
Finding Your
Rhythm:
Preparing for an External QA
Under the
Global Internal Audit Standards
New Orleans
October 1, 2026
8:00 a.m.
New Orleans, LA

FINDING YOUR RHYTHM

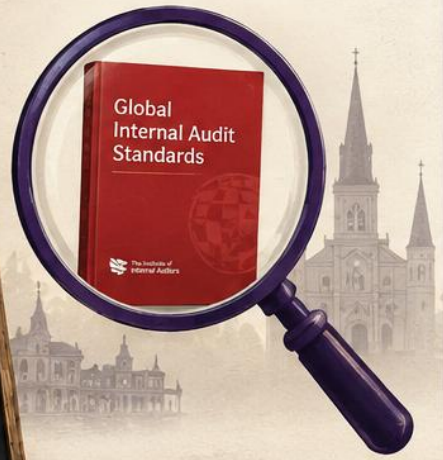
LEARNING OBJECTIVES

Bourbon St.

STRONGER AUDITS. GREATER IMPACT. IN PERFECT RHYTHM.

1 IDENTIFY

key changes under the Global Internal Audit Standards and how conformance is assessed.



2 PREPARE

documentation, governance structures, and QAIP components to support a successful external QA under the new standards.

- Governance
- Documentation
- QAIP Components
- Evidence
- Readiness



3 LEVERAGE

the external QA process as a tool for continuous improvement and enhanced stakeholder confidence.



RIGHT STANDARDS. STRONGER FUNCTION. GREATER RHYTHM.

Keep the Beat. Raise the Standard. Make an Impact.

New Orleans Stronger Together

INTERNAL AUDIT ON POINT.

Finding Our Rhythm: Our QA Journeys







Key Takeaways

Domain I: Purpose of Internal Auditing

The Institute of Internal Auditors

Internal auditing strengthens the organization's ability to create, protect, and sustain value by providing the board and management with independent risk-based, and objective assurance, advice, insight, and foresight.

Domain II:

- The Objectivity Drift – reporting lines can impair independence and objectivity
- Skipping Rehearsal – documenting competencies

Domain III:

- Playing Without the Band - limited engagement with the Board, Audit Committee, and Senior Leadership
- No Seat in the Parade - strategic discussions and key decision-making forums
- The Charter is Missing Notes – purpose, Standards, mandate, service scope, reporting relationships, approvals
- The Main Line is Not Setting the Tempo – oversight of the Board

Domain IV:

- Marching to the Wrong Tune - Internal Audit Strategy not aligned
- Rhythm without Resources (financial, human, technology)
- No Rhythm Section for Quality

Domain V:

- The Tune Was Played, but Not Written Down
- Missing Important Notes – work performed but no value added

Principle 2 – Maintain Objectivity

Standard 2.1 – Individual Objectivity; Standard 2.2 – Safeguarding Objectivity

- Training, Staff Meetings (documented)
- Organizational policies **combined with** internal audit policies (ethics, conflicts of interest)
- Audit planning documentation
- The IIA's Domain II Acknowledgement Form (Annually)
- Acknowledgement during individual engagements

Principle 2 – Maintain Objectivity

Standard 2.3 – Disclosing Impairments to Objectivity

*If objectivity is impaired in fact or appearance, the details of the impairment **must** be disclosed promptly to the appropriate parties.*

- The CAE
- Management of the Activity Under Review
- The Board and/or Senior Management

Good practice: Document annually that the internal audit staff have acknowledged Domain II requirements, disclosed potential conflicts or impairments, completed required ethics training where applicable, and that any significant ethics/conformance issues have been appropriately communicated.



