



INTERNAL AUDIT COMPETENCY FRAMEWORK



- Mission of internal auditing
- Internal audit charter
- Organizational independence
- Individual objectivity
- Ethical behavior
- Due professional care
- Professional development

PROFESSIONALISM



- Organizational governance
- Fraud
- Risk management
- Internal control
- Engagement planning
- Engagement fieldwork
- Engagement outcomes

PERFORMANCE



- Organizational strategic planning and management
- Common business processes
- Social responsibility and sustainability
- Information technology
- Accounting and finance

ENVIRONMENT



- Internal audit strategic planning and management
- Audit planning and coordinating assurance efforts
- Quality Assurance and Improvement Program

LEADERSHIP & COMMUNICATION



PROFESSIONALISM

Competencies required to demonstrate the authority, credibility, and ethical conduct essential for a valuable internal audit activity.

KNOWLEDGE AREA	COMPETENCY LEVEL		
	GENERAL AWARENESS	APPLIED KNOWLEDGE	EXPERT
Mission of internal auditing	Describe the purpose, authority, and responsibility of the internal audit activity; distinguish between assurance and consulting services.	Demonstrate ability to conduct both assurance and consulting engagements in conformance with the <i>Standards</i> .	Review the internal audit activity's ability to conduct both assurance and consulting activities to add value and improve the organization's operations.
Internal audit charter	Describe the purpose of an internal audit charter; identify the required elements of an internal audit charter, according to the <i>Standards</i> .	Prepare an internal audit charter in conformance with the <i>Standards</i> , and receive approval from the board.	Evaluate and revise an internal audit charter to achieve conformance with the <i>Standards</i> and promote world-class performance.
Organizational independence	Describe the importance of organizational independence of the internal audit activity; identify the elements that affect independence.	Detect any potential impairments to internal audit independence and the impact.	Address any potential impairments to internal audit independence to achieve conformance with the <i>Standards</i> ; communicate the impact of any remaining impairments.
Individual objectivity	Describe the importance of internal audit objectivity; identify factors that may impair, or appear to impair, objectivity.	Detect and manage any real or perceived impairments to an individual internal auditor's objectivity; assess and maintain internal audit objectivity.	Develop and maintain policies that govern objectivity; recommend strategies to promote objectivity.
Ethical behavior	Describe the importance of a code of ethics for internal auditors; identify the principles of The IIA's Code of Ethics.	Demonstrate individual conformance with The IIA's Code of Ethics.	Assess the internal audit activity's conformance with The IIA's Code of Ethics; recommend strategies to maintain and promote the highest ethical standards for internal auditors and the internal audit activity.
Due professional care	Describe due professional care.	Demonstrate due professional care.	Evaluate and conclude on the application of due professional care.
Professional development	Recognize the knowledge, skills, and competencies needed to fulfill the responsibilities of the internal audit activity and the need for continuing professional development.	Demonstrate internal audit competency through continuing professional development.	Assess the competencies required to fulfill the responsibilities of the internal audit activity; promote professional development.



PERFORMANCE

Competencies required to plan and perform internal audit engagements in conformance with the *Standards*.

