

# Internal Auditing Competency Framework™

Global Practice Guide

Aligns with the Global Internal Audit Standards



The Institute of  
**Internal Auditors**

GENERAL GUIDANCE

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# About the IPPF

A framework provides a structural blueprint and coherent system that facilitates the consistent development, interpretation, and application of a body of knowledge useful to a discipline or profession. The International Professional Practices Framework® (IPPF)® organizes the authoritative body of knowledge, promulgated by The Institute of Internal



**International  
Professional Practices  
Framework®**  
(IPPF)

Auditors, for the professional practice of internal auditing. The IPPF includes Global Internal Audit Standards™, Topical Requirements, and Global Guidance.

The IPPF addresses current internal audit practices while enabling practitioners and stakeholders globally to be flexible and responsive to the ongoing needs for high-quality internal auditing in diverse environments and organizations of different purposes, sizes, and structures.

## Global Guidance

Global Guidance supports the Standards by providing nonmandatory information, advice, and best practices for performing internal audit services. It is endorsed by The IIA through formal review and approval processes.

Global Guidance provides detailed approaches, step-by-step processes, and examples on subjects including:

- Assurance and advisory services.
- Engagement planning, performance, and communication.
- Financial services.
- Fraud and other pervasive risks.
- Strategy and management of the internal audit function.
- Public sector.
- Sustainability.
- Global Technology Audit Guides® (GTAG®) provide auditors with the knowledge to perform assurance and advisory services related to an organization's information technology and information security risks and controls.

[Global Guidance](#) is available as a benefit of membership in The IIA.

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# Executive Summary

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The Internal Auditing Competency Framework™ is a foundational tool for structuring and evaluating the competencies required in the internal audit profession. It presents competencies in four high-level groupings and 28 knowledge and skill subcategories that can be tailored to reflect an organization's priorities and structure. The framework defines four distinct levels of proficiency, ranging from basic awareness to expert-level mastery, that align with typical job roles and responsibilities. For each subcategory, the framework describes characteristics of internal auditors demonstrating increasing levels of proficiency in their work, illustrating individual growth and the collective capability of the internal audit function.

The Internal Auditing Competency Framework Practice Guide presents an integrated approach to understanding and overseeing the competencies necessary to provide valuable internal audit services. The guide:

- Identifies the portions of the Global Internal Audit Standards most relevant to managing and developing competencies.
- Provides an overview of the Internal Auditing Competency Framework.
- Is based on an understanding that individuals hold job roles that carry certain expectations for proficiencies and that expectations and relevant competencies vary by organization.

The Competency Framework Practice Guide is aligned with the requirements in the Global Internal Audit Standards, which specify obligations for individual auditors, engagement supervisors, and chief audit executives. The members of an internal audit function are responsible for developing the competencies to enable and enhance their ability to deliver valuable assurance, advice, insight, and foresight, as described in the Standards' Purpose of Internal Auditing.

This practice guide is accompanied by a set of templates for implementing the framework to:

- Assess individual and collective proficiencies.
- Develop training and resourcing plans.
- Align capabilities with the organization's priorities, the internal audit strategic plan, and market-driven factors.

Using the templates to assess and document the management and development of competencies also helps the chief audit executive demonstrate conformance with many requirements in the Standards, as described in an accompanying conformance checklist.

# Introduction

**Internal auditing** is most effective when performed by competent professionals in conformance with the Global Internal Audit Standards. The Standards' glossary defines **competency** as "knowledge, skills, and abilities."<sup>1</sup> For internal auditors, competency includes being able to provide risk-based, objective **assurance** and **advisory services**. Competency also covers the knowledge and skills necessary to engage with the **board** and **senior management** to establish and oversee an effective, efficient internal audit function. Competent internal auditors enable the **internal audit function** to create, protect, and sustain organizational value, thus fulfilling the Purpose of Internal Auditing.

The standards related to Principle 3 Demonstrate Competency emphasize that individuals are responsible for developing and applying the competencies necessary to fulfill their professional responsibilities, while chief audit executives must ensure that the internal audit function collectively possesses the competencies to perform the services described in the **internal audit charter**. Accordingly, a competency framework for internal auditing should support assessments of the competencies and **proficiency** levels of individual internal auditors and of the internal audit function collectively.

The Internal Auditing Competency Framework Practice Guide provides practical guidance for internal auditors, chief audit executives, and others to define and meet the expectations of their roles. It includes three main components:

- An identification of the competency-related requirements of the Standards.
- The Internal Auditing Competency Framework, which identifies significant groupings of knowledge and skill areas, along with characteristics of proficiency levels.

## Note

Terms in **bold** are defined in the glossary in Appendix B.

The Global Internal Audit Standards use certain terms as defined in the glossary. To understand and implement the Standards correctly, it is necessary to understand and adopt the specific meanings and usage of the terms as described in the glossary.

The Standards use the word "must" in the Requirements sections and the words "should" and "may" to specify common and preferred practices in the Considerations for Implementation sections.

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1. The Internal Auditing Competency Framework uses just "knowledge" and "skills" for simplicity.



- A section on how to use the Competency Framework and accompanying templates to help identify and assess relevant competencies, promote continuous professional development, and conform with the requirements in the Standards.

The framework and related templates are flexible to allow for each organization's priorities to be reflected in its desired mix of competencies and proficiency levels.



# Competency in the Global Internal Audit Standards

The Standards guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function. The Standards include mandatory and recommended guidance related to competency, covering how individual internal auditors and the internal audit function collectively contribute to the function's ability to provide valuable services.

