement of the standard and/or defined process can be made.</p> <p><i>Related Controls: IC.ICI Internal Control Information, MO.OSE Ongoing and Separate Evaluations, MO.RD Reporting Deficiencies</i></p>

Comments on Process Deployment (Level 3 – PA 3.2)	Generic assessment indicators (generic practices, resources and work products)
<p><i>considered necessary to evaluate conformance with the Definition of Internal Auditing, the Code of Ethics, and the Standards. Periodic reviews are assessments conducted to evaluate conformance with the Definition of Internal Auditing, the Code of Ethics, and the Standards. Sufficient knowledge of internal audit practices requires at least an understanding of all elements of the International Professional Practices Framework.</i></p>	
<p><i>consider generic process deployment resources to identify methods and technologies used for implementation of standardized internal audit activities at corporate levels</i></p>	<p>Generic Resources for PA 3.2</p> <ul style="list-style-type: none"> ✓ Feedback mechanisms (customer, staff, other stakeholders); [PA 3.2 Outcome: f] ✓ Process repository; [PA 3.2 Outcomes: a, b] ✓ Resource management system; [PA 3.2 Outcomes: b, c, d] ✓ Knowledge management system. [PA 3.2 Outcome: d] ✓ Problem and change management system; [PA 3.2 Outcome: f] ✓ Working environment and infrastructure; [PA 3.2 Outcome: e] ✓ Data collection analysis system. [PA 3.2 Outcome: f] ✓ Process assessment framework; [PA 3.2 Outcome: f] ✓ Audit / review system. [PA 3.2 Outcome: f]
<p><i>for supporting above judgments make references to concerning documents</i></p> <p><i>Note: work products and their characteristics should be considered as a starting point for considering whether, given the context, they are contributing to the intended purpose of the process, not as a check-list of what every organization must have</i></p>	<p>Generic Work Products for PA 3.2</p> <p>DPD-00 Defined Process Data [PA 3.2 Outcome: f]</p> <ul style="list-style-type: none"> ✓ Provides evidence that the defined process performance data was collected. <p>DPM-00 Defined Process Measure [PA 3.2 Outcome: f]</p> <ul style="list-style-type: none"> ✓ Provides a basis to analyse data associated with the performance of the defined process. <p>PDP-00 Process Deployment Plan [PA 3.2 Outcomes: a, b, f]</p> <ul style="list-style-type: none"> ✓ Expresses the strategy for the organizational support, allocation and use of the process infrastructure. ✓ Describes the resources and the elements of the infrastructure needed to deploy the defined process. ✓ Expresses the strategy to satisfy the training needs. ✓ Identifies process improvement proposal(s) based on analysis of suitability and

Comments on Process Deployment (Level 3 – PA 3.2)	Generic assessment indicators (generic practices, resources and work products)
	<p>effectiveness.</p> <p>DPD-00 Defined Process Description [PA 3.2 Outcome: a]</p> <ul style="list-style-type: none"> ✓ Describes the defined process for use for the control purpose. ✓ Describes the verification activities needed to ensure the conformance of the defined process with the organization’s standard process. ✓ Represents the interactions of the defined process with other processes. <p>DRC-00 Process Deployment Record [PA 3.2 Outcomes: b, c, d, e]</p> <ul style="list-style-type: none"> ✓ Provides evidence that the personnel possess the required authorities, skills, experience and knowledge. ✓ Provides evidence that personnel have received the required training to satisfy the needs of the project. ✓ Provides evidence that infrastructure and working environment are made available and maintained for performing the defined process. <p>DRG-00 Process Deployment Register [PA 3.2 Outcomes: a, f]</p> <ul style="list-style-type: none"> ✓ Records the status of required corrective actions. ✓ Captures the work breakdown structure needed to define the tasks and their dependencies. <p>DRE-00 Process Deployment Report [PA 3.2 Outcome: f]</p> <ul style="list-style-type: none"> ✓ Provides results of the analysis, recommended corrective action, feedback to the process owner and to the organization’s standard process. ✓ Identifies improvement opportunities of the defined process. ✓ Provides evidence on the suitability and effectiveness of the defined process. <p>DPR-00 Defined Process Repository [PA 3.2 Outcome: d]</p> <ul style="list-style-type: none"> ✓ Provides evidence that information is made available for performing the defined process.