KNOWLEDGE AREA	COMPETENCY LEVEL		
	GENERAL AWARENESS	APPLIED KNOWLEDGE	EXPERT
Organizational governance	Describe the concept of organizational governance.	Detect risks related to the organization's governance policies, processes, and structures.	Recommend improvements to the organization's governance policies, processes, and structures.
Fraud	Recognize types of fraud, fraud risk, and red flags for fraud.	Evaluate the potential for fraud and how the organization detects and manages fraud risks; recommend controls to prevent and detect fraud and educate to improve the organization's fraud awareness.	Apply forensic auditing techniques in fraud prevention, deterrence, and investigation.
Risk management	Describe fundamental concepts of risk and risk management; describe risk management frameworks.	Use a risk management framework to identify potential threats; examine the effectiveness of risk management within processes and functions.	Appraise the methods used to assess the effectiveness of risk identification and management.
Internal control	Identify types of controls.	Use an internal control framework to examine the effectiveness and efficiency of internal controls.	Evaluate and recommend improvements to the organization's internal control framework; assess the organization's implementation of its internal control framework.
Engagement planning <ul style="list-style-type: none"> • Objectives and scope • Risk assessment • Work program • Resources 	Describe the key roles and activities involved in establishing the objectives, evaluation criteria, and scope of an engagement.	Determine the objectives, evaluation criteria, and scope of an engagement.	Evaluate the audit engagement's objectives and scope to ensure the quality of the engagement.
	Describe the purpose of performing a risk assessment during engagement planning and the steps involved.	Complete a detailed risk assessment, including prioritizing key risks and controls.	Evaluate the risk assessment process during the audit engagement.
	Describe the purpose of an engagement work program and key components.	Prepare an engagement work program.	Assess the audit engagement work program.
	Describe the factors that influence planning for staffing and resource planning for an engagement.	Determine staff and resources for an engagement.	Evaluate audit engagement staffing and resources.



PERFORMANCE

Competencies required to plan and perform internal audit engagements in conformance with the *Standards*.

- Engagement fieldwork**
- Information gathering
 - Sampling
 - Computer-assisted audit tools and techniques
 - Data analytics
 - Evidence
 - Process mapping
 - Analytical review
 - Documentation

KNOWLEDGE AREA	COMPETENCY LEVEL		
	GENERAL AWARENESS	APPLIED KNOWLEDGE	EXPERT
Engagement fieldwork	Describe the purpose of preliminary surveys of the engagement area, checklists, and risk-and-control questionnaires.	Perform a preliminary survey of the engagement area; develop checklists and risk-and-control questionnaires; examine relevant information during an engagement.	Evaluate engagement information-gathering activities.
	Describe the various approaches to sampling, including advantages and drawbacks of each.	Apply appropriate sampling techniques.	Evaluate audit engagement sampling activities.
	Describe the purpose, advantages, and disadvantages of using computer-assisted audit tools and techniques.	Use computer-assisted audit tools and techniques.	Evaluate the use of computer-assisted audit tools and techniques during the audit engagement.
	Describe data analytics, the data analytics process, and the application of data analytics methods in internal auditing.	Apply data analytics methods.	Evaluate the use of data analytics in internal auditing.
	Recognize potential sources of evidence.	Evaluate the relevance, sufficiency, and reliability of potential sources of evidence.	Develop guideline to ensure evidence is relevant, sufficient, and reliable.
	Describe the purpose, advantages, and disadvantages of various process mapping techniques.	Apply appropriate analytical approaches and process mapping techniques.	Evaluate process mapping of the audit engagement.
	Describe the purpose, advantages, and disadvantages of various analytical review techniques.	Determine and apply analytical review techniques.	Evaluate analytical review techniques implemented during the audit engagement.
	Describe documentation and workpaper requirements.	Prepare workpapers and documentation.	Evaluate audit engagement documentation.



PERFORMANCE

Competencies required to plan and perform internal audit engagements in conformance with the *Standards*.

Engagement outcomes

- **Communication quality**
- **Conclusions**
- **Recommendations**
- **Reporting**
- **Residual risk and risk acceptance**
- **Management action plan**
- **Results monitoring**

