



INTERNAL AUDIT  
COMMUNITY OF PRACTICE

# Internal Audit Body of Knowledge

Europe and Central Asia

PEMOPAL

# Internal Audit Body of Knowledge

Europe and Central Asia

Internal Audit Community of Practice (IA CoP)

FIRST VERSION

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## PREFACE

This Internal Audit Body of Knowledge (BoK) is the product of exchange of ideas and information among members of the Internal Audit Community of Practice (IA CoP), of the Public Expenditure Management Peer-Assisted Learning (PEM-PAL) network.

The PEM-PAL network, launched in 2006 with the help of the World Bank, is a regional body that aims to support reforms in public expenditure and financial management in twenty countries in Central Asia and Central Eastern Europe by promoting capacity building and exchange of information. IA CoP, one of the three Communities of Practice around which the network is organized, has representatives from 22 countries of the Europe and Central Asia region.

One of the IA CoP's goal is to "contribute to improved Public Financial Management (PFM) systems, by supporting members to establish a modern and effective Internal Audit Service in their Governments that meets international and European Union (EU) standards and facilitates good governance in their public sector..."<sup>1</sup> IA CoP hopes to further this agenda by providing a basic set of knowledge areas and skills which public sector internal auditors are expected to have mastered depending on their degree of experience and professional level within the organization.

This Body of Knowledge (BoK) is the end result of a collaborative process from regional members and donor partners, which began with a workshop held in Bled, Slovenia in October 2010. It is the hope of the PEM-PAL network and IA CoP that users of this document, and other documents in the series, will find them informative and useful in advancing the reforms of public sector internal auditing.

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1 Source: IA CoP Balanced Scorecard

# ACKNOWLEDGEMENT

This template was the combined effort of a number of individuals and groups who shared their time and expertise to make it a reality.

Specifically, IA CoP would like to recognize the following key contributors:

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Tomislav Mičetić, Croatia, former Chair of the IA CoP

## ACRONYMS

<b>CAAT</b>	Computer Assisted Auditing Techniques
<b>COSO</b>	Committee of Sponsoring Organizations of the Treadway Commission
<b>EFQM</b>	European Foundation for Quality Management
<b>HIA</b>	Head of Internal Audit
<b>IA CoP</b>	Internal Audit Community of Practice
<b>IIA</b>	Institute of Internal Auditors
<b>INTOSAI</b>	International Organization of Supreme Audit Institutions
<b>IT</b>	Information Technology
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>PEM-PAL</b>	Public Expenditure Management Peer Assisted Learning
<b>PIFC</b>	Public Internal Financial Control
<b>PFM</b>	Public Financial Management
<b>R&amp;D</b>	Research and Development
<b>TQM</b>	Total Quality Management

# INTRODUCTION

According to the Institute of Internal Auditors (IIA), “A Body of Knowledge (BoK) may be defined as a living reference that represents the collective knowledge of a profession.” In preparing this BoK, PEM-PAL’s IA CoP relied upon a number of sources, including: (1) Konrad Report (2008); (2) results from IIA’s Body of Knowledge for Internal Auditors; (3) IIA’s International Standards for the Professional Practice of Internatl Auditing (2011); and (4) the Internal Audit Capability Model.

It is divided into four main sections, for easy reference, as follows: (1) Internal Audit Standards, Theory and Methodology; (2) Knowledge Areas; (3) Tools and Techniques; and (4) Interpersonal Skills.

This BoK can be used to assist internal audit professionals in the public sector in identifying a core set of knowledge and skills that are important in effeciently and effectively conducting their work. It also attaches ratings to the level of competency required by professionals in each topic mentioned in the BoK based on their hierarchical role in their organization.

IA CoP hopes that this publication and others in the series, including the *Good Practice Internal Audit Manual Template* and the *Good Practice Continuing Professional Development (CPD) Manual Template* will be beneficial to internal audit professionals in the region.



# LEGEND

1 = Awareness only

2 = Basic competence and knowledge with support from others

3 = Independently competent in routine situations

4 = Independently competent in unique and complex situations

(Sub headings with sublevels have ratings only on the sublevels, for example  
1120 Individual Objectivity)

