



INTERNAL AUDIT DEPARTMENT

February 24, 2026

To: Chair Doug Chaffee, Supervisor, 4th District
 Vice Chair Katrina Foley, Supervisor, 5th District
 Supervisor Janet Nguyen, 1st District
 Supervisor Vicente Sarmiento, 2nd District
 Supervisor Donald P. Wagner, 3rd District

From: Aggie Alonso, CPA, CIA, CRMA
 Internal Audit Department Director

Subject: Internal Audit Department – FY 2024-25 Internal Quality Assessment

The Internal Audit Department (IAD) adheres to the Global Internal Audit Standards (Standards). The Standards require the Chief Audit Executive to communicate the results of an Internal Quality Assessment (IQA) to the Board of Supervisors (Board) and to senior management at least annually. IQAs are comprised of:

- Ongoing monitoring of the internal audit function's conformance with the Standards and progress toward performance objectives.
- Periodic self-assessments or assessments by other staff within the organization with sufficient knowledge of internal audit practices to evaluate conformance with the Standards.
- Communication with the Board and senior management about the results of internal assessments.

IAD has incorporated ongoing monitoring into each of its reviews by ensuring a standardized supervisory review of engagement planning, workpapers, and final communications. IAD assigns a Senior Audit Manager to every engagement to ensure conformance with the Standards. The Senior Audit Manager and Deputy Director approve each engagement's objectives, scope, and work program before starting fieldwork. IAD utilizes quality assurance checklists that support workpaper reviews throughout each phase of every audit.

In December 2025, IAD conducted a periodic self-assessment that validated its achievement of full conformance with all but one Standard. Specifically, we noted full conformance with 51 of 52 Standards (the highest possible rating), and general conformance with Standard 6.2 *Internal Audit Charter*.

Although the IAD Internal Audit Charter (Charter) accurately describes IAD's purpose, scope, authority, reporting lines, commitment to the Standards, and was approved by the Board, IAD assigned a "general conformance" rating to Standard 6.2. This rating reflected the need to update IAD's responsibilities, as the County's performance audit function was transferred to IAD in January 2025. IAD has now revised the Charter to reflect those responsibilities and made other non-substantive changes to align to the Standards. The revised Charter was filed with the Audit Oversight Committee at its February 5, 2026 meeting and is now pending Board approval. Approval of the revised Charter will bring IAD into full conformance with the Standards.

Board of Supervisors
February 24, 2026

If you have any questions, please contact me at (714) 834-5442 or Deputy Director Jose Olivo at (714) 834-5509.

Attachments



Internal Audit Department
Internal Quality Assessment - December 2025

Standard	Description	Quality Rating	Comments
Principle 1: Demonstrate Integrity		Full Achievement	
1.1 Honesty and Professional Courage	Requires auditors to be truthful, open, and to take appropriate action even when facing dilemmas; the CAE must support a culture that enables courageous reporting.	Full Conformance	<p>The IAD Charter mandates conformance with the Global Internal Audit Standards (Standards), in accordance with Government Code Section 1236, reinforcing ethical behavior both within the department and throughout all audit activities.</p> <p>The Directory/Chief Audit Executive (CAE) reports directly to the Board, which the highest-level body charged with governance. The CAE annually confirms the internal audit function's organizational independence the Board.</p> <p>IAD staff also complete annual attestations of their independence. IAD requires management-level employees to disclose any conflicts of interest on an annual basis. Auditors with professional licenses and certifications (CPA, CIA, CISA) are required to take annual training in ethics and fraud.</p> <p>The CAE also has an open-door policy and supports a culture that enables courageous reporting.</p>
1.2 Organization's Ethical Expectations	Internal auditors must understand and promote the organization's ethical expectations, report conduct contrary to those expectations, and assess ethics-related risks.	Full Conformance	See Standard 1.1.
1.3 Legal and Ethical Behavior	Prohibits involvement in illegal or discreditable acts and requires auditors to know and follow relevant laws and report violations appropriately.	Full Conformance	<p>See Standard 1.1.</p> <p>County Counsel has a fraud hotline where tips are monitored and investigated.</p>
Principle 2: Maintain Objectivity		Full Achievement	
2.1 Individual Objectivity	Requires auditors to apply impartial judgment, recognize and manage biases, and make decisions based on balanced assessment of evidence.	Full Conformance	IAD has an Independence Policy that all new auditors sign upon the beginning of employment. All auditors also sign an Independence Policy Statement annually. In addition, audit managers are required to file Form 700 each year to disclose conflicts of interest. Lastly, as part of the audit planning process, auditors confirm that they have no impairments to independence to conduct the audit. Each audit team discusses potential impairments to independence during the audit planning process. New audit staff from other County departments are prohibited from participating in audits of their former departments for a one-year period.



