Why monitor the quality of internal auditing?
Corporate governance, risk management, and the many varied providers of assurance, including internal auditing, represent the core management, monitoring, and control functions within a company. As such, their remit constantly brings them under the scrutiny of various stakeholders, such as the board of directors, audit committee, or executive management. It is not simply a question of whether the results of their work satisfy stakeholder requirements, but also how effectively and efficiently these services are delivered. In terms of the remit for internal auditing, the key questions in this area are as follows:

• What added value do the services provided by Internal Audit generate for stakeholders?
• How effective is internal auditing as an independent line of defense within the company’s corporate governance framework?
• How well does the company’s own internal auditing compare with similar companies and best practice?

Our quality assurance of internal auditing focuses on these issues and comes up with recommendations to help bring the current situation into line with what is actually required.

What regulatory provisions apply to the quality assessment of internal auditing?

• IIAS/IIA Standard (1312): “External assessments must be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization.”

Added value of external quality assessment by an independent auditor:

• An external, independent view to highlight areas where internal auditing can be optimized.
• An independent assessment of how well internal auditing work complies with IIA standards and a comparison with best practice.
• Constructive recommendations (including suggestions on which measures to take) based on experience from the relevant sector and best practice.
• Support for external auditing in terms of evaluating the suitability of internal auditing (auditing standard 610).
What does the quality assessment of internal auditing focus on?
The KPMG methodology “KSPRint” (KPMG Strategic Performance Review of Internal Audit) provides the framework for the quality assessment of internal auditing. It is based on IIA standards and the extensive practical experience acquired during our work for national and international companies. KSPRint is modular and scalable and can be tailored to suit your needs. The methodology is based on the success factors associated with internal auditing and focuses on the following three main areas:

- **Positioning**: is internal auditing correctly positioned, in strategic terms, to make a contribution to the company’s success?
- **Staff**: does internal auditing have the right strategy, human resources, and capacity to fulfill its remit?
- **Processes**: are internal auditing processes in line with business needs?
Quality assessment of internal auditing

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received, or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. The scope of any potential collaboration with audit clients is defined by regulatory requirements governing auditor independence.

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