

# **INTERNAL AUDIT ACTIVITY (IAA) QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME (QAIP)**

**Reviewed: 30 June 2025**

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**Annexure A – QAIP Action Plan**

**ANNEXURE B – REPORT TO AC**

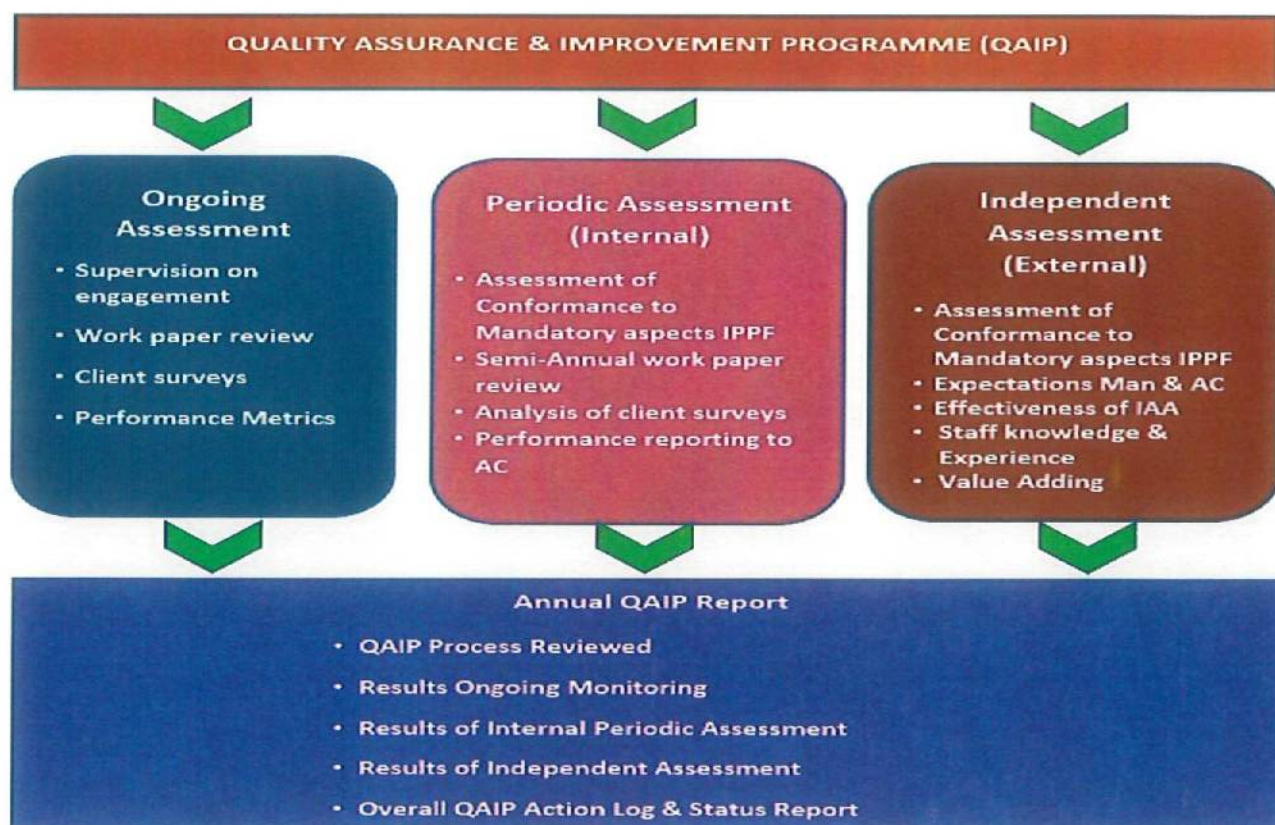
**ANNEXURE C – CONFORMANCE METRICS**

## 1. BACKGROUND

The Global Internal Audit Standards for the Professional Practice of Internal Auditing), Standard 8.3 "Quality", requires that: "The chief audit executive (CAE) must develop, implement, and maintain a Quality Assurance and Improvement Programme (QAIP) that **covers all aspects of the internal audit function**. The QAIP is designed to assess the effectiveness and efficiency of the internal audit function by reviewing conformance with the Global Internal Audit Standards.

