



FREQUENTLY ASKED QUESTIONS

QUALITY ASSURANCE

QAIP CONSIDERATIONS DURING THE COVID-19 PANDEMIC

FAQs for Standards Series 1300

QAIP IN TRYING TIMES

Introduction

The COVID-19 pandemic has created unprecedented challenges for organizations around the world. This, in turn, has internal audit activities scrambling to provide assurance on a variety of risk management processes, from the familiar (crisis management and business continuity) to the uncommon (work from home) to the unknown (social distancing at work). In addition, some internal audit activities are being called on to support their organization in non-traditional roles that could impact independence.

In the meantime, chief audit executives must remain focused on conformance to the *International Standards for the Professional Practice of Internal Auditing*. This has created a number of questions about Series 1300 – Quality Assurance and Improvement Program (QAIP) during the COVID-19 pandemic. Below are some questions and answers to help CAEs conform to Series 1300.

If 2020 is the year an internal audit activity is due to have an external assessment, is there an exemption to the Standard 1312 requirement to have an external assessment once every five years or a deferment for a certain period of time due to different scenarios caused by the spread of COVID-19?

No updates to the *Standards* are scheduled in 2020. Although implementation of a grace period is not planned, the current *Standards* allow for consideration of support for conformance within Standard 1311. Ongoing monitoring and internal periodic assessments may be used in the interim to demonstrate conformance. Additionally, should an external assessment take place late and find nonconformance with Standard 1312, this does not necessarily preclude an overall general conformance.

The internal audit activity was scheduled to have an external assessment this year. Due to the virus impact on many things, this not cannot occur — what are the implications of this?

During any period where there is an instance of nonconformance, it should be disclosed to management and the audit committee along with any impacts. The current pandemic should be considered a valid reason for postponement of an external assessment. (Standard 1322)

If an external assessment is not completed as required in 2020 due to COVID-19, can the internal audit activity continue to use the phrase “Conforms with the *International Standards for the Professional Practice of Internal Auditing*”?

Consideration should be given during the current pandemic to ongoing monitoring and internal periodic assessments as support for demonstration of conformance. Hence, if the internal audit activity’s QAIP indicates conformance with the *Standards*, the phrase could continue to be used. (Standard 1321)

If the internal audit activity's last EQA was completed in July 2015, does the next EQA need to be issued by month-end July 2020 or year-end 2020 to remain in conformance?

An external assessment does not need to be completed exactly five years from the completion date of the last review. A reasonable independent assessor should find conformance with Standard 1312 if an internal audit activity completes an external assessment within a reasonable time from the five-year due date (e.g., six months).

Can external assessments be conducted virtually during the period of the pandemic?

Although not the ideal approach, an external assessment can be performed remotely as long as there is appropriate access to internal audit and management staff. There also should be appropriate access to documentation via secure technology protocols such as video conference, email, and meeting networks.

About The IIA

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