

Larry Hubbard & Associates Quality Assessment Reviews (QARs)

External Quality Assessments – Tick, Tick, Tick The clock is ticking and time is running out – at least that is what The IIA says.

Standard 1312 is a requirement: It begins: “External assessments must be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization.” That became the requirement in 2002, so 2007 marked the first anniversary of the “5-year rule” and 2012 is the second anniversary. Any department that has not completed an external assessment cannot say they are “in compliance with the Standards”.

A traditional external assessment can take a week or two to complete, and involve extensive preparation work by the audit department. The IIA’s Quality Audit Services department provides QAR services, along with having a very good “frequently asked questions” list on their website. Many other organizations also provide this service for a fee. Some local IIA Chapters coordinate efforts to offer QAR services using volunteers from within their membership. The IIA provides a three day training course Quality Assessment of the Auditing Activity and a Quality Assessment Manual that give details, formats and guidelines for external assessments to help groups get ready to undergo and to perform QAR’s.

But, even for small audit departments, complying with Standard 1312 can be expensive, often upwards of \$25,000 USD. Another approach, the Self-Assessment with Independent Validation (SAIV), can be much less expensive, and some people (like me!) believe the SAIV is actually a better approach complying with the Standard.

Practice Advisory 1312-2 External Assessment – Self Assessment with Independent Validation outlines this approach. If you choose the SAIV approach, you should find someone with a CIA designation and the Accreditation in Internal Quality Assessment/Validation offered by The IIA, and involve them early-on in the self-assessment. It will take at least a month of lead-time to prepare for the validation.

I will be happy to provide more details or to help with your QAR efforts, and especially to help lead you through a validation of your self-assessment.

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