Expectations for competencies relate to individuals' roles:

- Chief audit executives are responsible for directing, managing, and contributing to the **governance** of the internal audit function.
- Internal auditors may have supervisory and/or operational roles that contribute to managing the function and performing assurance and advisory services.
- Board members responsible for overseeing the internal audit function should understand The IIA's International Professional Practices Framework as well as governance, **risk management**, and significant organizational processes.

An overview of the Standards domains illustrates how these expectations are expressed:

- **Domain II: Ethics and Professionalism.** "Demonstrate Competency" is the third principle; the related standards cover individual auditors' responsibilities and the chief audit executive's responsibilities for the collective competencies of the internal audit function.
- **Domain III: Governing the Internal Audit Function.** The competencies expected of the chief audit executive and related board responsibilities are mentioned in the principles and standards covering independent positioning and oversight of the function.
- **Domain IV: Managing the Internal Audit Function.** The competencies of the chief audit executive and other managers are described as critical to strategic planning, resource management, effective communications, and quality improvement.
- **Domain V: Performing Internal Audit Services.** Competencies related to project management, data analysis, and communication are necessary to achieve the principles and standards for planning, conducting, and reporting the results of assurance and advisory services.

While a case can be made for how competency is relevant to every principle and requirement, specific Standards' references to expectations for competency are detailed below.





## Domain II: Ethics and Professionalism

The principles, standards, and requirements in Domain II are mainly focused on individual attributes. However, some requirements extend to the chief audit executive's responsibilities for managing the function's collective competencies to fulfill the expectations of the board and senior management. The extent to which those expectations are met largely determines the perceived value of the internal audit function, thus reinforcing the need to obtain and develop sufficient competencies.

For individuals, **integrity** is described as a necessary foundation for competency and other traits, and intentionally misleading others by misrepresenting one's competency or qualifications is an example of unethical behavior. Similarly, competent internal auditors are expected to be aware of and manage personal biases and exercise **professional skepticism** when evaluating evidence.

### *Principle 3 Demonstrate Competency*

The Standards highlight competency as necessary to achieving the Purpose of Internal Auditing. Within this principle, the requirements are organized into two standards:

- **Standard 3.1 Competency.** Establishes the connection between the Standards and the knowledge, skills, and abilities necessary to fulfill the responsibilities of internal auditors, including the chief audit executive.
- **Standard 3.2 Continuing Professional Development.** Requires internal auditors to continually develop competencies, including maintaining professional certifications.

In alignment with these standards, the Competency Framework Practice Guide addresses individual auditors, including chief audit executives as practitioners and those responsible for leading the internal audit function.

#### **For Individual Auditors**

Standard 3.1 states: "Each internal auditor is responsible for continually developing and applying the competencies necessary to fulfill their professional responsibilities." Similarly, Standard 3.2 requires internal auditors to "maintain and continually develop their competencies to improve the effectiveness and quality of internal audit services." These statements emphasize the importance of individual responsibility and motivation to obtain the necessary training and pursue development opportunities.

The considerations for implementation in Standard 3.1 recommend that internal auditors develop competencies in several high-level categories. Template A1 of the Excel workbook accompanying this guide provides a comprehensive, flexible categorization of knowledge and skill subject areas with a matrix of proficiency levels and illustrative examples of proficiency in each area.

#### **For Chief Audit Executives**

Standard 3.1 establishes a need for the chief audit executive to understand the competencies necessary to deliver the services described in the internal audit charter and to document the



extent to which the current team of internal auditors and contracted resources possesses those competencies.

## Domain III: Governing the Internal Audit Function

The Domain III standards and their requirements describe the chief audit executive's responsibilities for governing the function, while the essential conditions describe the activities that the board and senior management take to enable the internal audit function to achieve the Purpose of Internal Auditing. The principles for governing include authorizing, positioning, and overseeing the function. Just as the **internal audit mandate** determines the demand for internal audit services, the governance decisions determine the quality and quantity of the internal audit function's competencies.

Additionally, the standards in Domain III specify competencies for two roles: chief audit executives and external assessors.

### *Standard 7.2 Chief Audit Executive Qualifications*

Standard 7.2 states that the chief audit executive is responsible for providing the board with the information needed to understand the qualifications and competencies necessary to manage the internal audit function and fulfill the board's expectations. Similarly, the essential conditions state that the board and senior management work together to determine the necessary competencies for the chief audit executive.

One essential condition for the board refers specifically to managing the internal audit function as described in Domain IV, reinforcing that the function's knowledge and skills should be aligned with the principles of planning strategically, managing resources, communicating effectively, and ensuring quality. The considerations for implementation in Standard 7.2 provide high-level examples of desirable competencies for chief audit executives and other recommendations.

### *Standard 8.4 External Quality Assessments*

Standard 8.4 requires external quality assessments, including self-assessments with independent validation, to be performed by a "qualified, independent assessor or assessment team" containing at least one person with an active Certified Internal Auditor® (CIA®) designation. The CIA indicates a sufficient understanding of the Standards and a commitment to ethics and professionalism.

Although the only required qualification for external quality assessments is that at least one team member holds an active CIA, the considerations for implementation suggest that other relevant factors include competencies relevant to internal auditing and the organization's priorities.

## Domain IV: Managing the Internal Audit Function

The expectations for the chief audit executive's ability to manage the function should be aligned with the requirements in Domain IV. Relevant competencies are organized into the four principles



described below. The proficiency levels of those managing the internal audit function largely influence the function's ability to deliver valued assurance and advisory services.