KNOWLEDGE AREA	COMPETENCY LEVEL		
	GENERAL AWARENESS	APPLIED KNOWLEDGE	EXPERT
Engagement outcomes <ul style="list-style-type: none"> • Communication quality • Conclusions • Recommendations • Reporting • Residual risk and risk acceptance • Management action plan • Results monitoring 	Describe the elements of quality engagement communications.	Demonstrate quality engagement communications, including preliminary communication with engagement clients.	Evaluate audit engagement communications.
	Recognize the elements of an appropriate engagement conclusion.	Summarize and develop engagement conclusions.	Evaluate audit engagement conclusions.
	Recognize the importance of providing recommendations.	Formulate recommendations to enhance and protect organizational value.	Evaluate audit engagement recommendations.
	Describe the engagement communication and reporting process, including interim reporting, the exit conference, obtaining management’s response, the report approval process, and distribution of the report.	Prepare an interim report; prepare a final audit report, seek approval, and distribute to appropriate parties.	Review and approve engagement reports; recommend distribution of the report to appropriate parties.
	Describe the chief audit executive’s responsibility for identifying and assessing the residual risk and the process for communicating management’s acceptance of risk.	Identify residual risk.	Assess the impact of residual risk; communicate management’s acceptance of risk to senior management and the board.
	Describe engagement outcomes; describe the purpose of a management action plan.	Assess engagement outcomes, including the management action plan.	Evaluate the collective outcomes of engagements performed by the internal audit activity.
	Recognize the importance of monitoring and follow-up on the disposition of audit engagement results communicated to management and the board.	Manage monitoring and follow-up of the disposition of audit engagement results communicated to management and the board.	Evaluate monitoring and follow-up performed by the internal audit activity.



ENVIRONMENT

Competencies required to identify and address the risks specific to the industry and environment in which the organization operates.

KNOWLEDGE AREA	COMPETENCY LEVEL		
	GENERAL AWARENESS	APPLIED KNOWLEDGE	EXPERT
Organizational strategic planning and management <ul style="list-style-type: none"> • Structure • Performance measures • Organizational behavior • Leadership 	Identify the risk and control implications of different organizational structures.	Evaluate the organization's governance structure and the impact of organizational structure and culture on the overall control environment and risk management strategy.	Recommend improvements to the overall control environment and risk management strategy.
	Describe the strategic planning process.	Analyze the organization's strategic planning process.	Recommend improvements to the organization's strategic planning process.
	Describe common performance measures.	Examine performance measures used by the organization.	Select appropriate performance measures.
	Explain organizational behavior and performance management techniques.	Examine existing organizational behavior and performance management techniques.	Recommend appropriate organizational behavior and performance management techniques.
	Describe management's effectiveness to lead and build organizational commitment.	Examine management's effectiveness to lead and build organizational commitment.	Recommend actions to improve management's approach to leading and building organizational commitment.
Common business processes	Describe the risk and control implications of common business processes (human resources, procurement, contracting, product development, project management, sales, marketing, logistics, management of outsourced processes, etc.).	Examine the risks and controls related to the organization's business processes.	Recommend actions to address risks related to the organization's business processes.
Social responsibility and sustainability	Describe corporate social responsibility and sustainability.	Examine the organization's approach to social responsibility and sustainability.	Recommend actions to improve the organization's approach to social responsibility and sustainability.
Information technology <ul style="list-style-type: none"> • Data analytics • Security and privacy • IT control frameworks 	Describe the basic concepts of IT and data analytics.	Apply data analytics and IT in auditing.	Evaluate the use of data analytics and IT in auditing.
	Describe the various risks related to IT, information security, and data privacy.	Identify and assess various risks related to IT, information security, and data privacy.	Recommend actions to address IT risks, information security, and data privacy.
	Recognize the purpose and applications of IT control frameworks and basic IT controls.	Apply IT control frameworks.	Evaluate the use of IT control frameworks.
Accounting and finance	Identify various financial and managerial accounting concepts and underlying principles.	Conduct financial analyses; examine and interpret financial statements.	Evaluate financial statement accuracy and provide assurance.



LEADERSHIP & COMMUNICATION

Competencies required to provide strategic direction, communicate effectively, maintain relationships, and manage internal audit personnel and processes.

