

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM (QAIP)

ADB's Office of the Auditor General (OAG)

7 June 2018

TOPICS OF DISCUSSION

- OAG's Quality Assurance and Improvement Program (QAIP) Framework
- Role and Set-up of the Quality Assurance Group
- Internal Assessment
- External Assessment
- Key Learnings and Challenges

TERMS

- OAG - Office of the Auditor General
- IIA - Institute of Internal Auditors
- QAIP - Quality Assurance and Improvement Program
- QAG - OAG's Quality Assurance Group
- The Board - Audit Committee of the Board

OAG's Quality Assurance and Improvement Program Framework

ROLES AND SET-UP OF INTERNAL AUDIT QUALITY

**Chief Audit
Executive**

Audit Team Lead

Internal Auditors

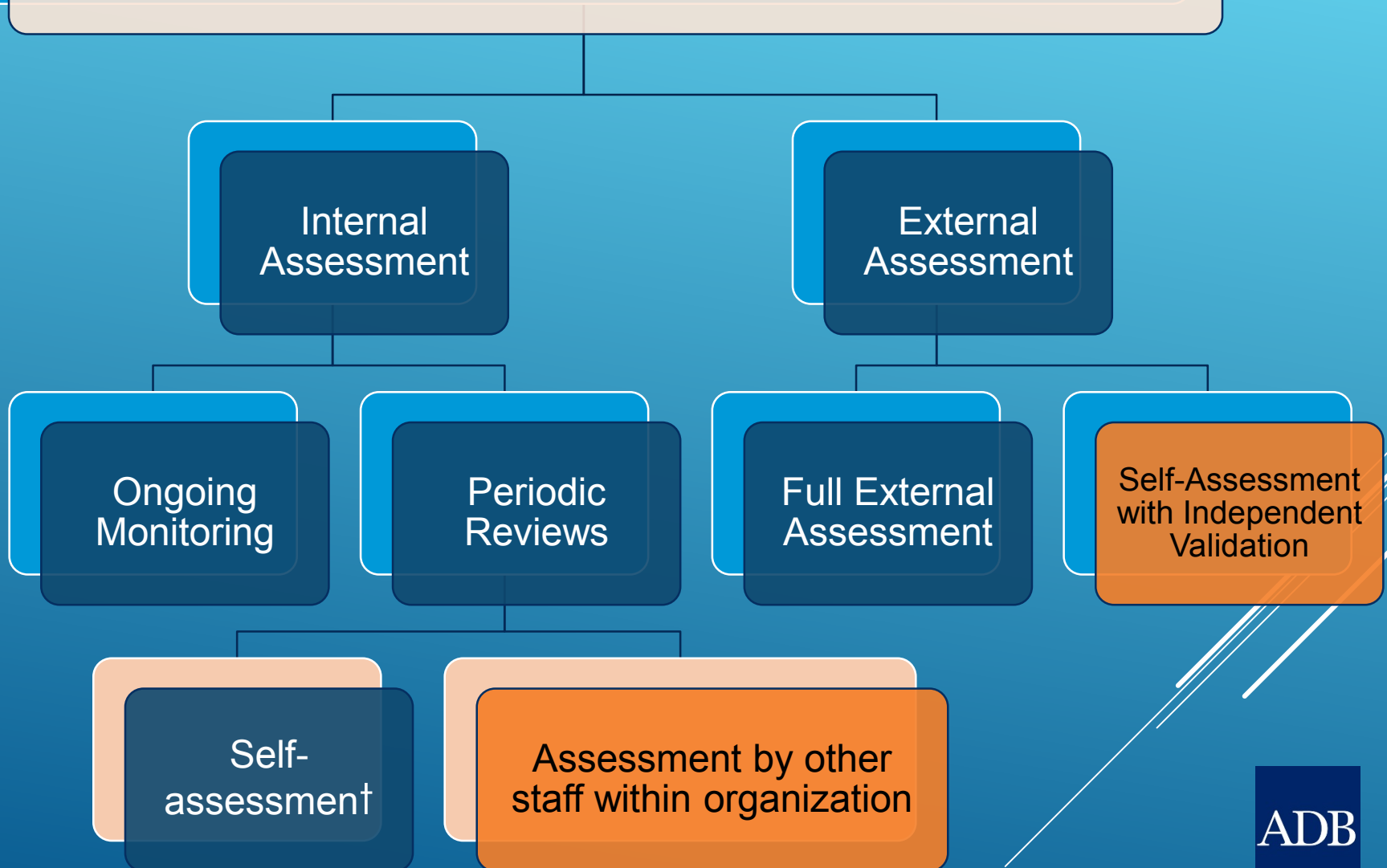
**OAG Quality
Assurance Group**



