The IIA Global Internal Audit Competency Framework

About The IIA Global Internal Audit Competency Framework

The IIA Global Internal Audit Competency Framework (the Framework) is a tool that defines the competencies needed to meet the requirements of the International Professional Practices Framework (IPPF)® for the success of the internal audit profession.

A competency is the ability of an individual to perform a job or task properly, being a set of defined knowledge, skills and behavior. The Framework provides a structured guide, enabling the identification, evaluation and development of those competencies in individual internal auditors.

The Framework outlines the ten core competencies recommended for each broad job level, namely internal audit staff, internal audit management and the chief audit executive. Each core competency is supported by a list of more detailed competencies that further define the core competency statement. While the core competencies have been defined individually it should be understood that there are connections and interdependencies between all of the competencies.

The Framework is designed to be used by:

- **Internal auditors** to develop competencies that will help them meet their individual career objectives;
- **Course developers and certification groups** within the profession to ensure courses and certifications develop and adequately assess the required competencies;
- **Employers, other professions and the public** to use as a point of reference for the purpose of comparison or benchmarking with their own competency frameworks or to gain a clear and detailed view of the levels of expertise required by internal auditors;
- **The IIA and its affiliated Institutes** to develop strategies to support their position in the international community with respect to standard setting;
- **Students** to understand the competencies they would need to demonstrate to be successful internal auditors and to assist them in assessing their career development plans;
- **The academic community** to provide a listing of critical professional competencies to consider in course development to prepare students for entry into the profession;
- **Recruiters and HR professionals** to develop appropriate job descriptions and recruit suitably qualified staff.

Outline of The Framework

The Framework consists of ten core competencies, listed below:

I. Professional ethics: Promotes and applies professional ethics
II. Internal audit management: Develops and manages the internal audit function
III. IPPF: Applies the International Professional Practices Framework (IPPF)
IV. Governance, risk and control: Applies a thorough understanding of governance, risk and control appropriate to the organization
V. Business acumen: Maintains expertise of the business environment, industry practices and specific organizational factors
VI. Communication : Communicates with impact
VII. Persuasion and collaboration: Persuades and motivates others through collaboration and cooperation
VIII. Critical thinking: Applies process analysis, business intelligence and problem solving techniques
IX. Internal audit delivery: Delivers internal audit engagements

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X. Improvement and innovation: Embraces change and drives improvement and innovation

The following chart depicts the structure of the Framework and how the core competencies relate to each other:

"Professional Ethics" and "Internal Audit Management" provide a firm foundation for the delivery of internal audit. In order to be able to provide an effective service, internal auditors need to operate according to high ethical standards and coordinate the resources and activities of the internal audit function.

The principal points of focus of an internal auditor's expertise are the IPPF, governance risk and control, and business acumen. The "IPPF" is the primary source of professional standards for internal audit that the IIA provides to all internal auditors around the world. Additionally, internal auditors require technical expertise in "Governance, Risk and Control" to inform their work and help organizations accomplish their objectives. "Business Acumen" in the form of understanding the client organization, its culture, the way it works, the sector it operates in and the local and global factors that act upon it is another essential prerequisite that enables internal auditors to provide effective assurance and advisory services and so add value to the organization.

Internal auditors need to be competent in "Communication", "Persuasion and Collaboration", and "Critical Thinking" in order to deliver internal audit engagements, and drive improvement and innovation in an organization.

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Please Note:

In some competency models (including the previous IIA framework) a distinction is made between different levels of competence. This may be a qualitative or quantitative measure indicating a movement from basic awareness to a greater degree of competence. Some scholarly works define different stages of competence, while others defined in such a fashion that an individual may either be described as competent or not (yet) competent.

In developing the revised IIA Global Internal Audit Competency Framework ("the Framework") the task force considered both kinds of approaches and opted in favor of the second of these models for the following reasons: It is a simpler model and is therefore more readily communicated and potentially of greater utility. The most important role of the Framework is to communicate the key areas of competence specific to internal audit so as to inform professional development by teams and individuals.

- The Framework is intended to form a foundation that can be adapted and applied by practitioners, line managers, HR professionals, trainers and others. Given the diversity of professional practice globally there are practical difficulties in devising a framework that could be regarded as both fully comprehensive and universally applicable.
- There are conceptual difficulties in accounting for how, with respect to a competency which relates to effective performance of a job role, an individual may be said to show basic awareness only. It would seem more appropriate to say that either an individual can perform to the required standard or they cannot.
- Any such model will in any case have a degree of arbitrariness in determining at what point one moves from any given level of competence to the next.
- As a degree of sophistication it is always possible to build varying levels of competence into subsequent iterations of the Framework if this is regarded as a useful development.