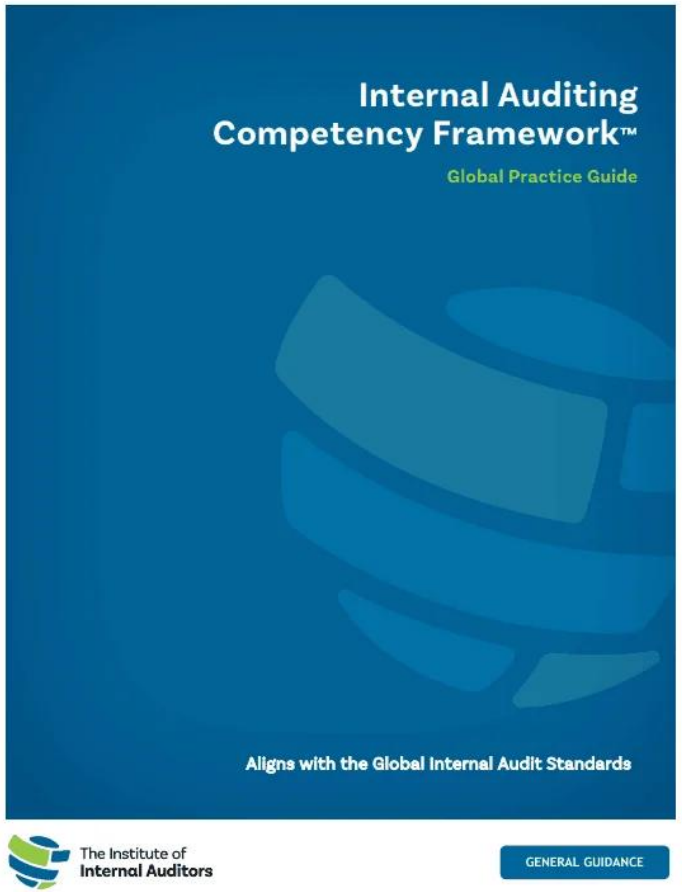
- ✓ Document methodologies for disclosing objectivity impairments in the Audit Manual.
- ✓ Keep records of disclosures, responses, and mitigations.

Principle 3 – Demonstrate Competency

Standard 3.1 – Competency

The CAE must ensure that the internal audit function collectively possesses the competencies to perform the internal audit services described in the charter.

- ✓ Documentation (certifications, resumes, CPE)
- ✓ Self-assessments and training plans
- ✓ Performance reviews (annual, engagement), working paper reviews
- ✓ Client survey results
- ✓ Comparison of audit plan to knowledge, skills, competencies
- ✓ Training on the Standards
- ✓ Types of training



The Institute of Internal Auditors' Global Practice Guide: Internal Auditing Competency Framework
(IIA Internal Auditing Competency Framework)