**Internal Audit Department
Internal Quality Assessment - December 2025**

Standard	Description	Quality Rating	Comments
Principle 2: Maintain Objectivity (Continued)		Full Achievement	
2.2 Safeguarding Objectivity	Obliges auditors to avoid or mitigate actual, potential, and perceived impairments to objectivity, including restrictions on gifts, prior responsibilities, and conflicts of interest.	Full Conformance	See Standard 2.1.
2.3 Disclosing Impairments to Objectivity	Requires prompt disclosure of any objectivity impairments to appropriate parties and defines mitigation steps and reporting responsibilities.	Full Conformance	See Standard 2.1.
Principle 3: Demonstrate Competency		Full Achievement	
3.1 Competency	Mandates auditors have or obtain the necessary competencies for assignments and that the CAE ensures the function collectively has required skills or sources them externally.	Full Conformance	IAD has all levels of staff ranging from Senior Internal Auditors to a Deputy Director. Currently, IAD has 14 professional audit staff who each possess a college degree. In addition, eight staff have a CPA license, CIA certification, or CISA certification, including several that have multiple licenses and certifications. Each staff member is also a participant in at least one professional organization (e.g., AICPA, IIA, ISACA).
3.2 Continuing Professional Development	Requires ongoing professional development and training so auditors maintain and enhance competencies, including ethics education and role-relevant skills.	Full Conformance	IAD allows staff to have 40 hours of Continuing Professional Education (CPE) every year. In addition, the County has an annual education reimbursement budget of \$10,000 per employee for training. Every year, IAD auditors take various CPE courses on auditing, accounting, information technology, fraud, ethics, etc. All audit staff keep detailed training records.
Principle 4: Exercise Due Professional Care		Full Achievement	
4.1 Conformance with the Global Internal Audit Standards	Requires planning and performing internal audit services in accordance with the Standards and maintaining aligned methodologies; nonconformance must be documented and disclosed.	Full Conformance	IAD performs and plans internal audit services in accordance with the Standards. IAD also uses the statement "Our audit was conducted in conformance with the Global Internal Audit Standards issued by the International Internal Audit Standards Board" in its audit reports. For more details on IAD's conformance, see Standard 4.2 and 4.3.



**Internal Audit Department
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Standard	Description	Quality Rating	Comments
Principle 4: Exercise Due Professional Care (Continued)		Full Achievement	
4.2 Due Professional Care	Requires auditors to assess the nature, complexity, and risk of work performed and apply appropriate effort, techniques, and resources in a cost-effective manner.	Full Conformance	<p>The following are ways IAD exercises due professional care for each engagement:</p> <ul style="list-style-type: none"> • Auditors with the appropriate knowledge and skills are assigned to each audit. • Planning meetings are held with audit staff to discuss the engagement's objectives and entity's risks. • Standardized audit programs are used. • A Senior Audit Manager (at a minimum) is assigned to all audits to ensure adherence to the Standards, and that due professional care is consistently exercised. • The Deputy Director approves the scope of work and testing approaches before work is performed, and discusses these with the Director/CAE, as necessary. • In-charge auditors have periodic meetings with their Audit Managers to discuss job status, findings, achievement of objectives, and any obstacles in achieving the objectives.
			<ul style="list-style-type: none"> • Time budgets for each project are established and monitored. Time budgets provide audit staff with a perspective on the amount of time and emphasis that should be spent in reviewing a particular area (cost vs. benefit). • For each audit engagement, IAD identifies the relative complexity, materiality, and significance by providing background information on the volume and dollar amounts of transactions under audit. • During the planning stage of the audit, auditors identify and document all potential risks associated with fraud or non-compliance within the audited area or process. • IAD reviews departmental websites, budget data, prior audit reports, etc., that discuss governance, goals, objectives, and challenges or risks that the entities face.
4.3 Professional Skepticism	Mandates inquisitive, questioning attitude and critical assessment of information, seeking sufficient corroborating evidence before forming conclusions.	Full Conformance	During the audit planning phase, IAD applies significant effort to identify potential risks associated with the audited area. This is documented in the audit planning memo.