### ***Principle 9 Plan Strategically***

The standards in this principle recognize that to deliver valuable assurance, advice, insight, and foresight, internal auditors must understand not only general concepts of governance, risk management, and control processes but also the strategies, objectives, **risks**, and external environment of their organizations. To align the internal audit function's efforts with the organization's priorities, the chief audit executive must be proficient in the knowledge and practice of strategy and implement appropriate **methodologies**.

#### **Standard 9.1 Understanding Governance, Risk Management, and Control Processes**

This standard establishes that the chief audit executive must understand the organization's governance, risk management, and control processes to provide assurance and advisory services. The requirements and the considerations for implementation provide examples of such processes but do not attempt to provide a comprehensive framework for identifying relevant competencies.

#### **Standard 9.2 Internal Audit Strategy**

The internal audit strategy must include a vision, strategic objectives, and supporting initiatives for the internal audit function. The objectives define achievable targets to attain the vision. At least one objective should set a target proficiency level for each competency subcategory to effectively fulfill the mandate. The initiatives supporting the strategy should include opportunities to help internal auditors continuously progress toward the desired proficiency levels. Other initiatives to enhance the effectiveness and efficiency of organizationwide assurance and advisory services may include using technology, coordinating with other assurance providers, and outsourcing some activities. The function's collective competencies should result in the assurance, advice, insight, and foresight expected by the board and senior management.

#### **Standard 9.3 Methodologies**

The chief audit executive must establish methodologies and provide training to implement the internal audit strategy, develop a risk-based **internal audit plan**, and conform with the Standards. Internal audit methodologies establish consistent approaches for engaging with the board and senior management in governance and management processes and performing high-quality assurance and advisory services. Training on the methodologies and opportunities to implement them help internal auditors increase their proficiencies in managing the function and performing engagements.

### ***Principle 10 Manage Resources***

This principle and its standards recognize that delivering internal audit services requires sufficient, appropriately managed resources. Competencies have a market value, so chief audit executives, board members, and senior management should base the internal audit function's



resource needs on an assessment of the competencies and proficiency levels needed, the job roles that can be expected to deliver the desired proficiencies, and the current costs for such expertise.

### **Standard 10.2 Human Resources Management**

The chief audit executive is responsible for ensuring that the people hired to perform internal audit services, whether employees or contractors, have the competencies necessary to perform the services described in the internal audit charter and the strategy. The human resources must be appropriate (in other words, having the knowledge and skills at the proficiency levels necessary to achieve the organization's priorities), sufficient in quantity, and effectively deployed.

Standard 10.2 also requires the chief audit executive to evaluate and develop the competencies of individuals through training and other means, echoing the guidance in Standards 3.1 and 9.3.

### ***Principle 11 Communicate Effectively***

The standards in this principle address a specific group of competencies: communication skills. From building relationships to communicating results effectively, the requirements emphasize the importance of getting agreement and commitment from management to address significant risk exposures and consider the internal audit function's recommendations. Without such outcomes, communications may not be considered effective, despite their technical or creative qualities.

### ***Principle 12 Ensure Quality***

The chief audit executive and others with supervisory responsibility ensure the quality of the internal audit function by developing, implementing, and overseeing processes to ensure conformance with the Standards and the achievement of various performance measures. The competencies necessary to perform these duties primarily include knowledge of the components of the International Professional Practices Framework (IPPF), especially the **quality assurance and improvement program**, as well as exemplary ethics and professionalism.

### **Standard 12.1 Internal Quality Assessment**

The chief audit executive is responsible for ensuring that resources assigned to perform internal quality assessments understand the IPPF components and the function's methodologies with sufficient proficiency.

### **Standard 12.2 Performance Measurement**

The requirements include identifying measurable objectives for the internal audit function, then implementing a process to record and monitor the achievement of or progress toward the objectives. Some objectives and performance measures may be directly related to identifiable competencies; for example, measures of project completion against established targets reflect project management skills. Other measures may be more indirectly related to specific competencies. For example, **stakeholder** satisfaction measures are likely to be influenced by a



combination of perceptions of the internal auditors' communication and data analysis skills, knowledge of the organization's processes, plus other relevant competencies.

### **Standard 12.3 Oversee and Improve Engagement Performance**

Competencies related to overseeing and improving the performance of others depend on advanced proficiency in implementing the established internal audit methodologies and professional competencies. Examples include communicating feedback effectively and motivating or coaching others to enhance their performance and proficiencies.

## **Domain V: Performing Internal Audit Services**

The principles in Domain V generally align with a project management approach to planning, conducting, and communicating the **results of internal audit services**. The subjects of these efforts – the **activities under review** in an assurance or advisory engagement – are typically governance, risk management, and control processes. Therefore, the competencies necessary to perform internal audit services cover all Knowledge and Skill subcategories in the Competency Framework.

Applying the skills to the knowledge areas should produce valuable insight and foresight in the form of identified risk exposures, opportunities for value enhancement, **root cause** analysis of deviations from evaluation **criteria**, recommendations for the design or implementation of controls, and agreed-on action plans.



# Internal Auditing Competency Framework

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The Internal Auditing Competency Framework presents examples of actions that demonstrate progressive levels of proficiency in specified Knowledge and Skill subcategories. The proficiency levels should generally correlate to the value of the insight and foresight that can be expected or delivered. The examples shown in Template A1 serve as baselines for individual and collective assessments of proficiency. Template A2 in the workbook provides examples of significant subjects or processes included in each subcategory. The chief audit executive should modify the competency subcategories to align with the organization's priorities.