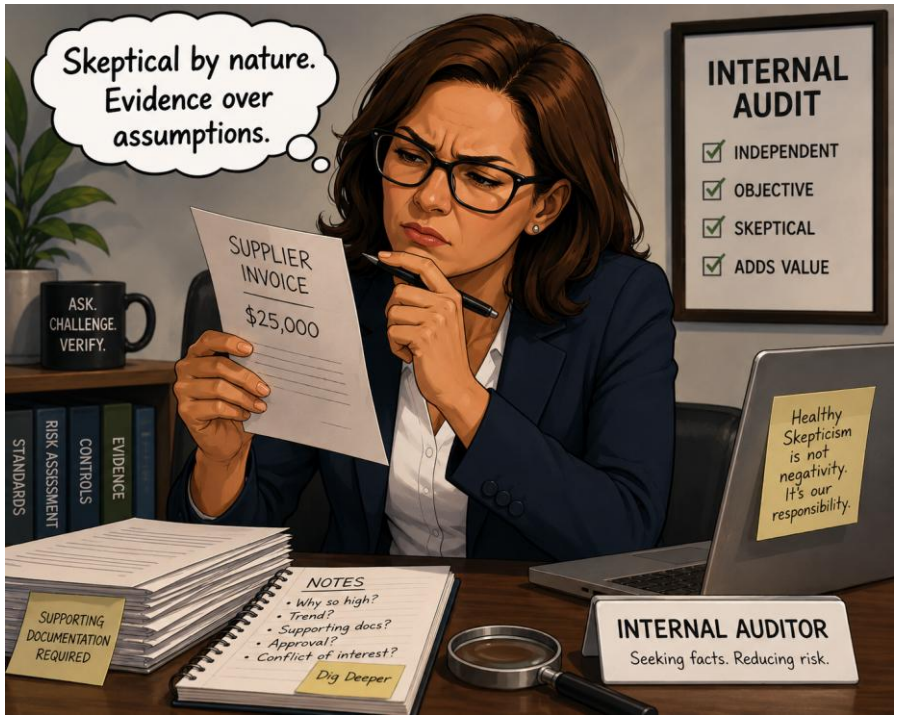
Competency Categories & Subcategories

Internal Auditing	Professional	Governance & Risk Management	Operational	Operational Specific to Higher Ed
• IPPF • Ethics & Professionalism • QAIP • Audit Methodologies • Coordinated Assurance • Reporting Results • **Yellow Book**	• Leadership • Professional Communications • Negotiation & Conflict Management • Data Analysis • Project Management	• Governance • Strategy • ERM • Compliance • Fraud • Organizational Resilience • Sustainability	• Accounting • Customer Relationship Management • Cybersecurity • Finance • HR • IT • Marketing • Sales • Supply Chain	• Athletics • Healthcare • Fund Accounting • Tuition & Fees • Research • Accreditation • Campus Safety • Student Services (housing, financial aid, etc.) • Facilities & Construction • Auxiliaries • Development, Gifts, Endowments • Faculty

Principle 4 – Exercise Due Professional Care

Standard 4.3 – Professional Skepticism: How to document?

- ✓Training on professional skepticism
- ✓Individual audit engagement performance reviews
- ✓Working papers: document questions, evaluations, challenges, reliability of information, evidence (not just management's explanations), trust but verify.
  - ✓**Don't just document what they told you. Document how you know.**
  - ✓Audit Manual guidance on methodologies
- ✓Supervisory reviews asking questions on evidence, unusual items
- ✓Staff meeting discussions, scenarios



Domain III: Essential Conditions for the Board / Audit Committee



Strong board engagement is most persuasive when it is active, documented, and governance-focused.

- Maintain an active partnership with regular, substantive dialogue.
- Hold executive sessions at Audit Committee meetings.
- Approve the charter, audit plan, budget, and resources.
- Provide input on CAE appointment, evaluation, and compensation.
- Oversee quality through QAIP results, EQA readiness, and continuous improvement.
- Stay informed on risks, performance, and emerging issues.