KNOWLEDGE AREA	COMPETENCY LEVEL		
	GENERAL AWARENESS	APPLIED KNOWLEDGE	EXPERT
Internal audit strategic planning and management	Recognize the importance of aligning the internal audit strategic plan with the organization's strategy.	Create the internal audit strategic plan in alignment with the organization's strategy, risk profile, and risk management strategy; create an effective and efficient budget for the internal audit activity.	Assess the internal audit strategic plan; evaluate and recommend improvements to the budget for the internal audit activity.
	Differentiate various internal audit roles, including the engagement supervisor and chief audit executive.	Manage internal audit personnel (including recruiting, developing, motivating, managing conflict, building teams, delegating, retaining talent, and succession planning); create policies and procedures for managing internal audit operations.	Assess the talent management efforts of the internal audit activity; appraise policies, procedures, and administrative activities of the internal audit activity.
	Identify key activities in supervising engagements.	Supervise engagements.	Assess engagement supervision activities to ensure the quality of the internal audit activity.
Audit plan and coordinating assurance efforts	Identify sources of potential engagements, including industry trends and emerging risks.	Conduct a risk assessment, prioritize engagements, develop a risk-based internal audit plan, and obtain board approval.	Evaluate and revise a risk-based internal audit plan to meet the organization's evolving needs.
	Describe coordination of internal audit efforts with the external auditor, regulatory oversight bodies, and other internal assurance functions, and potential reliance on other assurance providers.	Prepare a risk assurance map.	Coordinate assurance efforts with other providers to ensure proper coverage and minimize duplication of efforts.
Quality Assurance and Improvement Program	Describe requirements of the Quality Assurance and Improvement Program.	Schedule and complete internal and external quality assessments to meet requirements and report results.	Assess the internal audit activity's quality assurance and improvement practices and assess conformance with the <i>Standards</i> .
	Identify appropriate disclosure of conformance vs. nonconformance with The IIA's <i>International Standards for the Professional Practice of Internal Auditing</i> .	Formulate appropriate disclosures of conformance vs. nonconformance with the <i>Standards</i> .	Assess the internal audit activity's disclosures of conformance vs. nonconformance with the <i>Standards</i> .



LEADERSHIP & COMMUNICATION

Competencies required to provide strategic direction, communicate effectively, maintain relationships, and manage internal audit personnel and processes.

- Communication**
- **Advocacy**
 - **Relationships**
 - **Reporting**
 - **Soft skills**
 - **Innovation**

KNOWLEDGE AREA	COMPETENCY LEVEL		
	GENERAL AWARENESS	APPLIED KNOWLEDGE	EXPERT
<p>Communication</p> <ul style="list-style-type: none"> • Advocacy • Relationships • Reporting • Soft skills • Innovation 	Recognize the value of advocacy and the importance of maintaining stakeholder relationships (e.g., board, senior management, audit clients, other assurance providers, external stakeholders).	Manage the internal audit activity's reputation and stakeholder expectations; demonstrate sincerity, honesty, and empathy in communications with stakeholders to build trust and maintain relationships.	Assess stakeholder relationships and recommend actions to achieve improvements; evaluate the advocacy efforts of the internal audit activity.
	Describe appropriate communications between internal auditors and stakeholders, including key performance indicators; recognize that the chief audit executive reports on the overall effectiveness of the organization's internal control and risk management processes to senior management and the board.	Prepare relevant and appropriate communications for internal audit stakeholders, including reports to senior management and the board (e.g., significant risk exposures, key performance indicators, etc.).	Assess internal audit communications with stakeholders, including key performance indicators to evaluate the success of the internal audit activity, and recommend improvements.
	Recognize the importance of written and verbal communication skills, including soft skills such as conflict management, influence, and persuasion.	Demonstrate soft skills (conflict management, influence, and persuasion); provide insightful consultation to contribute to the organization's effectiveness; detect opportunities for change and facilitate change.	Assess the internal audit activity's written and verbal communication skills, soft skills, and innovation; recommend improvements.

NOTE: It is assumed that an internal auditor at the “applied knowledge” level of competency in a certain area would also have “general awareness” of the same knowledge area; accordingly, an internal auditor at the “expert” level of competency would also have “applied knowledge” of the same knowledge area.