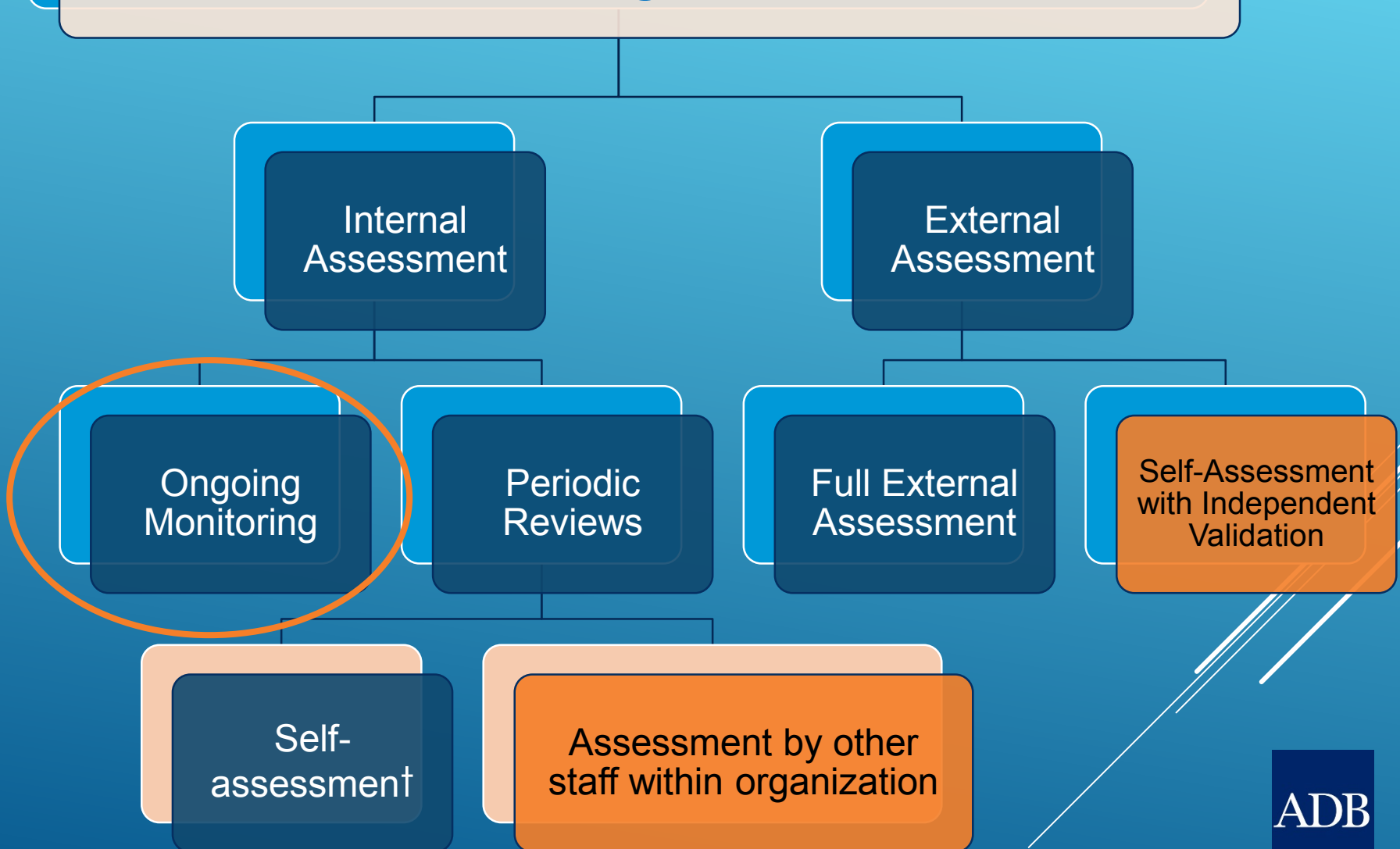
**IIA Standard
1300**



OAG's Quality Assurance and Improvement Program



OAG's Quality Assurance and Improvement Program



INTERNAL ASSESSMENT: ONGOING MONITORING

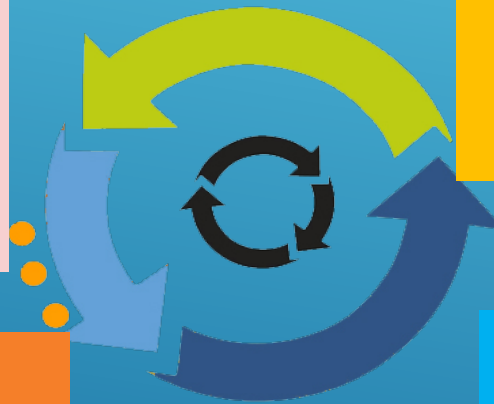
Measurement of
Performance
Indicators
Benchmarking
(CAE)



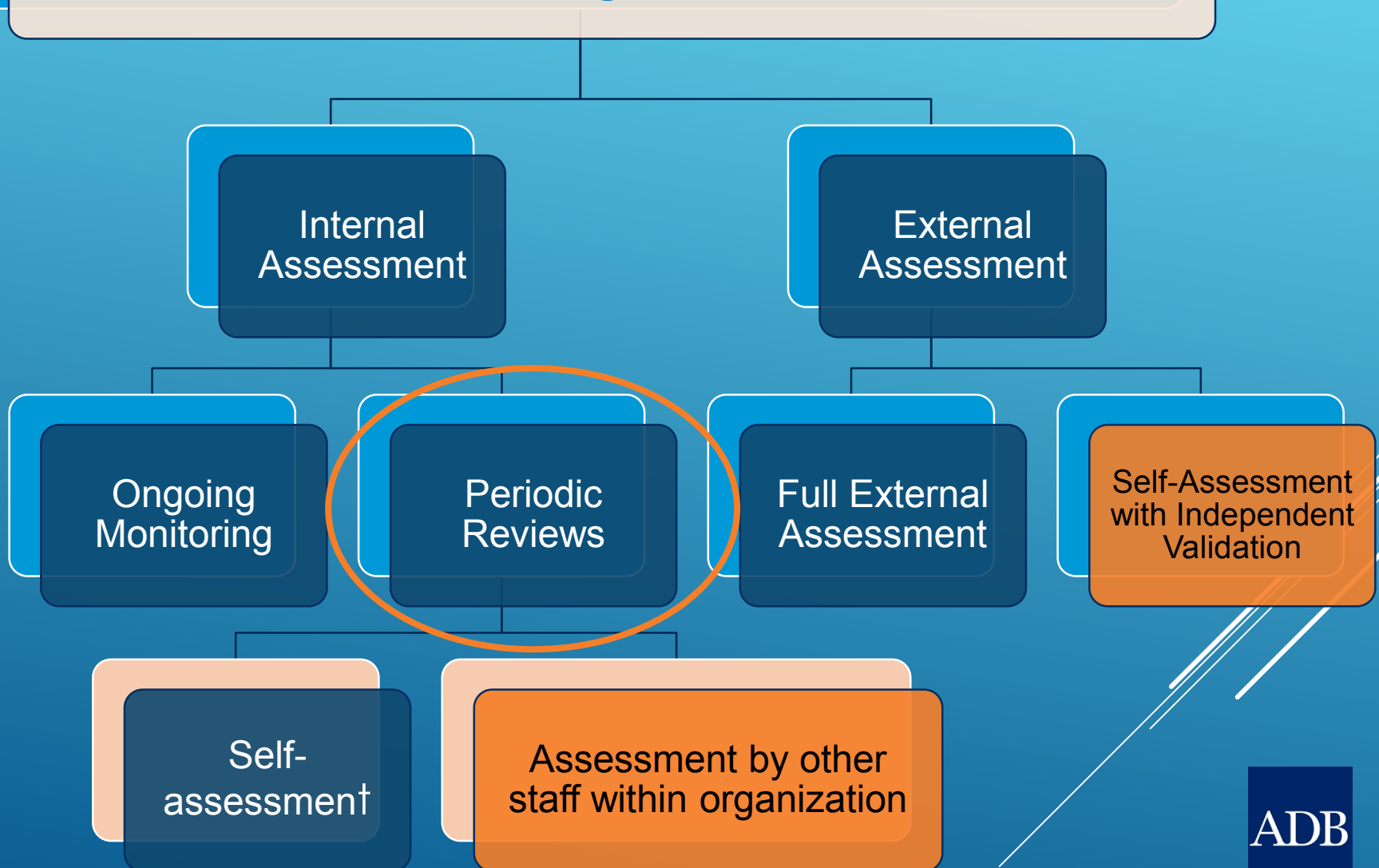
Compliance to
OAG Guidelines
(Internal
Auditors)