## Components of the Internal Auditing Competency Framework

The Competency Framework consists of:

- Four high-level categories:
  - Internal Auditing Competencies.
  - Professional Competencies.
  - Governance and Risk Management Competencies.
  - Operational Area Competencies.
- Knowledge and Skill subject areas (subcategories) within each high-level group.
  - The subcategories should be edited to emphasize significant subjects and align with the organization's structure, processes, and priorities.
- Proficiency Levels and Characteristics for assessing competency, which describe progressively complex demonstrations of proficiency in the Knowledge and Skill subcategories.

## Knowledge and Skill Subcategories

Figure 1 shows the Knowledge and Skill subcategories within each high-level category. Template A1 in the workbook provides characteristics associated with the four proficiency levels for each subcategory. The characteristics are not exhaustive; similar characteristics can be described for any of the significant subjects or processes within each subcategory, which are shown in Template A2.



Figure 1. High-level Categories and Knowledge and Skill Subcategories

High-level Category	Knowledge and Skill Subcategory
Internal Auditing Competencies	International Professional Practices Framework
	Ethics and Professionalism
	Quality Assurance and Improvement Program
	Audit Methodologies
	Integrated and Coordinated Assurance
	Reporting Results
Professional Competencies	Leadership
	Professional Communications
	Negotiation and Conflict Management
	Data Analysis
	Project Management
Governance and Risk Management Competencies	Governance
	Strategy
	Enterprise Risk Management
	Compliance
	Fraud
	Organizational Resilience
	Sustainability
Operational Area Competencies	Accounting
	Customer Relationship Management
	Cybersecurity
	Finance
	Human Resources
	Information Technology
	Marketing
	Sales
	Supply Chain Management
	Other Significant Sectors, Functions, or Processes



The default Knowledge and Skill subcategories are provided as a starting point. The chief audit executive should review and adjust them to align with the organization's:

- Performance management or professional development categories.
- Priorities and operational areas.
- Significant groupings of objectives, risks, and controls.

The subcategories are not mutually exclusive; for example, the subcategories “Quality Assurance and Improvement Program” and “Ethics and Professionalism” could be considered part of the International Professional Practices Framework (IPPF) subcategory since those subjects are defined in the Standards, which are part of the IPPF. These categories have been separated out to emphasize areas for special focus, even though there may be logical redundancies. Proficiency assessments should try to reflect distinct achievements in these areas.

## Proficiency Levels

The four Proficiency Levels in the Competency Framework reflect progressive complexity and responsibility. The characteristics for each proficiency level, shown in Template A1, aim to reflect global leading practices, though each organization's circumstances may differ. For example, the desired proficiencies for a senior auditor may vary slightly among regions, sectors, and organizations.

The general characteristics at each proficiency level are described as follows:

- **Basic Proficiency.** The individual is aware of the components of the subcategory, typically through education. However, the individual has limited experience applying the knowledge, exercising the skills, or working with or examining the organizational processes.
- **Intermediate Proficiency.** The individual applies some knowledge, performs some skills, or works with certain processes. For example, an individual demonstrates the ability to integrate knowledge and skills into an audit engagement but may not be considered ready to lead an engagement on the topic.
- **Advanced Proficiency.** The individual demonstrates the ability to lead or supervise an assurance or advisory engagement in a knowledge subcategory or offer training on a skill subcategory.
- **Expert Proficiency.** The individual demonstrates significant insight, foresight, and value through mastery of the knowledge or skill subcategory. The individual is considered a trusted advisor by the board and senior management and a thought leader or exemplary model by other internal auditors.

Expectations for proficiency levels may vary by organizational characteristics, geography, sector, the size of the internal audit function, and more. There are no widely adopted rules for relating proficiency levels with job roles and their value. Still, proficiency levels are typically correlated with the value and level of a job role due to market forces. When determining the proficiency





expectations for specific job roles, chief audit executives should consider organizational constraints and expectations, relevant market conditions, and leading practices.

### ***Impact of Certifications and Experience***

Many internal auditors obtain professional certifications to demonstrate proficiency and credibility in various subject areas. The IIA awards credentials such as the Internal Audit Practitioner™ (IAP), Certified Internal Auditor® (CIA®), and Certification in Risk Management Assurance® (CRMA®) to professionals who demonstrate an understanding of relevant knowledge and skill areas and meet established standards of experience. Credentialing promotes consistency and adherence to leading practices.

The Competency Framework Practice Guide does not specify how assessments of individuals' proficiency levels in specific subcategories should reflect the attainment of certifications. Professional judgment should always be applied when assessing an individual's proficiency against standardized characteristics.

While proficiency levels are correlated with the amount of experience an individual has with a skill or a subject area, experience alone does not determine an individual's proficiency. Proficiency also depends upon the difficulty, breadth, depth, and complexity of the experiences. The characteristics of proficiency in the Competency Framework refer to specific accomplishments, which individuals may not demonstrate despite having extensive experience. Conversely, individuals with relatively little experience may demonstrate proficiency with specific accomplishments.

Furthermore, the Competency Framework Practice Guide does not specify a time limit or expiration date for the impact of past experiences on current proficiency. It is possible for proficiency in some subject areas, particularly ones with frequent changes, such as information technology and cybersecurity, to degrade over time. For such competencies, continuing professional education may help individuals maintain their proficiency levels; however, training alone may be insufficient for advancing to the next level of proficiency. Multiple examples of evidence are typically needed to determine that a higher proficiency level in any competency has been attained.