n/a = Not Applicable

E = Essential

N = Not Essential

NTH = Nice to Have

<b>INTERNAL AUDIT BODY OF KNOWLEDGE</b>	HIA	Audit Senior, Supervisor	Internal Audit Staff	New Internal Auditor (Less than 1 year)	Essential (E), Not Essential (N), Nice To Have (NTH)
<b>1.INTERNAL AUDIT STANDARDS, THEORY, AND METHODOLOGY - Specific principles and procedures established by and for the internal audit profession</b>					E
<b>1.1. DEFINITION OF INTERNAL AUDITING</b>	4	3	3	2	E
<b>1.2.CODE OF ETHICS</b>	4	4	4	2	E
<b>1.3. ATTRIBUTE STANDARDS</b>					E
1000 Purpose, Authority and Responsibility	4	3	3	2	E
1000.A1 Purpose, Authority, and Responsibility (Assurance Services)	4	3	3	2	E
1000.C1 Purpose, Authority, and Responsibility (Consulting Services)	4	3	3	2	E
1100 Independence and Objectivity	4	3	2	2	E
1110 Organizational Independence	4	3	2	2	E
1110.A1 Freedom from interference in conducting internal audit work	4	3	2	2	N
1120 Individual Objectivity					E
Of self (can maintain self)	4	4	3	2	E
Of others (can assess others)	4	4	2	1	E
1130 Impairment to Independence or Objectivity	4	3	3	2	E
1130.A1 Impairment due to former responsibilities	4	4	3	2	E
1130.A2 Audit of other functions under HIA responsibilities	4	n/a	n/a	n/a	E

<b>INTERNAL AUDIT BODY OF KNOWLEDGE</b>	HIA	Audit Senior, Supervisor	Internal Audit Staff	New Internal Auditor (Less than 1 year)	Essential (E), Not Essential (N), Nice To Have (NTH)
<b>1130.C1</b> Scope of impairment for consulting	4	4	3	2	NTH
<b>1130.C2</b> Disclosure of impairment when consulting	4	4	3	2	NTH
<b>1200 Proficiency and Due Professional Care</b>	4	3	3	2	E
<b>1210 Proficiency</b>	4	3	3	2	E
<b>1210.A1</b> HIA acquisition of necessary competencies in the team for assurance services	4	n/a	n/a	n/a	E
<b>1210.A2</b> Identification of fraud indicators					E
Organizational level	4	3	2	1	E
Transaction/process level	4	3	3	1	E
<b>1210.A3</b> Information technology risk, controls, and tools					NTH
IT risk and control organization wide	4	2	1	1	NTH
IT risk and control at process level	4	3	2	2	NTH
<b>1210.C1</b> HIA acquiring necessary competencies in the team for consulting services	4	n/a	n/a	n/a	N
<b>1220 Due Professional Care</b>	4	3	2	2	E
<b>1220.A1</b> Scoping	4	3	2	2	E
<b>1220.A2</b> Use of CAATs	2	4	3	2	N
<b>1220.A3</b> Risk identification	4	3	2	2	E
<b>1220.C1</b> Consulting	4	4	3	2	NTH
<b>1230 Continuing Professional Development</b>					N
Of self (can maintain self)	4	3	3	2	N
Of other (can assess others)	4	3	1	2	N

<b>INTERNAL AUDIT BODY OF KNOWLEDGE</b>	<b>HIA</b>	<b>Audit Senior, Supervisor</b>	<b>Internal Audit Staff</b>	<b>New Internal Auditor (Less than 1 year)</b>	<b>Essential (E), Not Essential (N), Nice To Have (NTH)</b>
<b>1300</b> Quality Assurance and Improvement Program	4	2	1	1	E
<b>1310</b> Requirements of the Quality Assurance and Improvement Program	4	2	2	1	N
<b>1311</b> Internal Assessments	4	3	2	2	E
<b>1312</b> External Assessments	4	3	2	1	N
<b>1320</b> Reporting on the Quality Assurance and Improvement Program	4	1	1	1	NTH
<b>1321</b> Use of “Conforms with International Standards for the Professional Practice of Internal Auditing”	4	2	1	1	N
<b>1322</b> Disclosure of Nonconformance	4	2	1	1	NTH
<b>1.4. PERFORMANCE STANDARDS</b>					E
<b>2000</b> Managing the Internal Audit Activity	4	2	n/a	n/a	E
<b>2010</b> Planning	4	2	2	1	E
<b>2010.A1</b> Annual risk assessment	4	2	2	1	E
<b>2010.C1</b> Consideration of acceptance of consulting engagements	4	2	2	1	N
<b>2020</b> Communication and Approval	4	2	n/a	n/a	E
<b>2030</b> Resource Management	4	2	n/a	n/a	NTH
<b>2040</b> Policies and Procedures	4	n/a	n/a	n/a	N
<b>2050</b> Coordination	4	2	n/a	n/a	E
<b>2060</b> Reporting to Senior Management and the Board	4	n/a	n/a	n/a	E
<b>2100</b> Nature of Work	4	3	2	2	E
<b>2110</b> Governance	4	4	3	2	N