Closed
Recommendations
Validation
(QAG)

Engagement
Supervision
(Team Lead)



OAG's Quality Assurance and Improvement Program



INTERNAL ASSESSMENT: PERIODIC REVIEWS

Annual Self-assessment



REVIEW TOOL

- ☒ Internal Audit Governance
- ☒ Internal Audit Staff
- ☒ Internal Audit Management
- ☒ Internal Audit Process

TOOLS:

- Planning Guides
- Program Guides



INTERNAL ASSESSMENT: PERIODIC REVIEWS

Annual Self-assessment



Scope



Standards and Code of Ethics



Engagement Supervision



OAG IA Charter and ADB management's expectations



OAG's guidelines

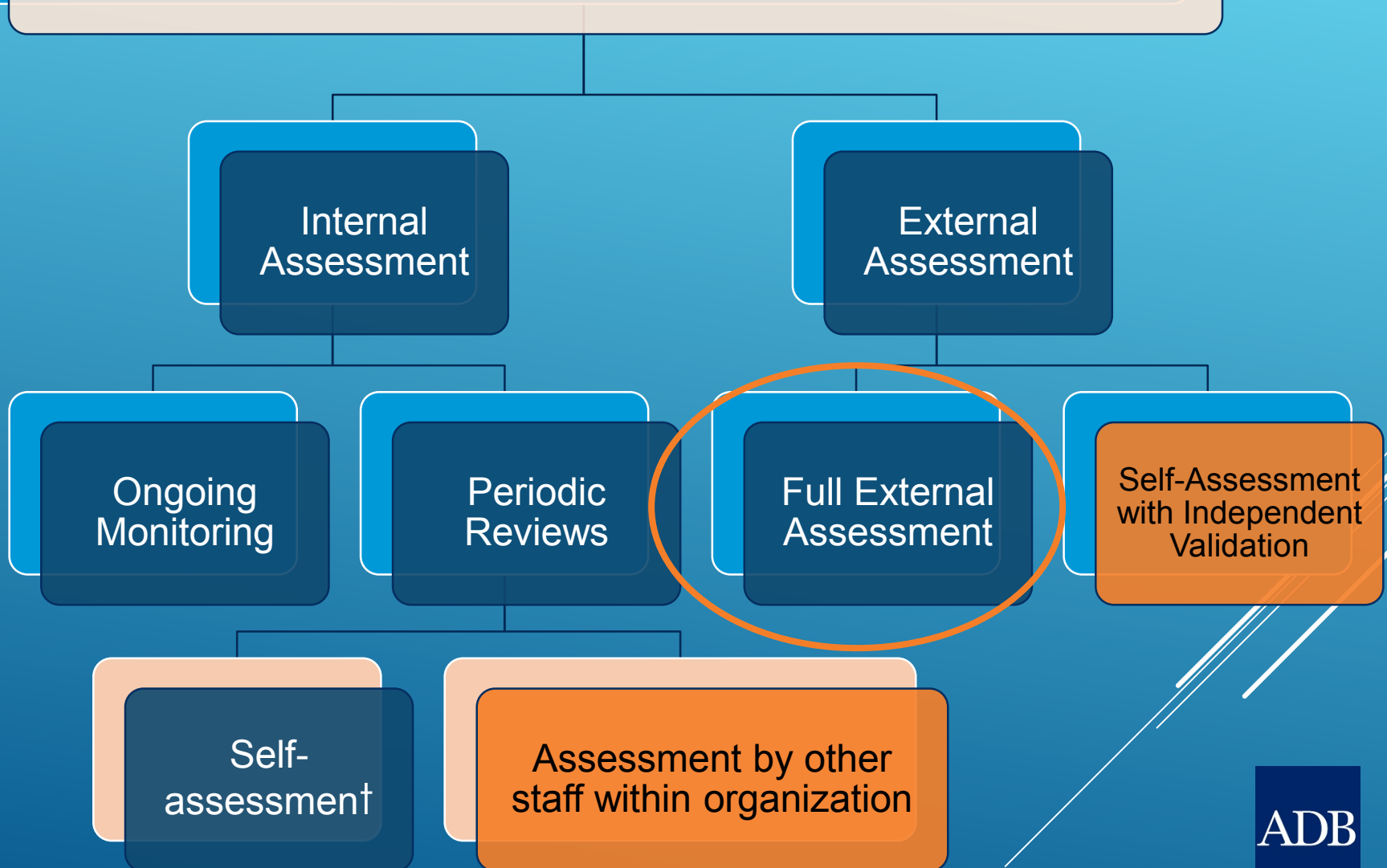


Performance Indicators



ADB

OAG's Quality Assurance and Improvement Program



EXTERNAL ASSESSMENT: FULL EXTERNAL ASSESSMENT



EXTERNAL ASSESSMENT: FULL EXTERNAL ASSESSMENT



Standards and Code of Ethics



OAG's IA Activity



ADB management's expectations



EXTERNAL ASSESSMENT: FULL EXTERNAL ASSESSMENT




Generally
Conform

Partially
Conform

Does not
Conform

DISCLOSURE OF CONFORMANCE

 Audit Report	CONFIDENTIAL
	CONFIDENTIAL

ABBREVIATIONS	
Note 1. Abbreviations Always include 'OAG' in the abbreviations list. Please take note that you don't need to define words that are better known by their acronyms, like 'PDF'.	
OAG	– Office of the Auditor General

GLOSSARY	
Note 2. Glossary Make sure to keep the reader in mind. Provide descriptions for items a lay person won't normally know.	

NOTE In this report, "\$" refers to US dollars unless otherwise stated.	
Auditor General	[Name] [sample format: H. C. Ong]
Assistant Auditor General	[Name]
Team Members	[Name, Position], [Principal Audit Specialist] [Name, Position], [Auditor-in-Charge] [Name, Position], [members]

The Office of the Auditor General (OAG) conforms with the *International Standards for the Professional Practice of Internal Auditing*.