## **Job-Level Expectations**

The Standards mention only three internal audit roles: internal auditor, engagement supervisor, and chief audit executive. However, practices globally have essentially standardized certain job roles and associated them with specific competencies and levels of experience and proficiency. The characteristics, competencies, and expectations for the particular roles described below may be useful benchmarks. The expectations reflected in the role profiles are examples rather than requirements or minimums.

The main factor differentiating one level from another is the number of competencies that progress to higher proficiency levels rather than the particular Knowledge and Skill subcategories indicated in the templates. For example, a lead auditor (engagement supervisor) typically attains advanced levels of proficiency in several subcategories, while a senior auditor (general) has intermediate proficiencies but is advanced in few or no subcategories. The senior auditor



(general) may need to progress to advanced proficiency in several subcategories before being considered for a lead auditor (engagement supervisor) role.

Users of the Competency Framework templates should adjust the titles and expectations of the Role Profiles to their organizational circumstances and/or consider using the templates as support for proposing adjustments to internal auditors' job levels.

### ***Entry-level and Staff Auditor***

Entry-level roles often target recent college graduates whose education is assumed to have conveyed at least an awareness and understanding (basic proficiency) of relevant subjects. These candidates may be hired as trainees, apprentices, or staff auditors. Staff auditors may have some experience, but both entry-level and staff auditors require supervision to perform internal audit services effectively.

Many organizations seek entry-level candidates with degrees in accounting or finance, which cover fundamental auditing concepts and methodologies, organizational structures, significant functions and processes, and relevant information about governance, risk management, and control processes. However, organizations may also value other relevant professional competencies, including data analysis, communications, and project management, and seek candidates with experience in operational areas like marketing, information technology, or cybersecurity.

### ***Senior Auditor (general and specialist)***

The senior auditor title is often used to convey that the individual has demonstrated intermediate proficiency in Internal Auditing and Professional Competencies, generally having more years of relevant experience than the staff auditor level. Senior auditors may be expected to execute **engagement planning** and fieldwork under the direction of a more qualified engagement supervisor, but often with less assistance than an entry-level or staff auditor. In some internal audit functions, senior auditors (general) may be expected to supervise the work of staff auditors.

Individuals transferring into internal auditing from other functions may have enough relevant experience and proficiency with Governance, Risk Management, and Operational Area Competencies to be considered senior auditors (specialists) due to the market value of their skills, even if they have only a basic proficiency level in Internal Auditing Competencies. Typically, senior auditors should demonstrate at least intermediate proficiency in the Internal Auditing Competencies after a reasonable amount of time in the function.

### ***Lead Auditor (engagement supervisor and technical)***

The lead auditor level usually indicates an engagement supervisor or someone with technical skills at an advanced proficiency level, whose market value is higher than that of a senior auditor. Related job titles include lead auditor, technical auditor, and audit manager.

Engagement supervisors should lead engagement planning, which includes performing **risk assessments**, prioritizing business objectives to be included in each engagement's scope and developing a work program to achieve the **engagement's objectives**.



Technical auditors typically lead the planning and fieldwork related to one or more areas in which they have advanced proficiency while not being responsible for the entire engagement. An engagement supervisor or technical auditor should demonstrate advanced proficiency in at least some of the Internal Auditing and Professional Competencies and in more than one of the Governance, Risk Management, and Operational Area Competencies that are significant to the organization.

### ***Senior Audit Manager and Director (non-chief audit executive)***

Internal auditors responsible for managing projects and other auditors are typically given senior manager or director titles, depending on their proficiencies, market value, and factors specific to the organization or internal audit function. In small internal audit functions or functions where the chief audit executive is a director-level job role, the expectations placed on the senior audit manager may be similar to those placed on a director (non-chief audit executive) at a larger organization. In internal audit functions where the chief audit executive supervises directors and senior managers, proficiency expectations for the directors are typically higher than they are for senior managers. Directors (non-chief audit executive) and senior managers should demonstrate at least advanced proficiency in all Internal Auditing Competencies, while directors (non-chief audit executive) typically demonstrate expert-level proficiency in one or more subcategories, reflecting and corresponding to their higher market value.

### ***Chief Audit Executive***

Chief audit executives should demonstrate at least advanced proficiency in all Internal Auditing and Professional Competencies, with expert-level proficiency expected in most of them. They should also generally have expert-level proficiency in some Governance and Risk Management Competencies.

The Internal Auditing, Professional, and Governance and Risk Management Competencies relate to the chief audit executive's ability to:

- Contribute to the governance and strategy of the internal audit function.
- Lead and manage the internal auditors.
- Communicate and negotiate effectively throughout the organization.
- Advise the board and senior management on how to enhance the effectiveness of the organization's risk management processes.
- Apply advanced analytics and continuous risk monitoring.
- Provide thought leadership on emerging risk trends, regulatory expectations, and leading practices in enterprise risk management.

When the chief audit executive enters the position from a different function, industry, or sector, the board should be aware that the individual may have only basic or intermediate proficiency in some subcategories. In such situations, the board may expect the executive to develop certain competencies to advanced proficiency within a reasonable amount of time.