<b>INTERNAL AUDIT BODY OF KNOWLEDGE</b>	HIA	Audit Senior, Supervisor	Internal Audit Staff	New Internal Auditor (Less than 1 year)	Essential (E), Not Essential (N), Nice To Have (NTH)
<b>2110.A1</b> Evaluation of ethics programs	4	4	3	2	N
<b>2110.A2</b> Consistency of information technology governance with organization's strategy and objectives	4	4	3	4	N
<b>2120</b> Risk Management					E
Overall	4	2	1	1	E
Process level	4	4	3	2	E
<b>2120.A1</b> Evaluation of risk exposure	4	4	3	2	E
<b>2120.A2</b> Evaluation of fraud risk	4	4	3	2	E
<b>2120.C1</b> Risk review during consulting	4	4	3	2	N
<b>2120.C2</b> Risk knowledge gained during consulting	4	4	3	2	N
<b>2130</b> Control	4	4	3	2	E
<b>2130.A1</b> Evaluation of adequacy and effectiveness of control	4	4	3	2	E
<b>2130.C2</b> Knowledge of controls gained when consulting	4	4	3	2	N
<b>2200</b> Engagement Planning	4	4	2	2	E
<b>2201</b> Planning Considerations	4	4	2	2	E
<b>2201.A1</b> Planning engagement for parties outside the organization	4	4	2	2	E
<b>2201.C1</b> Establishing agreement with clients on consulting engagement scope and objectives	4	4	2	2	N
<b>2210</b> Engagement Objectives	4	4	2	2	E
<b>2210.A1</b> Preliminary assessment of risk	4	4	2	2	E

<b>INTERNAL AUDIT BODY OF KNOWLEDGE</b>	<b>HIA</b>	<b>Audit Senior, Supervisor</b>	<b>Internal Audit Staff</b>	<b>New Internal Auditor (Less than 1 year)</b>	<b>Essential (E), Not Essential (N), Nice To Have (NTH)</b>
<b>2210.A2</b> Consideration of probability of significant errors	4	4	2	2	E
<b>2210.C1</b> Consulting focus on governance, risk management and control processes	4	4	2	2	N
<b>2220</b> Engagement Scope	4	4	2	2	E
<b>2220.A1</b> Scope of the engagement	4	4	2	2	E
<b>2220.A2</b> Consulting opportunities during assurance engagement	4	4	2	2	N
<b>2220.C1</b> Dealing with reservations about scope when performing consulting engagements	4	4	2	2	N
<b>2230</b> Engagement Resource Allocation	4	4	2	2	N
<b>2240</b> Engagement Work Program	4	4	3	2	E
<b>2240.A1</b> Procedure for recording information	4	4	3	2	E
<b>2240.C1</b> Work program form and content when consulting	4	4	3	2	N
<b>2300</b> Performing the Engagement	4	4	3	2	E
<b>2310</b> Identifying Information	4	4	3	2	E
<b>2320</b> Analysis and Evaluation	4	4	3	2	E
<b>2330</b> Documenting Information	4	4	3	2	E
<b>2330.A1</b> Control access to engagement records	4	n/a	n/a	n/a	E
<b>2330.A2</b> Retention requirements for engagement records	4	n/a	n/a	n/a	E

<b>INTERNAL AUDIT BODY OF KNOWLEDGE</b>	<b>HIA</b>	<b>Audit Senior, Supervisor</b>	<b>Internal Audit Staff</b>	<b>New Internal Auditor (Less than 1 year)</b>	<b>Essential (E), Not Essential (N), Nice To Have (NTH)</b>
<b>2330.C1</b> Custody, retention and release of engagement consulting records	4	n/a	n/a	n/a	N
<b>2340</b> Engagement Supervision	4	4	2	1	N
<b>2400</b> Communicating Results	4	4	3	2	E
<b>2410</b> Criteria for Communicating	4	4	3	2	E
<b>2410.A1</b> Final communication of engagement results	4	4	3	2	E
<b>2410.A2</b> Acknowledgment of satisfactory performance	4	4	3	2	E
<b>2410.A3</b> Releasing results to parties outside the organization	4	4	3	2	E
<b>2410.C1</b> Communication of results for consulting engagements	4	4	3	2	N
<b>2420</b> Quality of Communications	4	4	3	2	NTH
<b>2421</b> Errors and Omissions	4	n/a	n/a	n/a	N
<b>2430</b> Use of “Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing”	4	n/a	n/a	n/a	N
<b>2431</b> Engagement Disclosure of Nonconformance	4	n/a	n/a	n/a	N
<b>2440</b> Disseminating Results	4	n/a	n/a	n/a	N
<b>2440.A1</b> HIA’s responsibility for communication of results	4	n/a	n/a	n/a	N
<b>2440.A2</b> Assessment of conditions for releasing results outside the organization	4	n/a	n/a	n/a	N
<b>2440.C1</b> HIA’s responsibility for communication of results for consulting engagement	4	n/a	n/a	n/a	N