<p>Level 4 Predictable Process PA 4.1 Process Measurement</p>	<p>Rating (N/P/L/F)</p>	<p>Explanation (Marking insufficiently achieved outcomes)</p>
<p>Attribute Context: The process measurement attribute is a measure of the extent to which measurement results are used to ensure that performance of the key control process supports the achievement of relevant process performance objectives in support of defined business goals.</p> <p><i>The internal audit process should be investigated as an entity level key control (how applied in strategy setting and across the enterprise) within the entity level risk management, whether the process measurement indicators are assessable as outcome measures of assurance regarding the entity's strategic objectives of financial reporting.</i></p> <p><i>Key controls are those significant controls within business processes, which if operating correctly will both ensure and give assurance that the organization is achieving its key business objectives. Effectiveness judgment of key controls assumes process measurement directly linked to enterprise objectives.</i></p> <p><i>Internal audit related enterprise objectives are mainly related to the “add value” of improving opportunities to achieve organizational objectives, identifying operational improvement, and/or reducing risk exposure through both assurance and consulting services.</i></p>		<p><i>As a result of full achievement of this attribute:</i></p> <ul style="list-style-type: none"> a) key control process information needs in support of relevant business goals are established; b) key control process measurement objectives are derived from identified process information needs; c) quantitative objectives for process performance in support of relevant business goals are established; d) measures and frequency of measurement are identified and defined in line with key control process measurement objectives and quantitative objectives for process performance; e) responsibilities are defined and infrastructure is established to collect key control process measures. f) results of measurement are collected, analysed and reported in order to monitor the extent to which the quantitative objectives for key control process performance are met; g) measurement results are used to characterise key control process performance. <p>NOTE 1: Information needs may typically reflect management, technical, work programme, process or product needs.</p> <p>NOTE 2: Measures may be either process measures or product measures or both.</p>

Comments on Process Measurement (Level 4 – PA 4.1)	Generic assessment indicators (generic practices, resources and work products)
<p><i>check whether enterprise level (strategic) objectives directly effected by the internal audit over internal financial controls are established</i></p> <p><i>these high level objectives might be related to assurance levels, like</i></p> <ul style="list-style-type: none"> • <i>decreasing the materiality of errors regarding legality and regularity to a level reputed highly by the stakeholders; or</i> • <i>contribution to improve risk management and increase efficiency of controls by systematic assessments and disciplined approach</i> <p><i>check whether beneficiaries and contributors of achieving these objectives are identified</i></p> <p><i>check whether information needs of these stakeholders (e.g. oversight board, executive and line managers, external auditors, regulators, etc.) related to the internal audit activities are identified and relevant</i></p> <p><i>information needs might be limited or widespread depending on relevance, e.g. from annual CAE report including effectiveness conclusion, through internal audit Policies and Procedures, up to detailed indicators for achievement of target capability profiles of internal audit activities and other relevant control processes)</i></p>	<p>IFC.GP 4.1.1 Identify key control process information needs, in relation with business goals.</p> <p>Business goals relevant to establishing quantitative process measurement objectives for the key control process are identified.</p> <p>Key control process stakeholders are identified and their information needs are defined.</p> <p>Information needs support the relevant business goals.</p>
<p><i>check the relevance of the selected other control processes for providing identified information needed by the stakeholders of internal audit activities</i></p> <p><i>consider whether target capability profiles are set for the relevant control processes (consistently with risk tolerance and risk appetite regarding the high level enterprise objectives)</i></p> <p><i>the range of selected control processes as base for</i></p>	<p>IFC.GP 4.1.2 Derive key control process measurement objectives from process information needs.</p> <p>Key control process measurement objectives to satisfy defined process information needs are defined.</p>