This Framework is a living document that will continue to evolve as the profession evolves.

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Ten Core Competencies

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I. Professional ethics

	Staff	Manager	CAE
1. Upholds and promotes The IIA's Code of Ethics	x	x	x
2. Applies ethical principles and values to the activities being audited	x	x	
3. Advocates the use of ethical principles and values to the activities being audited			x
4. Adheres to the organization's key policies, practices and procedures	x	x	x
5. Speaks with authority on the organization's key policies, practices and procedures			x
6. Explains the remit of internal audit with respect to the ethical climate of the organization	x		
7. Assesses and fosters the ethical climate of the board and management		x	x
8. Treats other fairly without discrimination	x	x	x
9. Maintains objectivity in appearance and fact	x	x	x
10. Discusses ethical conflicts with the chief audit executive	x	x	
11. Discusses significant ethical conflicts with the board and CEO as appropriate			x
12. Investigates ethical issues and proposes measures for resolution	x	x	x
13. Acts with due sensitivity where ethical principles are being abused	x	x	x
14. Takes account of the public interest when deciding upon a course of action		x	x
15. Exercises due professional care	x	x	x

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II. Internal audit management

	Staff	Manager	CAE
1. Advocates the internal audit function and its value throughout the organization			x
2. Acts as a role model by exemplifying high performance for team members		x	x
3. Analyzes own strengths and weaknesses to maximize personal contribution to the organization	x	x	x
4. Anticipates and responds sensitively to staff problems, concerns and questions		x	x
5. Articulates clear expectations and business goals and links these to organizational strategy		x	x
6. Sets clear performance standards for internal auditors and the internal audit function			x
7. Strives for quality and excellence and encourages others to do the same	x	x	x
8. Delegates tasks in a constructive and supportive fashion		x	x
9. Takes personal accountability for results delivered in areas of responsibility	x	x	x
10. Monitors staff performance and workload and provides constructive and timely feedback to help others achieve their goals		x	x
11. Coaches others to enhance their competence and professional development		x	x
12. Develops and implements a plan for professional development for members of the internal audit function		x	x
13. Continues professional development and utilizes relevant learning opportunities	x	x	x
14. Provides opportunities and proactive input in the development and career needs of others		x	x
15. Assesses self-development and career needs and takes advantage of new challenges as opportunities for personal and professional growth	x	x	x
16. Maintains up-to-date competencies required for effective internal audit delivery	x	x	x
17. Adjusts the internal audit team skill mix and diversity according to organization's objectives and risks			x
18. Establishes recruitment systems that consistently result in competent performers being hired			x

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19. Uses a variety of assessment tools and tests to assess a candidate's capability and competence		x	x
20. Supports and contributes to the recruitment process within the internal audit function	x	x	
21. Maintains a regularly updated succession planning strategy			x
22. Values and promotes diverse viewpoints and cultural sensitivity	x	x	x
23. Applies a knowledge of human resource processes and leadership styles to supporting and directing others	x	x	x

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III. IPPF

	Staff	Manager	CAE
1. Maintains current knowledge of the IPPF	x	x	x
2. Leads the implementation of the IPPF in the internal audit function			x
3. Demonstrates appropriate use and interpretation of the IPPF, seeking consultation if applicability is unclear	x	x	
4. Adheres to the requirements of the IPPF when planning and conducting an internal audit engagement	x	x	
5. Adopts a risk based approach in accordance with The IPPF for annual audit plan, makes adjustments when needed		x	x
6. Ensures internal audit has access to all systems, processes and people			x
7. Exemplifies and monitors due professional care when conducting audit assignments	x	x	
8. Exemplifies and monitors due professional care of the internal audit team			x
9. Leads on the development, implementation and review of the internal audit charter and receives approval from the board			x
10. Ensures the independence of the audit function			x
11. Establishes and maintains a quality assurance and improvement program			x
12. Manages and supports a quality assurance and improvement program		x	
13. Discloses non conformance with the Code of Ethics and *International Standards for Professional Practice of Internal Audit* with senior management and board			x

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IV. Governance, risk and control