**Internal Audit Department
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Standard	Description	Quality Rating	Comments
Principle 5: Maintain Confidentiality		Full Achievement	
5.1 Use of Information	Requires auditors to follow applicable laws and policies when using information and prohibits using audit information for personal gain or purposes contrary to organizational interests.	Full Conformance	See Standard 2.1.
5.2 Protection of Information	Obliges auditors to safeguard confidential data, manage access, retention, disposal, and consult legal counsel as needed for privileged or regulated information.	Full Conformance	IAD safeguards confidential information through secure systems and controlled access. TeamMate+ is utilized as the audit management software, which includes role-based user access controls aligned with organizational positions. Additionally, all access occurs within a Zero Trust Network environment, ensuring that data is protected through verification at every stage.
Principle 6: Authorized by the Board		Full Achievement	
6.1 Internal Audit Mandate	Requires a documented mandate that establishes the function's authority, role, responsibilities, and periodic review to ensure alignment with evolving needs and laws.	Full Conformance	IAD's Charter defines the purpose, authority, responsibility, and independence requirements of the internal audit activity. The Audit Charter is reviewed periodically by the Director/CAE. Both the Audit Oversight Committee (AOC) and the Board of Supervisors (Board) reviewed and approved the Audit Charter and it was officially adopted by the Board on February 26, 2019.
6.2 Internal Audit Charter	Requires a charter maintained by the CAE describing purpose, scope, authority, reporting lines, and commitment to the Standards; board approval is required.	General Conformance	IAD's Charter defines the purpose, authority, responsibility, and independence requirements of the internal audit activity. The Audit Charter is reviewed periodically by the Director/CAE. Both the AOC and the Board reviewed and approved the Charter and it was officially adopted by the Board on February 26, 2019. Authority to conduct performance audits was added to IAD on January 28, 2025. The Charter should be revised to reflect the additional responsibilities and should be updated to cite the newly revised Standards.
6.3 Board and Senior Management Support	Requires engagement and support from the board and senior management to secure resources, access, and endorsement for internal audit activities.	Full Conformance	See Standard 6.1. Audits, resources, and budgets are discussed during annual audit plan presentations to the AOC in addition to midyear adjustments.