INTERNAL AUDIT BODY OF KNOWLEDGE	HIA	Audit Senior, Supervisor	Internal Audit Staff	New Internal Auditor (Less than 1 year)	Essential (E), Not Essential (N), Nice To Have (NTH)
<b>2440.C2</b> Communication of significant issues identified during consulting engagement	4	n/a	n/a	n/a	N
<b>2500</b> Monitoring Progress	4	2	n/a	n/a	E
<b>2500.A1</b> Follow-up process	4	2	n/a	n/a	E
<b>2500.C1</b> Disposition of results of consulting engagements	4	2	n/a	n/a	N
<b>2600</b> Resolution of Senior Management's Acceptance of Risks	4	2	n/a	n/a	N



INTERNAL AUDIT BODY OF KNOWLEDGE	HIA	Audit Senior, Supervisor	Internal Audit Staff	New Internal Auditor (Less than 1 year)	Essential (E), Not Essential (N), Nice To Have (NTH)
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## 2. KNOWLEDGE AREAS

### 2.1. FINANCIAL ACCOUNTING AND FINANCE

					E
					E
Structure of the various statements (e.g. Balance Sheet (B/S), Profit and Loss (P/L)), terminology and relationship	3	3	2	2	E
Accounting cycles with their typical functions, common accounting entries, relationship with financial statements and critical accounting records. Cycles include: revenue, expenditure, payroll, conversion, and treasury	3	3	2	2	E
Specific transactions: bonds, leases, pensions, intangible assets, R&D, good will, foreign currency	3	2	1	1	N
Accounting for specific events: joint ventures, mergers, acquisitions, partnerships, consolidations	3	2	1	1	N
Financial statement analysis including ratios	4	3	2	2	E
When applicable: Cost of capital evaluation	3	3	2	1	E
Types of debt and equity	3	3	2	1	E
When applicable: Financial instruments (see reference documents)	3	2	1	1	N
Cash management	3	3	2	2	E
Valuation models including: inventory valuation and business valuation	3	2	1	1	E
Business development life cycle	4	2	2	1	N

<b>INTERNAL AUDIT BODY OF KNOWLEDGE</b>	HIA	Audit Senior, Supervisor	Internal Audit Staff	New Internal Auditor (Less than 1 year)	Essential (E), Not Essential (N), Nice To Have (NTH)
<b>2.2. MANAGERIAL ACCOUNTING</b>					E
Costs concepts and costing systems: absorption, variable, full, marginal, activity based costing	3	2	2	1	N
Capital budgeting	3	2	1	1	E
Operating budget	4	3	2	1	E
When applicable: Transfer pricing	3	2	2	1	N
Relevant cost	4	3	3	2	E
<b>2.3. REGULATORY FRAMEWORK, LEGAL FRAMEWORK, AND ECONOMICS</b>					E
Impact of government legislation and regulation on organization	4	2	2	1	E
Public Financial Management (PFM)	2	2	2	1	E
Labor and civil servants laws	2	2	2	1	E
Copyrights, privacy, and cyber laws	2	2	2	1	N
Civil and penal laws	2	2	2	1	E
Taxation schemes	2	2	2	1	E
Contracts	2	2	2	1	E
Nature and rules of legal evidence	2	2	2	1	N
Macroeconomics: state of the economy, evaluation of the economic environment within which business and financial decisions are made. Economic theory so as to understand the workings of financial markets and the operation and impact of government policies. Determinants of the level of national income, employment, investment, interest rates, the supply of money, inflation, exchange rates, and the formulation and operation of stabilization policies.	2	2	2	1	E

<b>INTERNAL AUDIT BODY OF KNOWLEDGE</b>	HIA	Audit Senior, Supervisor	Internal Audit Staff	New Internal Auditor (Less than 1 year)	Essential (E), Not Essential (N), Nice To Have (NTH)
Microeconomics: market mechanisms that establish relative prices among goods and services and allocate limited resources among many alternative uses. Market failure, where markets fail to produce efficient results, the theoretical conditions needed for perfect competition. General equilibrium, markets under asymmetric information, choice under uncertainty and economic applications of game theory. Elasticity of products within the market system.	2	2	2	1	N
<b>2.4. QUALITY: UNDERSTANDING OF THE QUALITY FRAMEWORK IN YOUR ORGANIZATION</b>					E
When applicable: European Foundation for Quality Management (EFQM)	2	2	2	1	N
ISO management standards: ISO 9001:2000 Quality Management; ISO 14001:2004 Environmental Management; ISO/IEC 27001:2005 Information Security Management; ISO 22000:2005 Food Safety Management; ISO/PAS 28000:2005 Supply chain Security Management	2	2	2	1	N
When applicable: Six Sigma	2	2	2	1	N
When applicable: Total Quality Management (TQM)	2	2	2	1	E
<b>2.5. ETHICS AND FRAUD</b>					E
Business ethics concepts	4	4	4	2	E
Code of conduct and ethics committee	4	4	4	2	E
Ethics and integrity management	4	3	3	2	E