This QAIP is developed and maintained to assist and guide Ngqushwa Local Municipality (NLM) internal audit function, management and staff to achieve full compliance with the mandatory elements of the International Professional Practices Framework (IPPF). The QAIP applies to all areas within NLM's internal audit activity.

### The QAIP Process:



conducted by senior members of the internal audit function, a dedicated quality assurance team, individuals within the internal audit function who have attained the Certified Internal Auditor designation or have extensive experience with the Standards, or individuals with audit competencies from elsewhere in the organization. The chief audit executive should consider including internal auditors in the periodic self-assessment process to improve their understanding of the Standards.

Periodic self-assessments enable the internal audit function to validate its conformance with the Standards. When a periodic self-assessment is performed shortly before an external assessment, the time and effort required to complete the external assessment may be reduced.

Periodic self-assessments evaluate:

- The adequacy of the internal audit function's methodologies.
- How well the internal audit function supports the achievement of the organization's objectives.
- The quality of internal audit services performed, and supervision provided.
- The degree to which the stakeholder's expectations are met, and performance objectives are achieved.

The individual or team conducting the periodic self-assessment evaluates the internal audit function's conformance against each standard and may interview and survey the internal audit function's stakeholders.

Through this process, the chief audit executive may assess the quality of and adherence to the internal audit function's methodologies.

### **3. Principle 8.4 – External Quality Assessment**

The CAE must develop a plan for an external quality assessment and discuss the plan with the board. The external assessment must be performed at least once every five years by a qualified, independent assessor or assessment team.

The board and chief audit executive may determine that it is appropriate to conduct an external assessment more frequently than every five years. There are several reasons to consider a more frequent review, including changes in leadership (for example, senior management or the chief audit executive),

- Previous experience performing external quality assessments.
- Completion of external quality assessment training recognized by The Institute of Internal Auditors.
- Attestation by assessment team members that they have no conflicts of interest, in fact or appearance.

The chief audit executive should consider potential impairments to the independence of assessors driven by past, present, or anticipated future relationships with the organization, its personnel, or its internal audit function. If a potential assessor is a former employee of the organization, the length of time the assessor has been independent should be evaluated. Examples of potential impairments include:

- External audits of financial statements.
- Assistance to the internal audit function.
- Personal relationships.
- Previous or planned participation in internal quality assessments.
- Advisory services in governance, risk management, and control processes; financial reporting; or other areas.

#### **4. REPORTING OF RESULTS**

##### **Principle 8.3 – Quality**

The chief audit executive's communications to the board and senior management regarding the internal audit function's quality assurance and improvement program should include:

- The scope, frequency, and results of internal and external quality assessments conducted under the direction of, or with the assistance of, the chief audit executive.
- Action plans that address deficiencies and opportunities for improvement. Actions should be agreed upon with the board.
- Progress toward completing the agreed-upon actions.

An assessment of the internal audit function's quality may consider:

- The level of contribution to the improvement of governance, risk management, and control processes.



- Productivity of internal audit staff (for example, planned hours compared to actual hours on projects or time used on audit projects compared to administrative time).
- Compliance with internal audit laws and/or regulations.
- Cost efficiency of the internal audit processes.
- Strength of relationships with senior management and other key stakeholders.
- Other performance measures.

## 5. REVIEW AND APPROVAL OF THE QAIP

The Audit and Performance Committee will review and approve the QAIP regularly to ensure its continued application and relevance.

### Prepared By:



**Ms. L.K Ramncwana**  
**Chief Audit Executive**

30 June 2025

**Date**

### Accepted by on behalf of Management:

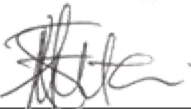


**Mr. N Mgengo**  
**Municipal Manager**

08 July 2025

**Date**

### Approved By:



**Ms. A Tinta**  
**Audit and Performance Committee Chairperson**

15 July 2025

**Date**