



International Professional
Practices Framework

Implementation Guide 1210

Standard 1210 – Proficiency

Internal auditors must possess the knowledge, skills, and other competencies needed to perform their individual responsibilities. The internal audit activity collectively must possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities.

Interpretation:

Proficiency is a collective term that refers to the knowledge, skills, and other competencies required of internal auditors to effectively carry out their professional responsibilities. It encompasses consideration of current activities, trends, and emerging issues, to enable relevant advice and recommendations. Internal auditors are encouraged to demonstrate their proficiency by obtaining appropriate professional certifications and qualifications, such as the Certified Internal Auditor designation and other designations offered by The Institute of Internal Auditors and other appropriate professional organizations.

Revised Standards Effective 1 January 2017

Getting Started

To achieve this standard, it is essential that internal auditors understand and apply the Mandatory Guidance of The IIA's International Professional Practices Framework (IPPF) and have certain knowledge, skills, and competencies. Ensuring the collective proficiency of the

internal audit activity is the overall responsibility of the chief audit executive (CAE), who must effectively manage the internal audit activity and its resources to accomplish the internal audit plan and add value to the organization. (The 2000 series of standards addresses the details of managing the internal audit activity and internal audit resources.)

The IIA's Global Internal Audit Competency Framework defines the core competencies needed to fulfill IPPF requirements for all occupational levels of the internal audit profession, including staff, management, and executive. To conform with Standard 1210, the CAE and internal auditors may want to review, understand, and reflect on the competencies that comprise the Competency Framework.

Considerations for Implementation

To build and maintain the proficiency of the internal audit activity, the CAE may develop a competency assessment tool or skills assessment based on the Competency Framework or another benchmark (e.g., a mature internal audit activity). Then, the CAE could incorporate the basic criteria of internal audit competency into job descriptions and recruitment material to help attract and hire internal auditors with the appropriate educational background and experience. The CAE may also use the competency assessment tool to complete a periodic skills assessment of the internal audit activity to identify gaps. When doing so, the CAE should consider risks related to fraud and IT, as well as available technology-based audit techniques, as required by standards 1210.A2 and 1210.A3.

The CAE has additional obligations related to ensuring the collective proficiency of the internal audit activity. These include managing the internal audit activity in conformance with the Mandatory Guidance of the IPPF (Standard 2000 – Managing the Internal Audit Activity) and ensuring that the internal audit activity has the appropriate mix of knowledge, skills, and other competencies to fulfill the internal audit plan (Standard 2030 – Resource Management). If the internal audit activity does not have appropriate and sufficient resources on staff, the CAE is expected to obtain competent advice or assistance to fill any gaps. The CAE can use the criteria defined in the Competency Framework to identify gaps in the internal audit activity's collective proficiency and to develop plans for filling coverage gaps through hiring, training,

outsourcing, and other methods. (Standard 2050 and its respective implementation guide address the details of coordinating activities with other internal and external providers of assurance and consulting services.)

To enhance proficiency of the internal audit activity, the CAE would encourage professional development of internal auditors, whether that occurs through on-the-job training, attendance at professional conferences and seminars, or encouraging the pursuit of professional certifications. By regularly reviewing the performance of internal auditors, the CAE may gain insight into training needs and provide feedback to help develop individuals.

This standard also requires individual internal auditors to possess the knowledge, skills, and competencies needed to carry out their responsibilities effectively. Individuals may use the Competency Framework as a basis for self-assessment. Moreover, the standard encourages internal auditors to obtain appropriate certifications and qualifications to further support professional growth and increased proficiency for both the individual and the internal audit activity as a whole. Likewise, Standard 1230 – Continuing Professional Development requires internal auditors to enhance their competencies through continuing professional development. Internal auditors should keep themselves informed about the continuing education that may be required to maintain any professional certifications they hold.

Because Standard 1210 requires proficiency that encompasses consideration of current activities, trends, and emerging issues, continuing education could include opportunities to learn about changes in the industry that may affect the organization or the internal audit profession. The CAE may help ensure the internal audit activity's overall proficiency in this regard. For example, the CAE could subscribe to industry news services or emailed newsletters, which are likely to include information about recently published studies and white papers. The CAE may also attend or recommend to the audit staff online or in-person seminars. Periodically, the CAE may schedule internal staff training events to introduce new technology or changes in internal audit practices.

At the level of the individual engagement, the CAE assumes overall responsibility for supervising the engagement to ensure quality, achievement of objectives, and staff

development (Standard 2340 – Engagement Supervision). The proficiency and experience of internal auditors help determine the extent of supervision required. To stay informed, the CAE may periodically reassess the skills of individual internal auditors. Also, as an engagement is completed, the CAE or an engagement supervisor may survey and/or interview the engagement client (formally or informally) to solicit feedback about the internal auditor's proficiency in performing the engagement.

The individual responsibilities of internal auditors at the level of engagement planning include considering the appropriateness and sufficiency of resources to achieve engagement objectives (Standard 2230 – Engagement Resource Allocation). Internal auditors usually review the objectives and scope of audit engagements and then discuss with the CAE any limitations in their competencies that might prevent them from achieving those engagement objectives.

Considerations for Demonstrating Conformance

Individual internal auditors may evidence their proficiency through their resumes or curriculum vitae and by maintaining records of certifications and continuing professional development (e.g., courses for continuing education credits; participation in conferences, workshops, and seminars; performance reviews).

The CAE's effort to establish and maintain a proficient internal audit activity may be demonstrated through the use of a competency assessment tool and the development of internal audit policies, procedures, and training materials. Efforts to recruit and hire proficient internal auditors may be reflected in job descriptions and other recruitment materials.

The CAE or an audit engagement supervisor may retain records of their evaluation of individual internal auditors and the internal audit activity as a whole. Such evaluations may include individual performance reviews and post-engagement discussions, memos, and meeting minutes. Documented feedback from post-engagement client surveys and interviews may also evidence the proficiency of the internal audit activity, individual internal auditors, or both.

Any of the following documents could evidence the conformance of the internal audit activity as a whole:

- The internal audit plan that includes an analysis of resource requirements.
- An inventory of available audit staff skills or individual profiles listing qualifications.
- An assurance map with a list of qualifications of service providers on which the internal audit activity relies.
- Documented results of internal assessments.

About The IIA

The Institute of Internal Auditors (The IIA) is the internal audit profession's most widely recognized advocate, educator, and provider of standards, guidance, and certifications. Established in 1941, The IIA today serves more than 180,000 members from more than 170 countries and territories. The association's global headquarters are in Lake Mary, Fla. For more information, visit www.globaliia.org or www.theiia.org.

About Implementation Guidance

Implementation Guidance, as part of The IIA's International Professional Practices Framework® (IPPF®), provides recommended (non-mandatory) guidance for the internal audit profession. It is designed to assist both internal auditors and internal audit activities to enhance their ability to achieve conformance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*.

Implementation Guides assist internal auditors in applying the *Standards*. They collectively address internal audit's approach, methodologies, and consideration, but do not detail processes or procedures.

For other authoritative guidance materials provided by The IIA, please visit our website at www.globaliia.org/standards-guidance or www.theiia.org/guidance.

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