<b>INTERNAL AUDIT BODY OF KNOWLEDGE</b>	<b>HIA</b>	<b>Audit Senior, Supervisor</b>	<b>Internal Audit Staff</b>	<b>New Internal Auditor (Less than 1 year)</b>	<b>Essential (E), Not Essential (N), Nice To Have (NTH)</b>
Definition and application of fraud concepts	4	3	2	1	E
International codes and multinational business, includes transparency international resources and corruption index	3	3	1	1	N
Typical schemes in various organization cycles: Procurement Public services Accounting Payroll Fixed Assets Knowledge	3	3	3	1	E
Education and prevention methods	4	3	1	1	N
Detection methods: recognizing red flags or the fraud triangle (for example)	3	3	3	1	E
Fraud investigation	2	2	2	1	N
<b>2.6. INFORMATION TECHNOLOGY</b>					E
Information Systems Operations and Management	3	3	2	1	E
IT Infrastructure and Network	2	2	2	1	N
Physical security	2	2	2	1	N
Logical security	2	2	2	1	N
Information System Development	2	2	2	1	N
IT Controls Frameworks	3	3	2	1	N
<b>2.7. GOVERNANCE, RISK, AND CONTROL</b>					E
Application and implementation of effective governance (include understanding the governance principles & frameworks such as OECD principles, various governance codes, etc.)	4	3	2	1	E

<b>INTERNAL AUDIT BODY OF KNOWLEDGE</b>	HIA	Audit Senior, Supervisor	Internal Audit Staff	New Internal Auditor (Less than 1 year)	Essential (E), Not Essential (N), Nice To Have (NTH)
Board operations and best practices (include audit committee or sub committees of the Board)	4	2	2	1	E
Relationship and coordination with those who provide assurance services, such as external auditors, compliance, etc.	4	2	1	1	E
Internal control framework characteristics and usage: COSO, INTOSAI, PIFC	4	3	3	1	E
Methods and processes used by organizations to manage risks (or seize opportunities) related to the achievement of their objectives	4	3	3	1	E
Various risk assessment frameworks	4	3	3	1	N
Internal control design, applicability to risk, effectiveness and efficiency	4	4	3	2	E
<b>2.8. ORGANIZATIONAL THEORY AND BEHAVIOR</b>					E
Theory of organization: universal process (Fayol), operational approach, behavioral approach, system approach contingency approach as techniques for managing organization changes	4	2	1	1	N
Organizational structures	3	2	1	1	E
Culture and cultural dimension	4	2	2	2	N
Marketing principles: Effective product development, promotional activities, distribution and pricing	2	2	2	1	N
Sales practices	2	2	2	1	N
Citizens behavior & satisfaction -- Behavioral characteristics of various consumer groups and measuring satisfaction	2	2	2	1	E

INTERNAL AUDIT BODY OF KNOWLEDGE	HIA	Audit Senior, Supervisor	Internal Audit Staff	New Internal Auditor (Less than 1 year)	Essential (E), Not Essential (N), Nice To Have (NTH)
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### 3. TOOLS AND TECHNIQUES

#### 3.1.POLICY DEVELOPMENT, STRATEGIC PLANNING, AND DEFINITION OF PERFORMANCE

					E
					E
Understands the process of development of strategic planning, long term planning, investment projects	4	3	2	1	E
Understands the process of setting objectives, delivery of services, allocation of resources	4	3	2	1	E
Able to work with timeframes for achieving objectives	4	3	2	1	E
Understand budget availability and budget formulation procedures	4	3	2	1	E
Understands organizational structure with respect to delivering objectives	4	3	2	1	E
Able to assess the risks encountered in the achievement of objectives	4	3	2	1	E
Understands monitoring and evaluation processes	4	3	2	1	E
Understands political and public sector components	4	3	2	1	E
Understands baseline samples and measuring for achievement	4	3	2	1	E
Understands how to assess market needs with respect to provision of services and satisfying client needs	4	3	2	1	E
Understands how the government controls subsidiary organizations (local government, agencies, public sector owned companies)	4	3	2	1	E