Internal Audit Department
Internal Quality Assessment - December 2025

Standard	Description	Quality Rating	Comments
Principle 7: Positioned Independently		Full Achievement	
7.1 Organizational Independence	Requires organizational positioning and reporting relationships that protect independence, including CAE reporting to the board functionally and avoiding undue influence.	Full Conformance	The CAE reports directly to the five elected Board members and functionally to the AOC. Both the Board and the AOC approve IAD's Charter, and annual risk-based audit plan. The Director/CAE communicates directly with Board Offices and the AOC Chair and Vice Chair and meets with them at least quarterly, or more frequently as needed.
7.2 Chief Audit Executive Qualifications	Specifies qualifications, competencies, and responsibilities for the CAE to effectively lead the function, ensuring credibility and capability.	Full Conformance	The qualifications and competencies for the Director/CAE are outlined in the job description. The Director/CAE actively participates in professional associations, engages in ongoing professional education, and is evaluated by the Board to ensure continued effectiveness, credibility, and leadership of the internal audit function.
Principle 8: Overseen by the Board		Full Achievement	
8.1 Board Interaction	Requires regular engagement between the CAE and the board, including reporting on plans, findings, quality, and significant issues.	Full Conformance	<p>The Director/CAE submits quarterly status reports on audit activity for the preceding quarters to the Board for their approval at their public meetings. The status reports include a summary of audits and follow-up audits conducted during the reporting period, a detailed description of the audit scope, findings and recommendations categorized by critical, significant, or control, as well as a copy of each of the audit reports issued.</p> <p>The CAE also meets quarterly with the AOC and each of the Board Offices to discuss internal audit activity, such as audit plans and reports.</p>
8.2 Resources	Requires the board to ensure the internal audit function has sufficient financial, human, and technological resources to fulfill its mandate.	Full Conformance	<p>IAD conducts an annual risk assessment to identify all significant County risks and develops an audit plan detailing the planned audit activities for the year based on audit resources. IAD discusses and presents the plan, including any gap in audit resources, to the Board and AOC, and works with the CEO to address resource gaps, as needed.</p> <p>IAD also provides detailed quarterly status reports to the AOC, which include individual audit budgets and actual hours charged, as well as any changes to the annual audit plan.</p>



Internal Audit Department
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Standard	Description	Quality Rating	Comments
Principle 8: Overseen by the Board (Continued)		Full Achievement	
8.3 Quality	Requires an internal quality assurance and improvement program to monitor conformance with Standards and enhance performance.	Full Conformance	IAD maintains a quality assurance and improvement program that covers all aspects of the internal audit activity and covers both internal and external assessments (by an external firm). Results of such assessments are presented to the AOC. Any findings from the results are investigated and corrected.
8.4 External Quality Assessment	Requires periodic external quality assessments or peer reviews by independent assessors to validate conformance and identify improvements.	Full Conformance	See Standard 8.3.
Principle 9: Plan Strategically		Full Achievement	
9.1 Understanding Governance, Risk Management, and Control Processes	Requires auditors to understand the organization's governance, risk management, and control environment to prioritize audit focus.	Full Conformance	IAD performs an annual risk assessment for purposes of developing the annual audit plan. It consists of a general risk assessment for critical business processes common throughout the County, such as cash receipts and disbursements, receivables and payables, purchasing and contracts, payroll, and a separate risk assessment for information technology. Data for the risk assessment is gathered through interviews, specific requests, and IAD's knowledge of the organization and its risks.
9.2 Internal Audit Strategy	Requires a documented strategy linking audit priorities to organizational strategy, risks, and stakeholder expectations, regularly reviewed and updated.	Full Conformance	See Standard 9.1.
9.3 Methodologies	Mandates documented methodologies, policies, and procedures guiding audit planning, execution, supervision, and reporting to ensure consistency and quality.	Full Conformance	IAD maintains an audit manual on its network that is accessible to all staff. The manual contains policy and procedures related to operations, audit procedures and tools, staff development, conducting audits, professional standards, etc.
9.4 Internal Audit Plan	Requires a dynamic, risk-based audit plan developed by the CAE that identifies engagements and is approved by the board.	Full Conformance	See Standard 9.1.