Comments on Process Measurement (Level 4 – PA 4.1)	Generic assessment indicators (generic practices, resources and work products)
<p><i>performance measurement of internal audit over internal financial controls might be limited only to the Monitoring control processes, however performance indicators of one or two processes support too narrow measurement scope of the internal audit related high level enterprise objectives</i></p> <p><i>the organizational level objective of evaluating and contributing to improvement of governance, risk management, and control processes (conformant to the 2100 – Nature of Work series of the IIA Standards) also needs the measurement (e.g. capability targets) of Governance and Risk Management related internal audit activities</i></p>	
<p><i>check whether performance objectives of internal audit activities are defined as being directly connected to the established high level objectives effected by the internal audit activities</i></p> <p><i>check whether these performance objectives are verified by the stakeholders of the internal audit activities</i></p> <p><i>consider whether target capability profiles are set as explicitly reflecting those enterprise level (strategic) objectives which are directly effected by the internal audit over internal financial controls</i></p>	<p>IFC.GP 4.1.3 Establish quantitative objectives for the performance of the key control process, according to the alignment of the process with the business goals.</p> <p>Process performance objectives are defined to explicitly reflect the business goals.</p> <p>Process performance objectives are verified with organizational management and process owner(s) to be realistic and useful.</p>
<p><i>check whether the ISO/IEC 15504 standard based capability measurement framework is applicable for defining detailed measures to support monitoring, analysis and verification needs of high level objectives effected by internal audit activities</i></p> <p><i>consider whether the target capability profiles of the selected control processes (supporting measurement of internal audit's performance objectives) are consistent with the used capability model</i></p>	<p>IFC.GP 4.1.4 Identify key control process measures that support the achievement of the quantitative objectives for process performance.</p> <p>Detailed measures are defined to support monitoring, analysis and verification needs of key control process goals.</p> <p>Measures to satisfy key control process measurement and performance objectives are defined.</p> <p>Algorithms and methods to create derived measurement results from base measures are defined, as appropriate.</p>

Comments on Process Measurement (Level 4 – PA 4.1)	Generic assessment indicators (generic practices, resources and work products)
<p><i>consider whether internal and/or external evaluations are supported by systematic approach, e.g. by the IIA’s quality criteria, or ISO/IEC 15504 conformant assessments</i></p> <p><i>check whether data collection process - for measuring internal audit performance - is managed, adequately scheduled, responsibilities are defined, and the base and derived measures are verified</i></p>	<p>IFC.GP 4.1.5 Define responsibilities and establish infrastructure to collect key control process measures.</p> <p>Data collection mechanism is created for all identified measures.</p> <p>Frequency of data collection is defined.</p> <p>Responsibilities for data collection are defined, for example at work programme, process and organizational levels.</p> <p>Verification mechanism for base and derived measures is defined.</p>
<p><i>check whether required data is collected according to the managed data collection process (e.g. through engagement supervision and internal quality assessments)</i></p> <p><i>check whether analysis and reporting is performed as scheduled (e.g. by the quality assessment program)</i></p> <p><i>check whether measurement results are reported to and used by the relevant stakeholders of the internal audit activities</i></p>	<p>IFC.GP 4.1.6 Collect key control process measurement results through performing the defined process.</p> <p>Required data is collected in an effective and reliable manner.</p> <p>Measurement results are created from the collected data within defined frequency.</p> <p>Analysis of measurement results is performed within defined frequency.</p> <p>Measurement results are reported to those responsible for monitoring the extent to which qualitative objectives are met.</p>
<p><i>check whether risk tolerances (acceptable deviations from high level objectives effected by the internal audit over internal financial controls) are set and used for monitoring performance of internal audit over internal financial controls</i></p> <p><i>consider ISO/IEC 15504-4 based control risk assessment method for effectiveness conclusion regarding (the design and operation of) internal audit activities over financial reporting</i></p>	<p>GP 4.1.7 Use the results of the defined measurement to monitor and verify the achievement of the key control process performance objectives.</p> <p>Statistical or similar techniques are used to quantitatively understand process performance and capability within defined control limits.</p> <p>Trends of process behaviour are identified.</p>
<p><i>consider generic process measurement resources to identify methods and technologies used for measuring performance of internal audit over internal financial controls</i></p>	<p>Generic Resources for PA 4.1</p> <ul style="list-style-type: none"> ✓ Management information (cost, time, reliability, profitability, customer benefits, risks etc.); [PA 4.1 Outcomes: a, c, d, e, f] ✓ Applicable measurement techniques; [PA 4.1 Outcome: d] ✓ Product and process measurement tools and results databases. [PA 4.1 Outcomes: d, e, f]