### ***Audit Committee Member***

Members of a board's audit committee are typically highly experienced current or former executives. As such, they usually possess expert-level proficiencies in some subcategories, especially in the Governance, Risk Management, and Operational Area Competencies with which they have previous professional experience. Audit committee members should have advanced proficiency in the Internal Auditing and Professional Competencies. However, if new audit committee members are at basic or intermediate proficiency levels for some Internal Auditing Competencies, the chief audit executive is responsible for providing them with the information and interaction necessary to enhance their proficiency levels in a reasonable amount of time.

### ***Quality Assessment Team Leader***

The leader of a quality assessment team, or an individual solely responsible for a quality assessment, typically has expert-level proficiency in most of the Internal Auditing Competencies, especially the Quality Assurance and Improvement Program. Assessors may benefit from completing training in quality assessment methodologies.

An external quality assessment must have at least one person with a CIA leading or performing the work. Having a CIA conveys a certain level of credibility and adherence to ethical and professional standards.

Internal quality assessments are not subject to the CIA requirement, though the quality of such assessments largely depends on the assessor's proficiencies and professionalism.

Internal and external quality assessment team leaders should also have advanced proficiencies in the Operational Area Competencies that are significant to the organization to provide advice on how the internal audit function's strategy, planning, and resources can be aligned to deliver optimal value to the board and senior management.



# Using the Competency Framework

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The Competency Framework Practice Guide provides a methodology to assess individual and collective competencies. The guidance helps individuals and leaders identify areas of individual and collective strengths as well as gaps between desired and current proficiencies, which can inform professional development and resourcing plans.

These assessments should be performed on an ongoing basis to ensure that the value of internal audit services continues to meet stakeholder expectations.

## As an Individual

The Individual Competency Assessment in Template A3 is used to assess proficiency in the specified subcategories by comparing an internal auditor's documented competencies against characteristics of progressively complex and valuable proficiency in those areas. The individual's self-assessment is helpful to identify strengths and relative weaknesses, which should inform a training plan to maintain and enhance certain proficiencies. Template A3 also includes a column for recording the prior proficiency assessments to identify areas of professional development and demonstrate the achievement of prior plans or targets.

The individual's manager should review the self-assessment and provide feedback because the manager may consider the strength of the evidence differently and thus rate certain proficiencies differently. The manager may also identify different or additional subcategories that the individual should develop, for example, to align with the internal audit function's collective proficiency needs.

While there may not be an explicit or automatic link between competency development and career progression, the Role Profile examples in Templates B1-B9 are helpful for benchmarking an individual's assessed proficiencies against typical expectations for their current or desired role. Comparing an individual's competency assessment against the Role Profile examples may provide evidence that the individual is a good candidate for promotion or that certain competencies need to be improved to meet the expectations for their current role. A column in Template A3 is dedicated to documenting actions to be taken by the individual and their supervisor to meet the target proficiency in each subcategory during the next period. The "Other Notes" column may be used to record observations or other evidence to support the proficiency assessment or professional development plan.

## As a Chief Audit Executive

The chief audit executive should review the subcategories in Template A1 and the additional context in Template A2 to ensure the Competency Framework aligns with the organization's



priorities. If new subcategories should be added or existing subcategories combined, such changes should be extended to all the other templates to ensure a consistent methodology.

The chief audit executive and others with supervisory responsibilities should use Template A3 to **periodically** review individual self-assessments of competencies and provide feedback and coaching. When an individual's self-rated proficiency level is higher or lower than the supervisor's, there may be differences in expectations of the current job role and perceptions of the accomplishments. Discussions can help align both parties with a mutual understanding, including the actions to be taken by the individual and supervisor and the appropriate training and development to be pursued. Such discussions should be part of the chief audit executive's approach to promoting individual development and meeting the internal audit function's competency goals.

The Collective Competency Assessment in Template A4 is used to summarize the proficiencies of the internal auditors. Template A4 includes columns for recording the prior and current collective proficiency assessments, targets for future periods, and actions to be taken by the chief audit executive. The desired proficiency level should align with the internal audit function's strategy and organizational priorities. Setting goals and tracking the progress towards those goals promotes continuous improvement and helps the chief audit executive demonstrate conformance with the Standards.

After ensuring that the competency subcategories are aligned with organizational priorities and assessing collective competencies, the chief audit executive should identify gaps between the desired and current proficiencies and determine how to obtain the necessary resources. The approach may include training, hiring, and **outsourcing** (including from other functions within the organization). The chief audit executive may use the documentation from a collective competency assessment when requesting the financial, human, and technological resources needed to support the internal audit strategy and complete the internal audit plan.

If the internal audit charter specifies that the function should provide advisory services, the chief audit executive should ensure that the function possesses at least advanced proficiency in the relevant Governance, Risk Management, and Operational Area Competencies. Achieving expert-level proficiency in critical subject areas indicates that the internal audit function and chief audit executive are trusted advisors to the board and senior management.

### ***Determining Competency Needs for Engagements***

Engagement supervisors must determine the competencies necessary to provide valuable insight and foresight in assurance and advisory engagements, which benefit from proficiencies in the Knowledge and Skill subcategories. Engagement supervisors should compare individual competencies with engagement risk assessments, objectives, and scope to identify resources with relevant strengths and build a team with complementary skills.

If an engagement calls for proficiency in a specific Knowledge or Skill subcategory that the internal auditors do not possess, the engagement supervisor should discuss the situation with the chief audit executive. The chief audit executive should determine whether other resources can be obtained, or the **engagement work program** modified to leverage the competencies of available resources.



At the end of an engagement, feedback from the engagement supervisor can be used as objective evidence to support or update individual competency assessments.