<b>INTERNAL AUDIT BODY OF KNOWLEDGE</b>	HIA	Audit Senior, Supervisor	Internal Audit Staff	New Internal Auditor (Less than 1 year)	Essential (E), Not Essential (N), Nice To Have (NTH)
Understands the relationship between current budget and investments	4	3	2	1	E
Understands debt management, cash-flow process and management of public property	4	3	2	1	E
Understands internal audit strategic planning	4	3	2	1	E
Understands internal audit annual planning	4	3	2	1	E
Understands internal audit budgeting	4	3	2	1	E
<b>3.2. PROJECT MANAGEMENT</b>					E
Can manage any project audit project within the organization. Also can individually apply most of the concepts presented in the referenced project management model	4	3	2	1	E
<b>3.3. BUSINESS PROCESS ANALYSIS</b>					E
Can apply the six sigma approach or have it applied, when necessary	2	2	2	1	N
Can conduct workflow analysis and manage bottlenecks. Should understand the theory of constraints	2	2	2	1	E
Can organize and lead a team in mapping, analysis, and business process improvement	4	3	2	1	E
Can identify techniques that can be immediately applied to improve business processes	4	4	3	1	E
Can use process analysis tools such as Swim Lane Diagrams (flowcharting) and review the completed work	4	4	3	1	E

<b>INTERNAL AUDIT BODY OF KNOWLEDGE</b>	HIA	Audit Senior, Supervisor	Internal Audit Staff	New Internal Auditor (Less than 1 year)	Essential (E), Not Essential (N), Nice To Have (NTH)
Can identify and use analysis techniques that quickly identify process gaps	4	4	3	1	E
Can measure the efficiency and effectiveness of business processes (with use of comparative costs)	4	4	3	1	N
Can Identify and analyze internal and external cross-functional process interfaces (depending on management organization)	4	4	2	1	E
Can identify and prioritize business processes and depict or present them using flowcharting techniques (including flowcharting software)	4	4	4	1	E
<b>3.4. RISK AND CONTROL ASSESSMENT TECHNIQUES (INCLUDING SELF-ASSESSMENT)</b>					E
Understands risk theory, well enough to teach if asked, including defining: risk; the relationship of risk to strategic, operational, or process objectives; risk tolerance, residual risk, and exposure; and impact assessment	4	4	3	2	E
Understands risk management techniques and cost-benefit analysis, well enough to teach if asked, including transfer, manage, or accept, and the impact/cost-benefit analysis	4	4	3	2	E
Understands control design and application, well enough to teach if asked, including defining control objectives; control design (e.g., preventive, detective, corrective; informal, formal) and costs/benefits	4	4	3	2	E



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Understands control testing techniques, well enough to teach if asked, including manual and automated techniques	4	4	3	2	E
<b>3.5. GOVERNANCE RISK AND CONTROL: TOOLS AND TECHNIQUES</b>					E
Understand the common definition of internal controls	4	4	3	3	E
Can apply major control frameworks, such as COSO, and PIFC, and those set forth by INTOSAI, with considerations for political dimensions	4	4	3	3	E
Can apply other control frameworks such as a TQM and ISO 9000	2	2	2	1	N
In the absence of a control framework in the organization, can design ad hoc control references for a specific audit and agree with the auditee on the reference used	4	4	3	1	E
Can define the concept of internal controls and understand the control framework used in the organization	4	4	3	2	E
Can train a team or client on the model used within the organization and compare with other alternatives	4	3	3	1	N
<b>3.6. DATA COLLECTION AND ANALYSIS: TOOLS AND TECHNIQUES (sampling, data extraction/collection, data mining, correlation, trend analysis, interviewing, questionnaires, checklist)</b>					E
Can apply the appropriate sampling techniques to the component being audited	3	4	3	2	E
Can analyze data trends, correlations, deviations, gaps, age, median, and averages, to name a few	4	4	3	3	E

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Can apply key statistical methodology such as regression analysis in solving business problems with an understanding of least squares estimation, residuals and outliers, tests and confidence intervals, correlation and autocorrelation, co linearity, and randomization, and as a result be able to provide input on construction of models, interpret results, and critically evaluate assumptions	3	3	2	1	N
Can use benchmarking data adequately	4	3	2	1	E
Can use queries, organization systems, or third party providers data extraction software	2	3	3	2	E
Can express requirements to a data warehouse expert for data extraction, transformation, and loading techniques	4	4	3	2	E
Can prepare for an interview, set the environment, and conduct the interview	4	4	4	2	E
Can build and use adequate questionnaires and surveys - paying attention to structure and type of questions	3	3	3	2	E
Can identify the need for a specific expert in the data mining/analysis field	4	3	3	2	E
<b>3.7. Computer Assisted Auditing Techniques (CAATs) - when relevant and available</b>					E
Can use Microsoft office suite or equivalent (word processing, spreadsheet, presentation) effectively	4	4	4	3	E
Can use data extraction software (e.g. Excel)	4	3	3	2	E

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Can use automated working paper software	3	3	3	2	E
Can use statistical packages including curve data deviation, average and medium data input calculation and prediction, age analysis, gap analysis, duplicate analysis, data stratification	2	3	3	2	E
Can recognize the need for CAATs and make the appropriate selection	4	3	3	2	E

