KEEPING PACE WITH QUALITY

In June 2007, China National Offshore Oil Company and Shell Petrochemicals Co. Ltd. (CSPC) obtained a self-assessment with independent validation (SAIV) through The Institute of Internal Auditors (IIA). Chief Audit Executive Huang Hui, CIA shares the benefits of the quality assessment experience.

Having undergone an external quality assessment (QA) recently, what would you like to share with others regarding this process?

After preparing for more than three years, we were pleased to have received a general compliance opinion from the external quality assessment of our internal audit activities. CSPC is the first company in China to request a SAIV from The IIA and receive the general compliance opinion. Our organization benefited from the QA process by the increased quality of our internal audit activity. There are more specific ways in which we benefited from the QA.

First, the staff has an increased knowledge of the *International Standards for the Professional Practice of Internal Auditing (Standards)* through the use of the *Quality Assessment Manual, 5th Edition*. Second, the major clients of internal audit activity—such as the audit committee and other internal business units—have a better understanding of our role. With the professional guidance of The IIA, our clients had the opportunity to evaluate the overall internal audit activity. Being able to provide their comments on the process through the online, anonymous survey provided valuable feedback to the internal audit function, and brought our activity closer to its clients. Third, the QA process is a value-added exercise. The independent validator was a certified internal auditor as well as a certified public accountant with years of professional experience. He was well versed on the *Standards* and QA methodologies. This level of professionalism and knowledge led to constructive recommendations to improve our internal audit activity's capability.

In addition, through the QA process, we were able to benchmark our internal audit activity with other organizations within the same industry around the world through The IIA's Global Audit Information Network (GAIN). And most importantly, we have embedded quality into the mindset and daily operations of our internal audit activity, and the company as a whole.

I encourage other organizations considering the process to prepare in advance. Structure your internal audit activity, and develop the internal audit charter, procedures, and processes according to the *Standards* and the *Quality Assessment Manual* published by The IIA. The timing and the proper strategy selection are important.

Visit **www.theiia.org/quality** to learn more about QAs, submit an inquiry for an external QA, obtain guidance, learn about successful practices, and learn how to set up your own quality assurance and improvement program.

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