



Summary Report

External Quality Assessment of the
Audit services provided by the Of-
fice of Internal Audit & Investigation
(OIAI)

The International Federation of Red Cross and
Red Crescent Societies (IFRC)

24 January 2022

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Summary Report

Preface

The Institute of Internal Auditors (IIA) and the International Standards for the Professional Practice of Internal Auditing (IIA standards) require an Internal Audit function to conduct an assessment of conformity – at least – on a five-year basis.

KPMG Ltd. (KPMG) was mandated in August 2021 to perform an external quality assessment of IFRC’s Internal Audit services (Internal Audit or IA). The KPMG team which oversaw the execution of the external quality assessment fulfills the requirements regarding independence, expertise, and experience according to the IIA standard 1312.

Scope & Objectives

The external quality assessment was performed for IFRC’s IA. The external quality assessment explicitly focused on IA’s current organization and processes. The main objectives of this exercise were to:

- Assess conformance with the mandatory elements of the International Professional Practice Framework (IPPF) released by the IIA;
- Evaluate IA’s performance in its role to provide effective assurance to IFRC with the additional aim of contributing to the improvement of IFRC’s operations and system of control;
- Evaluate IA activity’s efficiency and effectiveness; and
- Perform a maturity assessment based on the KPMG’s IA maturity assessment model.

To determine the current level of conformity with the IPPF, we have performed the following activities:

- Interviews with selected key stakeholders of the IA function as well as with representatives of the IA function;
- Review of internal documentation including the IA charter, IA’s manual and procedures, reporting to the Secretary General and the Audit and Risk Commission (ARC), training performed by IA staff, etc.;
- Review of the process regarding annual risk assessment & annual audit plan (including resource allocation);
- Review of IA’s audit process (including audit planning, execution, reporting, follow-up, quality management processes as well as the used tools and methodologies);
- Review of five audit missions performed by IA between 2020 and 2021 (including review of work papers).

Overall Conclusion & Conformance with IIA standards

Our external quality assessment of IFRC’s IA function based on the review procedures performed and the comparison with the IIA standards leads to the following conclusions:

- ✓ We have obtained a positive overall impression of the IA function as to positioning, people, and processes; and
- ✓ IFRC’s IA function “**generally conforms**”¹ with the **mandatory elements of the IPPF** (including the Definition of Internal Auditing, the Core Principles, the Code of Ethics and the IIA standards), released by the IIA.



Generally Conforms	Partially Conforms	Does Not Conform
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For selected IIA standards, we identified some partial conformance. However, these areas for improvement do not detract from the overall positive impression with regards to the positioning, the people, and the processes of the IA function.

¹ The IIA offers three ratings to assess conformity: “generally conforms”, “partially conforms”, “does not conform”.

Based on our external quality assessment, IFRC’s IA function is entitled to use the term “conformance with the International Standards for the Professional Practice of Internal Auditing” in its reports with immediate effect.

Concluding Remarks

The improvement opportunities related to the IIA standards and “good practice” within Internal Audit were communicated to the Director of the Office of Internal Audit and Investigations, the Head of Internal Audit, the members of the ARC and the Secretary General in a detailed, written report.

We would like to thank IFRC and the IA staff for the excellent and effective cooperation and support.

If you would like to discuss any aspects of this report, please do not hesitate to contact us.

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