	Staff	Manager	CAE
1. Educates senior management and board on best practices in governance, risk and control			x
2. Evaluates the appropriateness of the organization's frameworks for governance, risk and control		x	x
3. Contributes to the development of risk oriented culture within the organization			x
4. Maintains a comprehensive insight into the organization's current and emerging risk profile			x
5. Monitors future risk changes to the organization based on political, economical, social, environmental, legal or technological factors and their potential impact			x
6. Operates within the organization's frameworks for governance, risk and control	x	x	x
7. Creates audit engagement plans based on the risk and its impact on the organization	x	x	
8. Applies the concepts of controls during audit activities	x	x	
9. Assesses IT governance		x	x
10. Ensures internal audit activities are aligned with and enhances the organization's enterprise risk management strategy and risk profile		x	x
11. Ensures that proposals for improvements to internal controls are balanced with organizational objectives and capabilities		x	
12. Provides an explanation on the risk profile of the organization to board and senior management			x
13. Provides an explanation on the risk profile of the internal audit engagement to relevant parties	x	x	
14. Supports a culture of fraud risk awareness at all levels of the organization	x	x	x
15. Assesses and accounts for the potential for fraud risk and identifies common types of fraud associated with the organization		x	x
16. Assesses and accounts for the potential for fraud risk and identifies common types of fraud associated with the internal audit engagement	x	x	
17. Maintains an understanding of the processes used to support fraud investigations	x	x	x

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V. Business acumen

	Staff	Manager	CAE
1. Maintains knowledge of the organization and its risks		x	x
2. Maintains industry specific knowledge appropriate to the audit engagements	x		
3. Maintains industry specific knowledge appropriate to the organization		x	x
4. Assesses and takes account of basic macroeconomic and microeconomic factors and relevance to the audit engagements	x		
5. Assesses and takes account of macroeconomic and microeconomic factors and the impact on the organization		x	x
6. Maintains a current understanding of the latest global developments, regulatory and legal requirements and assesses the relevance to the audit engagements	x		
7. Maintains a current understanding of the latest global developments and regulatory and legal framework within which the organization operates		x	x
8. Maintains knowledge of the technical aspects of financial, managerial and cost accounting concepts, standards, systems and reporting processes appropriate to the audit engagements	x		
9. Assesses and takes account of the technical aspects of financial, managerial and cost accounting concepts, standards, systems and reporting processes appropriate to the organization		x	x
10. Assesses and takes account of how IT contributes to organizational objectives, risks associated with IT, and relevance to the audit engagements	x	x	
11. Demonstrates sound working knowledge of the quality control frameworks relevant to the audit engagements	x	x	
12. Evaluates the quality control frameworks operated by the organization			x
13. Takes account of cultural aspects of the organization	x	x	x
14. Takes account of the mission, strategic objectives and business nature of the organization	x	x	x

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VI. Communication

	Staff	Manager	CAE
1. Secures the trust of others through positive use of communication	x	x	x
2. Fosters open communication	x	x	x
3. Demonstrates respect for others, and customizes messages to reflect the needs of the target audience	x	x	x
4. Organizes and expresses ideas clearly and with confidence in order to influence others	x	x	x
5. Extracts key information from a variety of sources to support communication	x	x	x
6. Selects appropriate communication forms (verbal, non-verbal, visual, written) and media (face to face, electronic, paper-based)	x	x	x
7. Employs the technical conventions of language (spelling, punctuation, grammar, etc) correctly	x	x	x
8. Listens actively, asking questions as required to check own understanding	x	x	x
9. Solicits feedback from audience to gauge the effectiveness of the communication	x	x	x
10. Anticipates reactions to communication and plans responses in advance	x	x	x
11. Discusses audit findings and their impacts professionally and confidently with appropriate levels of the organization	x	x	x
12. Interprets and uses body language to reinforce communication	x	x	x
13. Uses graphical methods to communicate processes and other complex information	x	x	x
14. Delivers information in a structured fashion to foster learning and development among members of the audience	x	x	x
15. Applies appropriate communication skills in interviews	x	x	x

Note: the skills required to support the core competency are common across all staff levels. However the demands of those skills increases with seniority as

- the information being handled becomes more complex
- the information sources being accessed become more numerous
- the strategic significance of messages being communicated becomes greater
- the audiences being delivered to are larger, more diverse and more senior
- the audiences being delivered to are more challenging and demanding
- the degree of thinking on one's feet with shorter preparation time becomes greater

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VII. Persuasion and collaboration