Comments on Process Measurement (Level 4 – PA 4.1)	Generic assessment indicators (generic practices, resources and work products)
	<ul style="list-style-type: none"> ✓ Process measurement framework. [PA 4.1 Outcomes: d, e, f] ✓ Tools for data analysis and measurement. [PA 4.1 Outcomes: b, c, d, e]
<p><i>for supporting above judgments make references to concerning documents</i></p> <p><i>Note: work products and their characteristics should be considered as a starting point for considering whether, given the context, they are contributing to the intended purpose of the process, not as a check-list of what every organization must have</i></p>	<p>Generic Work Products for PA 4.1</p> <p>KCD-00 Key Control Data [PA 4.1 Outcome: e]</p> <ul style="list-style-type: none"> ✓ Defines data to be collected as specified in plans and measures. <p>KCM-00 Key Control Measure [PA 4.1 Outcomes: a, b, d]</p> <ul style="list-style-type: none"> ✓ Describes information needs and performance objectives. ✓ Provides a basis for analysing process performance. ✓ Defines explicit criteria for data validation. ✓ Defines frequency of data collection. <p>KCP-00 Key Control Measurement Plan [PA 4.1 Outcomes: b, c]</p> <ul style="list-style-type: none"> ✓ Defines quantitative objectives for process performance. ✓ Specifies measures for the process. ✓ Defines tasks and schedules to collect and analyse data. ✓ Allocates responsibilities and resources for measurement. <p>KPD-00 Key Control Process Description [PA 4.1 Outcomes: a, d]</p> <ul style="list-style-type: none"> ✓ Defines information needs for the process. ✓ Specifies candidate measures. <p>KCR-00 Key Control Performance Report [PA 4.1 Outcomes: e, f]</p> <ul style="list-style-type: none"> ✓ Provides results of process data analysis to identify process performance parameters. ✓ Monitors process performance based on results of measurement.

Level 4 Predictable Process PA 4.2 Process Control	Rating (N/P/L/F)	Explanation (Marking insufficiently achieved outcomes)
<p>Attribute Context:</p> <p>The process control attribute is a measure of the extent to which the key control process is quantitatively managed to produce a process that is stable, capable, and predictable within defined limits.</p> <p><i>The internal audit process should be investigated as an entity level key control (how applied in strategy setting and across the enterprise) within the entity level risk management, whether the process control indicators are assessable as outcome measures of assurance regarding the entity's strategic objectives of financial reporting.</i></p> <p><i>Internal audit related enterprise objectives are mainly related to the “add value” of improving opportunities to achieve organizational objectives, identifying operational improvement, and/or reducing risk exposure through both assurance and consulting services.</i></p> <p><i>In this case internal audit process can be evaluated as a key control and effectiveness conclusion can be provided based on contribution to the achievement of the relevant high level objectives.</i></p>		<p><i>As a result of full achievement of this attribute:</i></p> <ul style="list-style-type: none"> a) suitable analysis and control techniques where applicable, are determined and applied; b) key control limits of variation are established for normal process performance; c) key control measurement data are analysed for special causes of variation; d) corrective actions are taken to address special causes of variation; e) key control limits are re-established (as necessary) following corrective action.