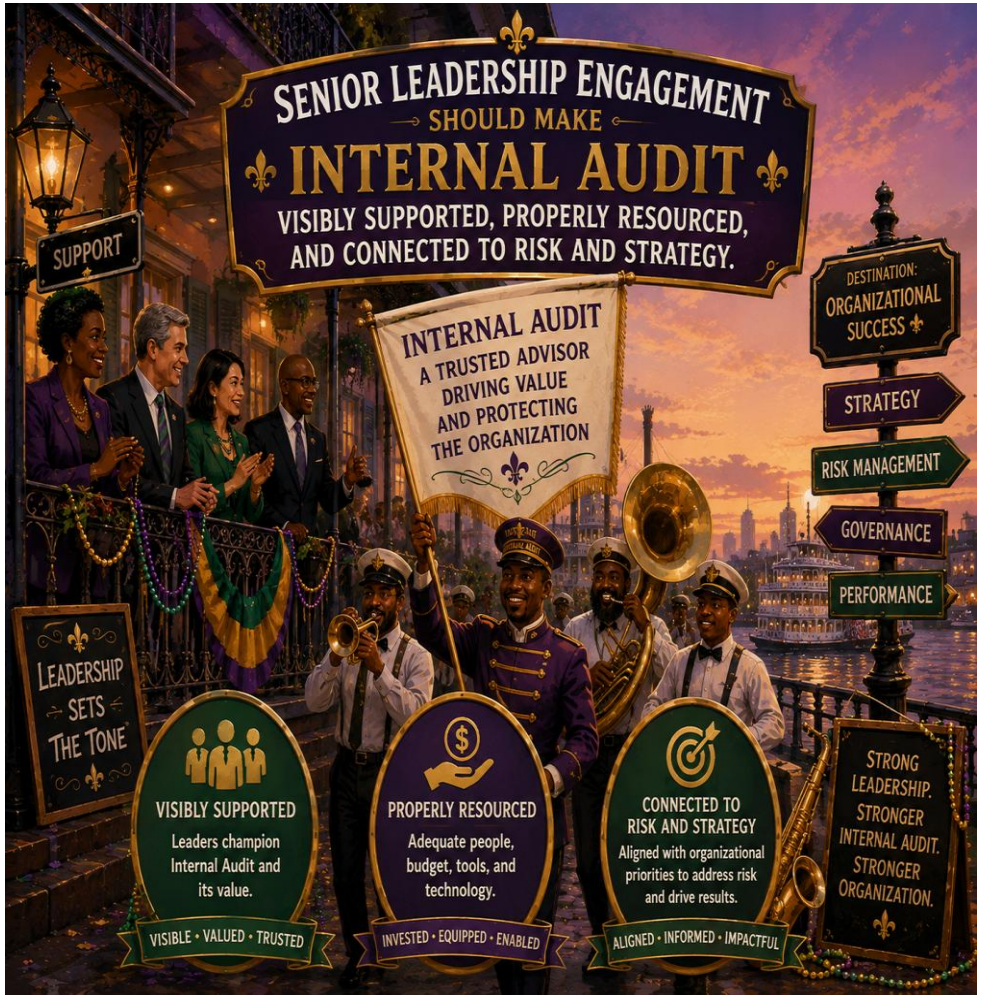
EQA evidence to keep

Meeting agendas and minutes, Audit Committee planner, executive session documentation, approval records, quality updates, resource discussions, and board education materials.

Domain III: Essential Conditions for Senior Leadership

Senior leadership engagement should make Internal Audit visibly supported, properly resourced, and connected to risk and strategy.

- Demonstrate visible support for Internal Audit's mandate and independence.
- Ensure unrestricted access to people, information, and records.
- Engage in risk, strategy, and audit planning discussions.
- Provide resources and remove barriers to high-value work.
- Solicit feedback and communicate the value Internal Audit delivers.