	Staff	Manager	CAE
1. Upholds service orientated attitude	x	x	x
2. Anticipates and makes allowances for the impact of own interpersonal style on others when communicating and building relationships	x	x	x
3. Manages conflict by negotiating and resolving disagreements	x	x	x
4. Takes account of an organization's politics and acts accordingly	x	x	x
5. Balances diplomacy with assertiveness			x
6. Puts people at ease and builds open, constructive relationships with all parties	x	x	x
7. Nurtures and builds effective partnerships with audit engagement clients to achieve results	x	x	
8. Nurtures and builds effective strategic partnerships with key internal and external stakeholder individuals and groups to achieve results			x
9. Identifies and manages the needs and expectations of the stakeholders	x	x	x
10. Collaborates with others and encourages others to work collaboratively	x	x	x
11. Shows resilience in difficult situations to push through resistance and then work with people in a constructive manner		x	X
12. Leads by example with regard to respect, helpfulness and cooperation	x	x	x
13. Leads through influence, personal conviction and sensitivity rather than position			x
14. Maintains independence and objectivity in all situations	x	x	x
15. Makes a positive impact on others, demonstrates credibility and secures respect and cooperation		x	x
16. Recognizes own limitations and seeks advice and support where required	x	x	x
17. Respects confidentiality and secures the trust of other parties	x	x	x
18. Uses a range of strategies to build active consensus and support		x	x
19. Participates fully as a team player	x	x	x

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20. Works to remove organizational barriers and identifies resources to assist the internal audit team	x	x	x
21. Applies a knowledge of motivation theory and group dynamics when encouraging others	x	x	x

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VIII. Critical thinking

	Staff	Manager	CAE
1. Maintains curiosity and exercises professional skepticism	x	x	x
2. Selects and uses a variety of manual and automated tools and techniques to obtain data and other information on business process	x		
3. Analyzes and appraises the efficiency and effectiveness of business processes	x	x	
4. Ensures that the relevant tools and techniques are used during the business process analysis		x	
5. Applies problem solving techniques for routine situations	x		
6. Selects and uses appropriate research, business intelligence and problem solving techniques to analyze and solve complex situations		x	x
7. Uses critical thinking to identify and propose tactics for business process improvement	x	x	
8. Assists management in finding practical solutions to address issues identified through audit activity		x	
9. Applies data collection, data mining, data analysis and statistical techniques	x	x	
10. Ensures that information in decision making is relevant, accurate and sufficient	x	x	x
11. Utilizes benchmark research to support decisions and key messages			x

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IX. Internal audit delivery

	Staff	Manager	CAE
1. Applies the organization's audit methodology and carries out the audit procedures to meet the specific audit engagement objectives	x	x	
2. Ensures the quality of planning and delivery of audit engagements			x
3. Supervises the execution of audit engagements to ensure that objectives are met and quality is assured		x	
4. Maintains objectivity throughout the audit engagements	x	x	x
5. Manages all resources efficiently to ensure the engagement objectives are met	X	x	
6. Demonstrates efficiency and persistence, managing own time and ensuring engagement deadlines and objectives are met	x		
7. Develops, implements and monitors project plans to ensure delivery in accordance with agreed timelines		x	
8. Selects and applies the appropriate tools and techniques to data gathering, analysis and interpretation, and reporting.	x	x	
9. Plans and conducts audit engagements to identify key risks and controls	x	x	
10. Identifies resources needed and addresses limitations for audit engagement			x
11. Obtains reliable, relevant and sufficient evidence and evaluates critically	x	x	
12. Identifies and escalates the strategic implications to the organization from audit engagement findings			x
13. Develops and ensures that working papers are a true reflection of all activities performed during the audit engagement	x		
14. Presents findings and proposes recommendations that deal with root cause of issues and impact to the organization	x	x	
15. Provides assurance and advisory services to senior management and the board		x	x
16. Ensures that the scope of work is appropriate for the audit assignment		x	
17. Establishes a follow-up process to monitor management actions			x
18. Follows up with management to ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action	x	x	

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X. Improvement and innovation

	Staff	Manager	CAE
1. Champions change, continuous improvement and innovation and supports others in the pursuit of these			x
2. Seeks and justifies opportunities for continuous improvement	x	x	
3. Initiates and manages change within sphere of responsibility	x	x	x
4. Encourages others to embrace change by explaining the intended benefits	x	x	x
5. Provides a vision for how change is implemented in the organization			x
6. Encourages others to propose innovative ideas and provides positive feedback to ensure new ideas are progressed		x	x
7. Contributes to insight and proposals for change and improvement		x	x
8. Makes a significant contribution to organizational change strategy			x
9. Investigates and analyzes the reasons for change in the organization		x	x
10. Identifies the risks associated with change and adapts audit activity to manage the risks	x	x	x
11. Assesses the potential barriers and resources for change initiatives	x	x	x
12. Implements change programs across the audit function and team		x	x
13. Maintains personal performance and effectiveness in changing and ambiguous environments	x	x	x
14. Accommodates new priorities and implements positive changes in area of work	x	x	x
15. Adjusts team priorities to new and changing priorities of the organization		x	x
16. Anticipates reactions to change and adapts own style to support others	x	x	x

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