Comments on Process Control (Level 4 – PA 4.2)	Generic assessment indicators (generic practices, resources and work products)
<p><i>check whether selected techniques are appropriate and validated for evaluating effectiveness of internal audit over internal financial controls</i></p> <p><i>consider applicability of ISO/IEC 15504-4 based control risk assessment for evaluating effectiveness of design and operation of internal audit activities</i></p>	<p>IFC.GP 4.2.1 Determine analysis and control techniques, appropriate to the key control process performance.</p> <p>Process control analysis methods and techniques are defined.</p> <p>Selected techniques are validated against key control process objectives.</p>
<p><i>check whether entity’s standard process definition of internal audit over internal financial controls includes setting of objectives (e. g. target capability profiles) for the relevant control processes</i></p> <p><i>consider whether the target process attribute ratings (based on ISO/IEC 15504 measurement framework) are conform with the risk tolerance and risk appetite related to the performance of internal audit over internal financial controls</i></p>	<p>IFC.GP 4.2.2 Define parameters suitable to control the process performance.</p> <p>Standard process definition is modified to include selection of parameters for key control process.</p> <p>Control limits for selected base and derived measurement results are defined.</p>
<p><i>check whether assessed capability profiles are used to analyse performance of internal audit over internal financial controls</i></p> <p><i>check whether deviations from target profiles are reported, analysed and related control risks are managed</i></p> <p><i>check whether causes of deviations and improvement potentials are determined and reported</i></p>	<p>IFC.GP 4.2.3 Analyse key control measurement results to identify variations in process performance.</p> <p>Measures are used to analyse process performance.</p> <p>All situations when defined control limits are exceeded are recorded.</p> <p>Each out-of-control case is analysed to identify potential cause(s) of variation.</p> <p>Special causes of variation in performance are determined.</p> <p>Results are provided to those responsible for taking action.</p>
<p><i>check whether corrective actions for causes of deviations and improvement potentials are determined and implemented</i></p> <p><i>check whether corrective actions are monitored and evaluated</i></p> <p><i>consider impacts of internal or external quality assessments</i></p>	<p>IFC.GP 4.2.4 Identify and implement corrective actions to address assignable causes.</p> <p>Corrective actions are determined to address each assignable cause.</p> <p>Corrective actions are implemented to address assignable causes of variation.</p> <p>Corrective action results are monitored.</p> <p>Corrective actions are evaluated to determine their effectiveness.</p>
<p><i>check whether target capability profiles of internal audit related control processes are re-established reflecting to</i></p>	<p>IFC.GP 4.2.5 Re-establish control limits following corrective action.</p> <p>Process control limits are re-calculated (as necessary) to reflect process changes and</p>