**Internal Audit Department
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Standard	Description	Quality Rating	Comments
Principle 9: Plan Strategically (Continued)		Full Achievement	
9.5 Coordination and Reliance	Requires coordination with other assurance providers and appropriate reliance on their work to optimize coverage and avoid duplication.	Full Conformance	IAD provides the external auditor its annual audit plan and meets with the external auditor at least quarterly to discuss audits, identify opportunities to leverage audits to minimize the work performed by the external auditor, and ensure there is no duplication of effort. IAD considers external audit activity when developing the Audit Plan. IAD also monitors all external audit activity for the County, and prepares a quarterly status report of external audit activity, which is presented at each AOC meeting.
Principle 10: Manage Resources		Full Achievement	
10.1 Financial Resource Management	Requires sound budgeting and financial oversight to support internal audit activities, while documenting constraints and spending responsibly.	Full Conformance	Detailed quarterly reports are prepared and provided to the AOC, which includes budget and hours charged by individual budget.
10.2 Human Resources Management	Requires recruiting, developing, supervising, and retaining staff with appropriate competencies and providing performance management and succession planning.	Full Conformance	IAD ensures effective recruitment, development, and retention of staff with the necessary competencies to fulfill its responsibilities. Job description requirements, staff experience, and documented training plans demonstrate how staff qualifications align with organizational needs. Performance evaluations, post-engagement reviews, and discussions of resources and succession planning support continuous development and effective supervision. External service provider qualifications are also reviewed to ensure consistent capability across all audit engagements.
10.3 Technological Resources	Requires adopting and managing technologies that support audit productivity, data analytics, workpaper management, and information security needs.	Full Conformance	IAD uses the audit software TeamMate+ to manage the audit process, including workpaper storage, engagement tracking, and data analytics. IAD utilizes a TeamMate Analytics module for data mining and to detect anomalies and irregularities in data. IAD also has a Zero Trust Network in place for data security and user access management.



**Internal Audit Department
Internal Quality Assessment - December 2025**

Standard	Description	Quality Rating	Comments
Principle 11: Communicate Effectively		Full Achievement	
11.1 Building Relationships and Communicating with Stakeholders	Requires proactive engagement with stakeholders to understand expectations, coordinate activities, and foster constructive relationships.	Full Conformance	IAD establishes proactive engagement by maintaining regular communication with stakeholders throughout the engagement to understand expectations, coordinate activities, and foster constructive relationships. In addition, IAD creates client surveys at the conclusion of each engagement to solicit feedback and identify opportunities for service improvements.
11.2 Effective Communication	Requires clear, timely, and appropriate communication tailored to stakeholders, ensuring transparency and understanding of audit activities.	Full Conformance	IAD has a standard report distribution list that includes the Board, AOC, County Executive Office, Clerk of the Board, OC Grand Jury, and the External Auditor. The report is addressed to the department head of the department being audited, and operational management of the audited area are also copied on the report distribution.
11.3 Communicating Results	Requires presenting findings, conclusions, and recommendations clearly and with sufficient context to enable informed decisions.	Full Conformance	IAD utilizes a standard format for its reports that includes background, objectives, scope, methodology, and conclusions/results including findings and recommendations for corrective action.
11.4 Errors and Omissions	Requires timely correction and disclosure of material errors or omissions in audit reports, with appropriate follow-up actions and communication.	Full Conformance	Although IAD has not issued any audit reports that contain any significant errors, IAD re-issued one audit report to revise the background section at the request of the client department. IAD ensured all the original parties received the revised audit report and posted the revised version on its website.
11.5 Communicating the Acceptance of Risks	Requires communicating to the board when management's acceptance or delay of risk treatment may exceed risk tolerance or require board awareness.	Full Conformance	When findings in the audit report remain uncorrected (e.g., due to resource limitations, risk tolerance, or differing opinions), they are presented to the AOC for discussion. The department involved is invited to the AOC meeting to provide explanations and respond to any questions. IAD also communicates to the Board the final audit report, including any unresolved issues.