INTERNAL AUDIT BODY OF KNOWLEDGE	HIA	Audit Senior, Supervisor	Internal Audit Staff	New Internal Auditor (Less than 1 year)	Essential (E), Not Essential (N), Nice To Have (NTH)
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## 4. INTERPERSONAL SKILLS - Abilities needed to interact with others effectively

### 4.1. INFLUENCE - Using effective methods of persuasion

E					
E					
E	4	1	1	1	E
E	4	1	1	1	E
E	4	3	2	1	E
E	4	2	1	1	E
E	4	3	2	1	E
E	4	3	3	2	E
E	4	3	2	1	E
E	4	4	3	2	E
E	4	3	2	1	E
E	4	3	3	2	E
E	4	3	3	2	E

<b>INTERNAL AUDIT BODY OF KNOWLEDGE</b>	HIA	Audit Senior, Supervisor	Internal Audit Staff	New Internal Auditor (Less than 1 year)	Essential (E), Not Essential (N), Nice To Have (NTH)
Can quickly gain trust of other parties	4	3	3	3	E
Can elicit and respond to objections	4	3	2	2	E
Can present one's point of view in a way that enlists others' support	4	2	1	1	E
Can discuss audit findings with confidence	4	3	3	2	E
<b>4.2. COMMUNICATION - Sending clear and convincing messages, and listening</b>					E
Can communicate clearly with senior executives and board-level individuals	4	3	2	1	E
Can make complex presentations and adapt to the audience to ensure full understanding	4	2	1	1	E
Can stand up in front of an audience and convey a message	4	2	2	1	E
Can deal with difficult issues in a straightforward manner	4	4	3	2	E
Listens actively	4	3	3	3	E
Seeks mutual understanding, and welcomes sharing of information fully	4	4	3	2	E
Fosters open communication and stays receptive to bad news as well as good	4	4	3	2	E
Tailors communication to the level of experience of the audience	4	3	2	2	E
Uses analogies, visuals, and other techniques to effectively communicate complex ideas	4	2	1	1	E
Communicates at the opportune time	4	3	2	1	E

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Provides all facts for accurate decision making	4	3	2	1	E
Paraphrases dissenting opinions accurately	4	2	2	1	E
Utilizes strong listening skills to formulate direct, responsive answers to questions	4	3	3	2	E
Organizes and verbally expresses ideas clearly	4	3	2	2	E
Can communicate effectively and professionally in written communications, including use of proper grammar and punctuation	4	3	3	3	E
<b>4.3. MANAGEMENT</b>					E
<b>4.3.1. Policies and procedures</b>					E
Understands the organization's key policies, practices, and procedures well enough to teach it to others, if asked	4	3	2	1	E
Ensures company policies, practices, and procedures are followed	4	3	2	1	E
Uses market, product, and industry knowledge to identify new internal audit opportunities	4	2	1	n/a	E
<b>4.3.2. Staffing</b>					E
Establishes selection systems that consistently result in superior performers being hired	4	2	n/a	n/a	E
Has succession planning fully developed and regularly updated	4	2	n/a	n/a	E
Uses a variety of assessment tools and tests to assess candidate's capability and competence	4	2	1	n/a	E

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Monitors workloads and show appreciation for extra effort	4	2	1	n/a	E
Is sensitive to staff problems, desires, concerns, and questions	4	2	1	n/a	E
Provides proactive input in the development needs of self and/or others	4	3	2	2	E
Manages, values, and promotes diversity	4	2	1	1	E
Develops and manages development plans for team members	4	3	2	n/a	E
<b>4.3.3. Priority setting, planning, performance management, and customer focus</b>					E
Models behaviors that support the vision	4	3	3	2	E
Addresses performance problems promptly	4	3	n/a	n/a	E
Seeks and gives performance feedback to others	4	3	n/a	n/a	E
Sets clear, well defined, desired outcomes for work activity and tracks progress	4	3	2	2	E
Can handle a discussion of work-related problems and manage the consequences	4	3	2	1	E
Can handle a discussion of personal problems and manage the consequences	4	3	2	1	E
Motivates others and uses a variety of approaches to energize team members	4	2	1	1	E
Focus driven	4	2	1	1	E

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<b>4.3.4. Time management, achieving goals and tasks, and organizational skills</b>					E
Can multi-task toward engagement and/or project completion	4	2	2	1	E
Completes tasks and assigned objectives timely and efficiently	4	3	3	2	E
Guides the performance of others while holding them accountable	4	2	1	n/a	E
Sets challenging goals and demonstrates a strong sense of urgency and persistence	4	2	1	n/a	E
Strives to achieve goals and sets tasks	4	3	3	3	E
Uses provided resources effectively and efficiently	4	3	3	2	E
Recognizes, understands, maintains and manages work-life balance issues	4	2	2	2	E
Uses time effectively	4	3	3	3	E
Focuses energy on critical tasks	4	3	3	2	E
<b>4.4. LEADERSHIP - Inspiring and guiding groups and people, building organizational commitment, and entrepreneurial orientation</b>					E
Can develop an inspiring personal, group, or business vision	4	2	2	1	E
Can develop and implement programs to create unity and build commitment within the internal audit team	4	3	2	2	E
Takes significant calculated risks to achieve internal audit goals	4	2	1	n/a	E
Leads by example	4	4	4	2	E