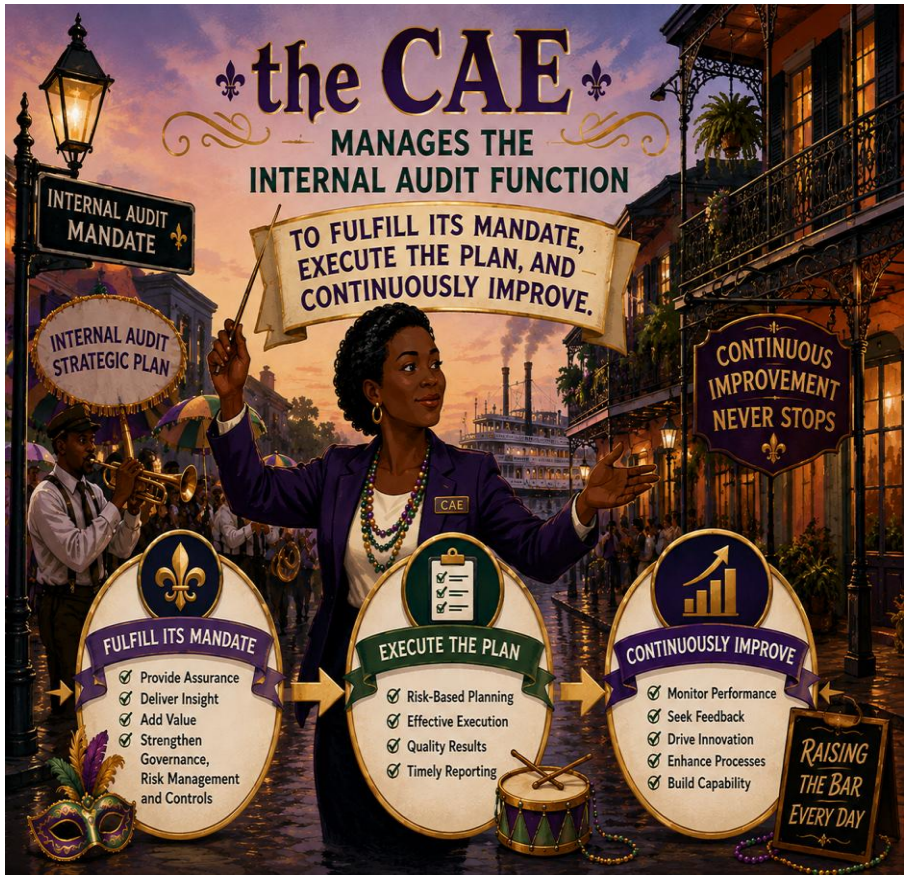
EQA evidence to keep

Leadership meeting notes, planning input, access issue resolution, resource/expertise discussions, stakeholder feedback, and examples of visible sponsorship.

Domain IV: Managing the Internal Audit Function

Domain IV focuses on how the CAE manages the function to fulfill the mandate, execute the plan, and continuously improve.

- Align the internal audit strategy with organizational objectives, risks, and the Internal Audit mandate.
- Maintain a current, risk-based audit plan informed by risks, stakeholder input, assurance coordination, and resource capacity.
- Formalize and communicate methodologies, including planning, risk assessment, reporting, risk acceptance, and quality review practices.
- Assess financial, human, and technology resources annually, including competency needs and the impact of resource limitations.
- Build stakeholder relationships and communicate results, themes, accepted risks, and value in a clear, timely way.
- Use QAIP, performance objectives, and monitoring to drive continuous improvement and engagement quality.



EQA evidence to keep

Internal audit strategic plan, risk assessment and audit plan support, methodology/audit manual updates, strategic staffing plan/analysis, competency assessments, talent management plan, stakeholder communication records, QAIP results, metrics, and improvement action plans.

Principle 13 – Plan Engagements Effectively (*and with documentation!*)

13.2 Engagement Risk Assessment

- Risk assessment should be documented and tie to your understanding of the activity under review **and** your work program.
- Gain understanding of strategies, objectives, & risks, governance, risk management, and controls of activity under review – document.
- Identify and document criteria management uses to measure.

13.3 Objectives & Scope

- Scope limitations discussed with management.
- Planning memo – planning presentation.
- CAE MUST approve objectives and scope before fieldwork starts, and any changes after.

13.4 Evaluation Criteria

- MUST identify most relevant criteria used to evaluate the activity under review defined in objectives and scope.
- MUST assess the extent to which the board and senior management have established adequate criteria to determine whether the activity under review has accomplished its objectives and goals.

13.6 Engagement Work Program

- Tie to information obtained during planning and risk assessment.
- Identify:
  - criteria used to evaluate each objective
  - tasks to achieve the objectives
  - methodologies and tools
  - Auditors assigned
- CAE MUST review and approve work program before implemented, and any changes.

Principle 14 – Conduct Engagement Work

14.3 Evaluation of Findings

Root cause
Risk-rated
Prioritized based on significance
Methodology

14.4 Recommendations and Action Plans

Recommendations and/or action plans

14.5 Engagement Conclusions

MUST have. Assurance engagements conclusions must include effectiveness of governance, risk management, and/or control processes of the activity under review.

14.6 Engagement Documentation

CAE MUST review and approve the engagement documentation.