### ***Reporting to the Board and Senior Management***

The chief audit executive is responsible for communicating to the board and senior management whether the internal audit function possesses an appropriate and sufficient mix of competencies. As the Standards indicate, appropriate competencies align with the organization's priorities, and sufficient refers to the quantity of resources available to work on engagements.

The chief audit executive can use the results of the collective competency assessment to support periodic communications with the board and senior management about the appropriateness and sufficiency of the internal audit function's human resources. Similarly, if a chief audit executive identifies that the internal audit function is not providing the desired value, the collective proficiency levels may need to be adjusted.

The chief audit executive should consult with the board and senior management to establish competency-related performance measures for the internal audit function, such as attaining and maintaining professional credentials, completing specified training, or conducting certain engagements. The performance management process should also include setting competency goals for the chief audit executive and providing self-assessments to the board and senior management. Performance measurements for the chief audit executive and the function should demonstrate continuous improvement.

### ***Performance Evaluations and Promotions***

Assessments of individual and collective competencies should be updated based on observed performance. The frequency and methodology for such updates may vary; however, changes to an assessed proficiency level should be accompanied by supporting documentation that provides a basis for communication, agreement, and setting goals. Engagement supervisors should provide feedback on performance during and after engagements to support proficiency assessments. Similarly, the chief audit executive should periodically review assessed proficiencies against targets to determine whether the tactics for developing and obtaining appropriate competencies have been effective or need adjustment.

The Role Profile examples in Templates B1-B9 may be useful for benchmarking competency expectations for various job levels. A general assumption is that roles and job levels increase in responsibility and remuneration as proficiency levels increase. The chief audit executive should review the examples to ensure consistency with market conditions.

Chief audit executives and other supervisors should be aware of how individual competency assessments compare to job-level expectations and consider such factors in discussions about promotions, strategic plans, and budgets. Decisions on whether to promote certain individuals take many factors into account; however, comparing proficiencies to standardized characteristics should improve the consistency and objectivity of such decisions.



# Appendix A. Relevant IIA Standards

The following IIA resources were referenced in this guide.

## Principles and Standards

Principle 3 Demonstrate Competency

Standard 3.1 Competency

Standard 3.2 Continuing Professional Development

Standard 7.2 Chief Audit Executive Qualifications

Standard 8.1 Board Interaction

Standard 8.4 External Quality Assessments

Principle 9 Plan Strategically

Standard 9.1 Understanding Governance, Risk Management, and Control Processes

Standard 9.2 Internal Audit Strategy

Standard 9.3 Methodologies

Principle 10 Manage Resources

Standard 10.2 Human Resources Management

Principle 11 Communicate Effectively

Standard 11.2 Effective Communication

Principle 12 Ensure Quality

Standard 12.1 Internal Quality Assessment

Standard 12.2 Performance Measurement

Standard 12.3 Oversee and Improve Engagement Performance

Principle 13 Plan Engagements Effectively

Standard 13.5 Engagement Resources

Principle 14 Conduct Engagement Work

Principle 15 Communicate Engagement Results





## Appendix B. Glossary

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Definitions are taken from the “Glossary” within The IIA’s publication, Global Internal Audit Standards, 2024 Edition, unless otherwise noted.

**advisory services** – Services through which internal auditors provide advice to an organization’s stakeholders without providing assurance or taking on management responsibilities. The nature and scope of advisory services are subject to agreement with relevant stakeholders. Examples include advising on the design and implementation of new policies, processes, systems, and products; providing forensic services; providing training; and facilitating discussions about risks and controls. “Advisory services” are also known as “consulting services.”

**assurance** – Statement intended to increase the level of stakeholders’ confidence about an organization’s governance, risk management, and control processes over an issue, condition, subject matter, or activity under review when compared to established criteria.

**assurance services** – Services through which internal auditors perform objective assessments to provide assurance. Examples of assurance services include compliance, financial, operational or performance, and technology engagements. Internal auditors may provide limited or reasonable assurance, depending on the nature, timing, and extent of procedures performed.

**board** – Highest-level body charged with governance, such as:

- A board of directors.
- An audit committee.
- A board of governors or trustees.
- A group of elected officials or political appointees.
- Another body that has authority over the relevant governance functions.

In an organization that has more than one governing body, “board” refers to the body or bodies authorized to provide the internal audit function with the appropriate authority, role, and responsibilities.

If none of the above exists, “board” should be read as referring to the group or person that acts as the organization’s highest-level governing body. Examples include the head of the organization and senior management.

**chief audit executive** – The leadership role responsible for effectively managing all aspects of the internal audit function and ensuring the quality performance of internal audit services in



accordance with Global Internal Audit Standards. The specific job title and/or responsibilities may vary across organizations.

**competency** – Knowledge, skills, and abilities.

**control** – Any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved.

**control processes** – The policies, procedures, and activities designed and operated to manage risks to be within the level of an organization’s risk tolerance.

**criteria** – In an engagement, specifications of the desired state of the activity under review (also called “evaluation criteria”).

**engagement** – A specific internal audit assignment or project that includes multiple tasks or activities designed to accomplish a specific set of related objectives. See also “assurance services” and “advisory services.”

**engagement conclusion** – Internal auditors’ professional judgment about engagement findings when viewed collectively. The engagement conclusion should indicate satisfactory or unsatisfactory performance.

**engagement objectives** – Statements that articulate the purpose of an engagement and describe the specific goals to be achieved.

**engagement planning** – Process during which internal auditors gather information, assess and prioritize risks relevant to the activity under review, establish engagement objectives and scope, identify evaluation criteria, and create a work program for an engagement.