**Internal Audit Department
Internal Quality Assessment - December 2025**

Standard	Description	Quality Rating	Comments
Principle 12: Enhance Quality		Full Achievement	
12.1 Internal Quality Assessment	Requires ongoing monitoring and periodic self-assessments to evaluate conformance, performance, and identify improvement opportunities.	Full Conformance	<p>Internal assessments include ongoing monitoring of the internal audit activity by:</p> <ul style="list-style-type: none"> • Assigning a Senior Audit Manager to oversee every audit to ensure adherence to the Standards. The Senior Audit Manager approves the audit program and audit scope prior to commencement of work. • Preparing an audit checklist for each audit, which covers planning, objectives, scope, resource allocation, work program, performance, identifying information, analysis and evaluation, documentation, supervision, and communicating and disseminating results. <p>A self-assessment was completed in December 2025. The self-assessment indicated full achievement with most of the Standards and general achievement regarding one of the Standards (see IAD Charter 6.2). IAD will present the results to the AOC and Board.</p>
12.2 Performance Measurement	Requires establishing objectives, metrics, and feedback mechanisms to measure internal audit performance and progress against goals.	Full Conformance	IAD maintains a quarterly status report that tracks all audits included in the fiscal year's audit plan. The report also tracks audit hour budgets versus actuals.
12.3 Oversee and Improve Engagement Performance	Requires supervision, review, and post-engagement evaluation to ensure engagement quality and implement lessons learned.	Full Conformance	<p>See Standard 12.1.</p> <p>Surveys are sent to all clients upon the completion of each audit.</p>
Principle 13: Plan Engagements Effectively		Full Achievement	
13.1 Engagement Communication	Requires clear communication during engagement planning with stakeholders about objectives, scope, timing, and expectations.	Full Conformance	Objectives, scope, timing, and expectations are addressed in each audit's planning memo, entrance letter, entrance conference meeting agenda, and in the audit report.



**Internal Audit Department
Internal Quality Assessment - December 2025**

Standard	Description	Quality Rating	Comments
Principle 13: Plan Engagements Effectively (Continued)		Full Achievement	
13.2 Engagement Risk Assessment	Requires assessing risks relevant to the activity under review to prioritize procedures and tailor engagement scope and resources.	Full Conformance	<p>IAD prepares a work program for each audit based on established objectives which is approved by the Deputy Director or Senior Audit Manager. Any changes to the audit program are reviewed and approved. Time budgets are established and monitored for each audit. The audit scope is initially identified during the planning phase and shared with the client during the entrance conference.</p> <p>IAD identifies potential risks and fraud during the planning meeting. Mitigating controls are identified in process walk-throughs and documented on the risk and control matrix. A quality assurance checklist of audit planning procedures is completed during the planning phase.</p>
13.3 Engagement Objectives and Scope	Requires defining specific, measurable engagement objectives and an appropriate scope aligned to those objectives.	Full Conformance	This requirement is addressed within the planning memo and supported by workpaper documentation, where specific, measurable engagement objectives and the corresponding scope are clearly defined and aligned.
13.4 Evaluation Criteria	Requires identifying evaluation criteria (benchmarks or standards) to compare against the condition when assessing performance.	Full Conformance	Workpapers document the sources of criteria considered and the process used to determine the adequacy of the evaluation criteria applied when assessing performance.
13.5 Engagement Resources	Requires assigning sufficient, competent resources and documenting resource needs and supervisory arrangements for each engagement.	Full Conformance	Each audit is assigned to, and reviewed by at least a Senior Audit Manager who is responsible for reviewing all workpapers. All draft and final audit reports are reviewed by the Deputy Director and Director/CAE. All reviews are documented.
13.6 Work Program	Requires a documented work program listing procedures, methods, and responsibilities to achieve engagement objectives.	Full Conformance	IAD prepares a work program for each audit based on established objectives which is approved by the Deputy Director or Senior Audit Manager. Senior Audit Managers review and approve any changes to the work program. Time budgets are established and monitored for each audit.