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Can advocate the internal audit function to others	4	3	2	2	E
Can hold true to convictions	4	3	3	2	E
<b>4.5. CHANGE CATALYST - Initiating, managing and coping with change</b>					E
Can champion change and enlist others in its pursuit; can develop a change strategy that includes milestones and a timeline	4	1	1	n/a	E
Models the change expected of others	4	3	2	1	E
Can accurately assess the potential barriers and resources for change initiatives	4	2	1	1	E
Provides resources, removes barriers, and acts as an advocate for those initiating change	4	2	1	n/a	E
Can maintain work efficiency and respond positively to a changing environment	4	3	3	2	E
Can promptly switch strategies if the current ones are not working	4	n/a	n/a	n/a	E
Can promptly switch tactics if the current ones are not working	4	3	2	2	E
Can provide directions and focus during the change process	4	2	1	1	E
Supports new ideas, systems, and procedures	4	3	3	2	E
Can respond quickly to changing situations by coming up with creative ideas and actions	4	3	2	2	E
Supports the need for change	4	3	2	2	E
Takes steps to understand reasons for change in environment and tasks	4	3	2	2	E

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Can operate even if decisions and actions are unclear	4	3	3	3	E
Copes with stress	4	3	2	1	E
<b>4.6. CONFLICT MANAGEMENT - Negotiating and resolving disagreements</b>					E
Leads well in a crisis	4	3	2	n/a	E
Can spot potential conflict, bring disagreements into the open, and help de-escalate conflict situations	4	3	2	2	E
Can orchestrate win-win solutions, find common ground, and minimize disruption	4	2	1	1	E
Can handle difficult people and tense situations with diplomacy and tact	4	3	2	1	E
Can address disagreements, conflicts, or upsetting situation in ways that build relationships	4	2	2	1	E
Encourages debate and open discussion	4	3	2	1	E
Listens well	4	3	3	3	E
<b>4.7. BUILDING BONDS - Nurturing instrumental relationships, working with others toward shared goals</b>					E
Cultivates and maintains extensive informal networks	4	3	2	2	E
Can create opportunities and events that help people build relationships with each other	4	3	2	1	E
Compliments and affirms others	4	3	2	2	E
Builds relationships by sharing personal experiences and perspectives	4	3	3	2	E
Keeps others in the loop	4	3	3	2	E
Seeks opportunities for contact that build relationships	4	2	2	1	E

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Can initiate and participate in conversation that enhances approachability	4	4	3	3	E
Is recognized as an approachable and resourceful individual	4	3	3	3	E
Uses diplomacy and tact	4	3	2	2	E
<b>4.8. COLLABORATION AND COOPERATION - Working with others toward shared goals</b>					E
Collaborates by sharing plans, information, and resources	4	3	2	2	E
Promotes a professional, safe, and cooperative climate	4	3	2	2	E
Can spot and nurture opportunities for collaboration	4	2	2	1	E
Builds cooperation between departments and other groups	4	3	2	1	E
Takes actions without being asked to do so	4	3	2	1	E
Is relaxed around senior management	4	3	2	1	E
Recognizes personal limitations and reaches out for advice and support when needed	4	3	3	3	E
Admits mistakes	4	3	3	3	E
Respects confidentiality	4	3	3	3	E
<b>4.9. TEAM CAPABILITIES - Creating group synergy in pursuing collective goals</b>					E
Models team qualities like respect, helpfulness, and cooperation	4	3	2	2	E
Can draw all members into active and enthusiastic participation	4	2	2	1	E
Can build team identity, camaraderie, and commitment	4	2	1	1	E
Protects the group and its reputation; shares credit	4	3	2	1	E

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Champions the team within the organization	4	3	2	2	E
Helps remove organizational barriers and identifies resources to assist the team	4	2	2	1	E
Encourages others to work as a team and provides others with feedback to help them be better team members	4	2	1	n/a	E
Can provide input without taking over	4	2	1	1	E
Can provide guidance when the team is off track on an assignment	4	2	1	n/a	E
Recognizes the efforts of other team members	4	3	2	2	E
Fulfills commitment to other team members	4	3	3	3	E
Participates in maintaining a good spirit in the team	4	3	3	3	E
Cooperates with other team members	4	3	3	3	E
Shares ideas	4	3	3	3	E