Principle 15 – Communicate Engagement Results and Monitor Action Plans

Two Takeaways to Bring Back to Your Office

1 Report More Than Engagement Results

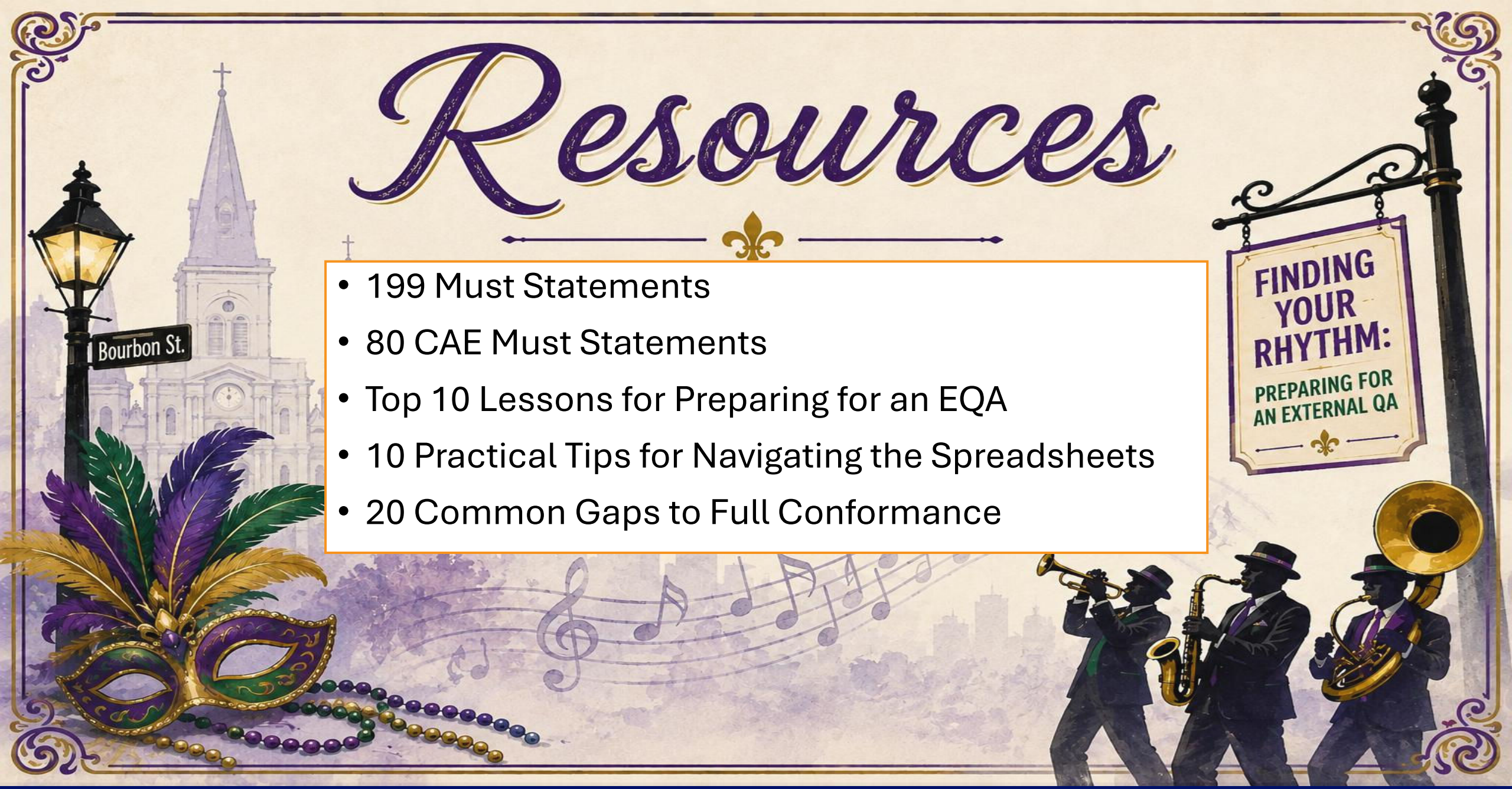
- The CAE **MUST** report to the board and senior management: "*results of internal audit services, including conclusions, themes, assurance, advice, insights, and monitoring results.*"
- How do you report themes and systemic issues, not just individual findings – to the board and senior management?

2 Make Follow-up Risk-Based

- Define how status is obtained, documented, challenged, and reported with a follow-up methodology.
- Match validation efforts to the significance and residual risk of the issue.
- Establish procedures for overdue action plans, repeated extensions, and risk acceptance.

Resources

- 199 Must Statements
- 80 CAE Must Statements
- Top 10 Lessons for Preparing for an EQA
- 10 Practical Tips for Navigating the Spreadsheets
- 20 Common Gaps to Full Conformance



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