Internal Audit Department
Internal Quality Assessment - December 2025

Standard	Description	Quality Rating	Comments
Principle 14: Conduct Engagement Work		Full Achievement	
14.1 Gathering Information for Analyses and Evaluation	Requires collecting relevant, reliable information through appropriate techniques to support analyses and findings.	Full Conformance	Engagement workpapers and work programs are stored in TeamMate+, are cross referenced to support the results/conclusions indicated, and are reviewed and approved. Auditors obtain the necessary information to achieve the audit objectives including inquiry, observation, examination, and/or reperformance. Auditors are skilled in utilizing techniques such as interviews, questionnaires, flowcharts, sampling, and data analytics. Auditors perform the tests needed to meet the objectives, and ensure their sample size and methodology are appropriate to make conclusions.
14.2 Analyses and Potential Engagement Findings	Requires performing analyses to identify differences between criteria and condition and to surface potential findings for further evaluation.	Full Conformance	See Standard 14.1.
14.3 Evaluation of Findings	Requires evaluating identified issues to determine significance, root cause, impact, and whether they constitute reportable findings.	Full Conformance	Audit staff perform work in accordance with the approved work program. When issues are identified, they are initially investigated by the audit team, which may involve obtaining additional documentation or discussing the matter with the audited department. Issues determined to be reportable findings are then reviewed and approved by IAD management.
14.4 Recommendations and Action Plans	Requires clear, practical recommendations and agreed action plans with management, including responsibilities and timelines.	Full Conformance	IAD utilizes a standard format for its reports that includes sections for background, objectives, scope, methodology, and conclusions/results including findings and recommendations for corrective actions. Follow-up actions are also communicated to the auditee.
14.5 Engagement Conclusions	Requires auditors to form a reasoned conclusion based on analyzed evidence and to state whether the activity's governance, risk management, and controls are effective.	Full Conformance	See Standard 14.4.
14.6 Engagement Documentation	Requires maintaining workpapers and documentation sufficient to enable an informed, prudent person to re-create the engagement and support conclusions.	Full Conformance	See Standard 14.1.



Internal Audit Department
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Standard	Description	Quality Rating	Comments
Principle 15: Communicate Engagement Results and Monitor Action Plans		Full Achievement	
15.1 Final Engagement Communication	Requires a final report summarizing objectives, scope, findings, significance, and recommendations; assurance engagements must include prioritized findings.	Full Conformance	See Standard 14.4.
15.2 Confirming the Implementation of Recommendations or Action Plans	Requires follow-up procedures and confirmation that management's action plans were implemented effectively, with tracking and reporting of status.	Full Conformance	<p>IAD has a structured follow-up audit process. A first follow-up audit begins approximately six months after the official release of the original report. The AOC and Board expect that audit recommendations will typically be implemented within six months and often sooner, especially for critical or significant issues. When necessary, IAD conducts a second follow-up audit six months from the release of the first follow-up audit report, by which time all audit recommendations are expected to be addressed and implemented.</p> <p>If audit recommendations are not fully implemented after the second follow-up audit, IAD will discuss with the AOC to determine if a third follow-up audit should be conducted.</p>

QAM - E1: Overviews of Rating Matrices

Quality Assessment Manual 4-point Achievement (Conformance) Rating Scale

Quality Rating	For Conclusions on Achieving Overall Conformance	For Conclusions on Achieving Each Principle	For Conclusions on Conforming with Each Standard
Full Achievement (or Full Conformance)	The internal audit function is fully achieving all 15 principles and the Purpose of Internal Auditing.	The internal audit function is fully achieving all the standards related to the principle and the principle's intent.	The internal audit function is fully conforming with all requirements of the standard and the standard's intent.
General Achievement (or General Conformance)	The internal audit function is not fully achieving at least one principle or aspect of Domain I but is achieving the Purpose of Internal Auditing.	The internal audit function is not fully achieving at least one standard but is achieving the principle's intent.	The internal audit function is not fully conforming with at least one requirement but is achieving the standard's intent.
Partial Achievement (or Partial Conformance)	The internal audit function is not fully achieving at least one principle or aspect of Domain I, and the impact is significant enough to rate the function's overall achievement as partially achieving. The CAE may not include in final reports that engagements were performed in conformance with the Standards if the overall achievement conclusion is partial achievement.	The internal audit function is not fully conforming with at least one standard, and the impact is significant enough to rate the function as partially achieving the principle.	The internal audit function is not fully conforming with at least one requirement, and the impact is significant enough to rate the function as partially conforming with the standard's intent.
Nonachievement (or Nonconformance)	The internal audit function is not fully achieving at least one principle, and the impact is significant enough to rate the function's overall conclusion as nonachievement.	The internal audit function is not fully conforming with at least one standard, and the impact is significant enough to rate the function as not achieving the principle's intent.	The internal audit function is not fully conforming with at least one requirement, and the impact is significant enough to rate the function as not achieving the standard's intent.

Source: The Institute of Internal Auditors - Quality Assessment Manual, ©2024 Edition