**engagement results** – The findings and conclusion of an engagement. Engagement results may also include recommendations and/or action plans.

**engagement supervisor** – An internal auditor responsible for supervising an internal audit engagement, which may include training and assisting internal auditors as well as reviewing and approving the engagement work program, workpapers, final communication, and performance. The chief audit executive may be the engagement supervisor or may delegate such responsibilities.

**governance** – The combination of processes and structures implemented by the board to inform, direct, manage, and monitor the activities of the organization toward the achievement of its objectives.

**impact** – The result or effect of an event. The event may have a positive or negative effect on the organization’s strategy or business objectives.

**integrity** – Behavior characterized by adherence to moral and ethical principles, including demonstrating honesty and the professional courage to act based on relevant facts.

**internal audit charter** – A formal document that includes the internal audit function’s mandate, organizational position, reporting relationships, scope of work, types of services, and other specifications.



**internal audit function** – A professional individual or group responsible for providing an organization with assurance and advisory services.

**internal audit mandate** – The internal audit function’s authority, role, and responsibilities, which may be granted by the board and/or laws and/or regulations.

**internal audit manual** – The chief audit executive’s documentation of the methodologies (policies, processes, and procedures) to guide and direct internal auditors within the internal audit function.

**internal audit plan** – A document, developed by the chief audit executive, that identifies the engagements and other internal audit services anticipated to be provided during a given period. The plan should be risk-based and dynamic, reflecting timely adjustments in response to changes affecting the organization.

**internal auditing** – An independent, objective assurance and advisory service designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

**methodologies** – Policies, processes, and procedures established by the chief audit executive to guide the internal audit function and enhance its effectiveness.

**outsourcing** – Contracting with an independent external provider of internal audit services. Fully outsourcing a function refers to contracting the entire internal audit function, and partially outsourcing (also called “cosourcing”) indicates that only a portion of the services are outsourced.

**periodically** – At regularly occurring intervals, depending on the needs of the organization, including the internal audit function.

**professional skepticism** – Questioning and critically assessing the reliability of information.

**proficiency** – advancement in knowledge or skill [Merriam-Webster Dictionary <https://www.merriam-webster.com/dictionary/proficiency>].

**quality assurance and improvement program** – A program established by the chief audit executive to evaluate and ensure the internal audit function conforms with the Global Internal Audit Standards, achieves performance objectives, and pursues continuous improvement. The program includes internal and external assessments.

**results of internal audit services** – Outcomes, such as engagement conclusions, themes (such as effective practices or root causes), and conclusions at the level of the business unit or organization.

**risk** – The positive or negative effect of uncertainty on objectives.

**risk assessment** – The identification and analysis of risks relevant to the achievement of an organization’s objectives. The significance of risks is typically assessed in terms of impact and likelihood.



**risk management** – A process to identify, assess, manage, and control potential events or situations to provide reasonable assurance regarding the achievement of the organization’s objectives.

**root cause** – Core issue or underlying reason for the difference between the criteria and the condition of an activity under review.

**senior management** – The highest level of executive management of an organization that is ultimately accountable to the board for executing the organization’s strategic decisions, typically a group of persons that includes the chief executive officer or head of the organization.

**stakeholder** – A party with a direct or indirect interest in an organization’s activities and outcomes. Stakeholders may include the board, management, employees, customers, vendors, shareholders, regulatory agencies, financial institutions, external auditors, the public, and others.



# Appendix C. Templates

The Microsoft Excel workbook accompanying this guide contains templates to present and apply the Competency Framework.

Sheet Number	Title	Description of Contents
A1	Competency Framework	A matrix of Knowledge and Skill subcategories and proficiency levels, with characteristic descriptions and examples for each combination.
A2	Knowledge and Skill subcategory examples	Examples of some of the key processes or subtopics that would be considered part of each Knowledge and Skill subcategory.
A3	Individual Competency Assessment	A template to record individual competency assessments, to facilitate development and conformance with the Standards.
A4	Collective Competency Assessment	A template to record collective competency assessments, to facilitate resource planning and conformance with the Standards.
B1	Role Profile 1: entry-level internal auditor	Example of a typical competency assessment for an entry-level internal auditor.
B2	Role Profile 2: staff-level internal auditor	Example of a typical competency assessment for a staff-level internal auditor.
B3	Role Profile 3: senior internal auditor (general)	Example of a typical competency assessment for a senior internal auditor (general).
B4	Role Profile 4: senior internal auditor (specialist)	Example of a typical competency assessment for a senior internal auditor (specialist).
B5	Role Profile 5: lead auditor (engagement supervisor)	Example of a typical competency assessment for a lead auditor (engagement supervisor).
B6	Role Profile 6: lead auditor (technical)	Example of a typical competency assessment for a lead auditor (technical).
B7	Role Profile 7: senior audit manager	Example of a typical competency assessment for a senior audit manager.
B8	Role Profile 8: internal audit director (non-CAE)	Example of a typical competency assessment for an internal audit director (non-CAE).
B9	Role Profile 9: chief audit executive	Example of a typical competency assessment for a chief audit executive.
B10	Role Profile 10: audit committee member	Example of a typical competency assessment for an audit committee member.
B11	Role Profile 11: quality assessment team leader	Example of a typical competency assessment for a quality assessment team leader.
C1	Conformance Checklist	Opportunities to use the Competency Model and accompanying templates to support demonstrating conformance with requirements in the Standards.



### About The Institute of Internal Auditors

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