Comments on Process Control (Level 4 – PA 4.2)	Generic assessment indicators (generic practices, resources and work products)
<p><i>process changes and corrective actions</i></p> <p><i>consider risk tolerance and risk appetite settings related to enterprise level (strategic) objectives directly effected by the internal audit over internal financial controls</i></p>	<p>corrective actions.</p>
<p><i>consider generic process control resources to identify methods and technologies used for evaluating effectiveness of internal audit over internal financial controls</i></p>	<p>Generic Resources for PA 4.2</p> <ul style="list-style-type: none"> ✓ Process control and analysis techniques; [PA 4.2 Outcomes: a, c] ✓ Statistical analysis tools / applications; [PA 4.2 Outcomes: b, c, e] ✓ Process control tools / applications. [PA 4.2 Outcomes: d, e]
<p><i>for supporting above judgments make references to concerning documents</i></p> <p><i>Note: work products and their characteristics should be considered as a starting point for considering whether, given the context, they are contributing to the intended purpose of the process, not as a check-list of what every organization must have</i></p>	<p>Generic Work Products for PA 4.2</p> <p>CVD-00 Key Control Variation Data [PA 4.2 Outcome: c]</p> <ul style="list-style-type: none"> ✓ Provides measurement data to identify special causes of variation. <p>CAM-00 Key Control Analysis Method [PA 4.2 Outcome: a]</p> <ul style="list-style-type: none"> ✓ Defines analysis methods and techniques at detailed level. <p>KCL-00 Key Control Limits [PA 4.2 Outcomes: b, e]</p> <ul style="list-style-type: none"> ✓ Defines parameters for process control. ✓ Defines and maintains control limits for selected base and derived measurement results. <p>CER-00 Key Control Exception Record [PA 4.2 Outcomes: c, d]</p> <ul style="list-style-type: none"> ✓ Provides information on defects and problems. ✓ Records the changes. <p>CRG-00 Key Control Register [PA 4.2 Outcome: d]</p> <ul style="list-style-type: none"> ✓ Documents corrective actions to be implemented. ✓ Monitors the status of corrective actions. <p>CAR-00 Key Control Analysis Report [PA 4.2 Outcomes: a, c, d, e]</p> <ul style="list-style-type: none"> ✓ Provides analysed measurement results of key control process performance. ✓ Identifies corrective actions to address assignable causes of variation. ✓ Ensures that selected techniques are effective and measures are validated. <p>KCR-00 Key Control Repository [PA 4.2 Outcomes: a, b, c, d, e]</p> <ul style="list-style-type: none"> ✓ Collects the data and provides the basis for analysis, corrective actions and results

Comments on Process Control (Level 4 – PA 4.2)	Generic assessment indicators (generic practices, resources and work products)
	reporting.

Guidance for using the Evaluation Sheet:**1. Rating (N/P/L/F)**

An evaluation should be given whether the process attributes related to the assessed Process adapted from the internationally recognized IIA framework (defined in the form conformant to ISO/IEC 15504-2) are interpretable and measurable concerning to the entity and the related activities.

The Performance Management attribute of the relevant Process includes base practices and work products indicating the achievement of process purpose and outcomes. The process attributes of the higher (2-4) levels refer to generic practices, generic resources and generic work products as assessment indicators. The achievement of the observed process attribute should be rated into (N, P, L, F) categories by using of these indicators levels:

N - Not achieved: There is little or no (0 to 15 %) evidence of achievement of the defined attribute in the assessed process.

P - Partially achieved: There is some (>15 % to 50 %) evidence of an approach to, and some achievement of, the defined attribute in the assessed process. Some aspects of achievement of the attribute may be unpredictable.

L - Largely achieved: There is (>50 % to 85%) evidence of a systematic approach to, and significant achievement of, the defined attribute in the assessed process. Some weakness related to this attribute may exist in the assessed process.

F - Fully achieved: There is (>85 % to 100 %) evidence of a complete and systematic approach to, and full achievement of, the defined attribute in the assessed process. No significant weaknesses related to this attribute exist in the assessed process.

The "N/A" category can be used for those process attributes which are not relevant for the assessed activity or entity. Judgement of relevance should be reflected to the validity of the process attribute within the entity's financial reporting system instead of just considering the as applied technology.

The level 2-4 process attributes should be investigated and rated when the (lower level) risk appetite of the entity or other external or internal rules request higher level performance of the assessed control process.

2. Explanation (Marking insufficiently achieved outcomes)

Rating should be explained by marking insufficiently achieved outcomes indicating potential failure in achievement of process purpose.

3. Comments

Make comments and references regarding the practices and work products supporting achievement of outcomes.

4. Specific/Generic assessment indicators

Samples of practices and work products supporting achievement of outcomes are presented for helping observations regarding to the conformance of the implemented processes of the assessed entity or unit.