The findings, recommendations, and comments contained in this report pertain only to the issues that have come to the attention of OAG as a result of the audit. They should not be regarded as a statement of all weaknesses (or strengths) that exist, or of all improvements that might be made.

This document is a template and may not be used as is.
Asian Development Bank

CHALLENGES IN IMPLEMENTING QAIP

- ❖ Maintaining the correct balance
- ❖ Difficulty to: (i) audit and (ii) report the results to Internal Auditors
- ❖ Value-adding recommendations

KEY LEARNINGS

- ❖ Internal Audit quality is Internal Auditor's responsibility
- ❖ Professional and Organization credibility
- ❖ Commitment to excellence

Why are We Successful?



Visit the <http://na.theiia.org/> for more information

Katrina Fano
kfano@adb.org



Time for Questions

IIA STANDARDS ON QAIP

Standard 1300 – The chief audit executive must develop and maintain a QAIP

Standard 1310 – The QAIP must include both internal and external assessments.

- ***1311 – Internal Assessments***
- ***1312 – External Assessments***

Standard 1320 – Communication of QAIP results

- ***1321 – Proper use of a conformance statement***
- ***1322 – Disclosure of nonconformance***

REVIEW OF CLOSED RECOMMENDATIONS



- ▶ **Key items:**

- ▶ Reasonable justification
- ▶ Concrete action taken and implementation date
- ▶ Supporting documents

Performance Indicators	Output Targets
Audit and Advisory Services	
New Audits	80%
Carryover Audit	100%
End of Fieldwork to Issuance of Final Audit Report	2 months
Audit Recommendations Implemented	60%
Audit Recommendations Implemented	60%
Timeliness of Implementing Audit Recommendations	60% High within 12 months 60% Medium within 24 months

Performance Indicators	Output Targets
Audit and Advisory Services	
Client Feedback on Completed Audits and Advisories	70% satisfaction
Biannual report (30 June and 31 December)	Circulated to management within 2 months of 30 June and 31 December
Professional Capacity and Development	
Ratio of Actual Audit Staff to ADB Staff	1:100
Audit Staff with Professional Designation	90%
Audit Time Spent on Continuing Professional Education	5%

Time Recording


TeamMate TEC
 CCH* TeamMate
 

[Home](#)
[Timesheet](#)
[Views](#)
[Reports](#)
[Help](#)

Timesheet







> Current
[4/30/2011](#)

> Previous
[3/31/2011](#)
[2/28/2011](#)

> Time Remaining
[Enter Time Remaining](#)

Period 4/1/2011 - 4/30/2011
 Due Date 5/3/2011
 Std. Duration 168
 Time Charged 0.00

[Save](#)
[Submit](#)
[Unsubmit](#)
[Add Project](#)
[Add NWE](#)
[Add Admin](#)

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Time Recording

Category	Time Entry Field	Primary Field
Project	<ul style="list-style-type: none"> Audits Advisory Services 	<ul style="list-style-type: none"> Planning Fieldwork Reporting
	<ul style="list-style-type: none"> Follow-up of recommendations 	<ul style="list-style-type: none"> Reporting
Non-working events	<ul style="list-style-type: none"> Leave 	<ul style="list-style-type: none"> Annual Leave Sick Leave (includes Family Leave) Holiday Occasional Absence Administrative Leave Maternity Leave Mission – rest day Discretionary Time-off
Admin	<ul style="list-style-type: none"> Technical Training Non-technical Training Continuous Improvement (Working Groups, MDB/IFIs benchmarking) OAG events TeamMate Administration Office Administration (e.g., Staff meeting, SWR Activities, PDP/LDP related activities) 	Not Applicable



Annual Benchmarking Exercise



Annual Benchmarking Exercise

Multilateral
Financial
Institution

Internal Audit
Information

Chief Audit
Executive

Audit
Committee



ADB