

SELECTION AND EVALUATION OF INTERNAL AUDITORS

Management System of the Polytechnic Institute of Viana do Castelo



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ABSTRACT

The implementation of Management Systems (MS) has been growing in Portugal since the beginning of the 21st century, playing an increasing role within the institutions. Higher Education Institutions (HEIs) follow this trend, as an increasing number of these institutions have their Management Systems implemented. In MS self-assessment processes, institutions use a variety of mechanisms, including internal audits. In an audit program, the management of auditor teams is essential for the efficiency of processes, which contribute to continuous improvement by seeking to leverage a commitment between stakeholders (audited and auditors). In order to do this, it is necessary to invest systematically in a structured and qualified internal audit team with effective selection and evaluation criteria. Currently, there is a need to implement procedures to qualify auditors, select and evaluate their performance, based on their technical and personal skills, to ensure quality audits and their results.

MATERIALS AND METHODS

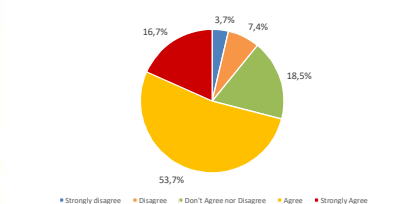
This study aims to analyze the impact of the evaluation of the internal auditors (IA) of the MS, as an element that enhances the efficiency and quality of a HEI, with a the intent to develop an evaluation model of Polytechnic Institute of Viana do Castelo (IPVC) internal auditors, taking into account the improvement of the efficiency and quality of the organization, supported by appropriate internal auditor profiles.

The method used consisted of conducting questionnaire surveys through a digital platform, addressed to a population consisting of two groups: *a)* internal auditors of the IPVC's MS and *b)* audited in the MS processes, a total of 480 individuals. The sample obtained was 22,5% of the population, with 108 valid surveys. Data analysis was based on descriptive statistics, using cross-tables to relate the subsample responses.

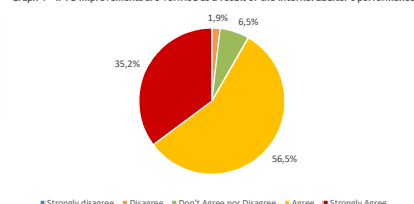
RESULTS

The analyzed results focus: *a)* the perception of the improvements resulting from the performance of the internal auditors (IA); *b)* the relationship between the evaluation and competence of the IA; *c)* the communication of the IA's role in the IPVC; *d)* the main benefits of internal audit; *e)* the processes and methods of IA evaluation and *f)* its contribution to the continuous improvement of the institution. The improvements that result from the performance of IA are clearly stated by the majority of the respondents (Graph 1).

The evaluation of IA is considered by most respondents to be very relevant for determining their competence (Graph 2), with a high level of agreement (92%). The opinion of IA's and audited shows that there is a need to reinforce communication about the IA's role in the IPVC (Graph 3), especially in the subsample IA's that have a significant level of disagreement (44%), while audited have 24,1%. The main benefit of the internal audit (Graph 4) is to identify and mitigate risks and propose improvements (58,3% «strongly agree»). Concerning IA's assessment methods (Graph 5), only tests (to evaluate behaviors, knowledge, know-how and its application) obtained lower levels of agreement (56,4%), especially in the IA's subsample. Finally, the contribution of IA's evaluation to the continuous improvement of the IPVC (Graph 6), has a very high level of agreement.



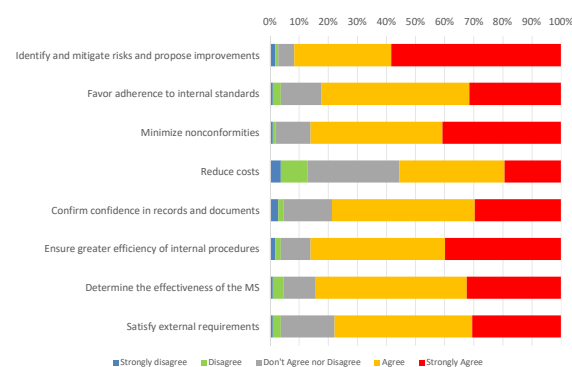
Graph 1 - IPVC improvements are verified as a result of the internal auditor's performance



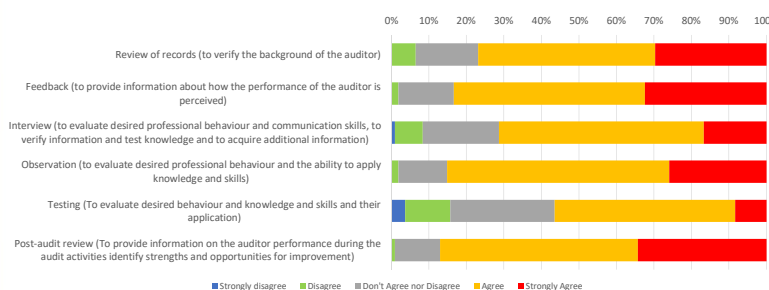
Graph 2 - The evaluation of the internal auditors is relevant to determine their competence



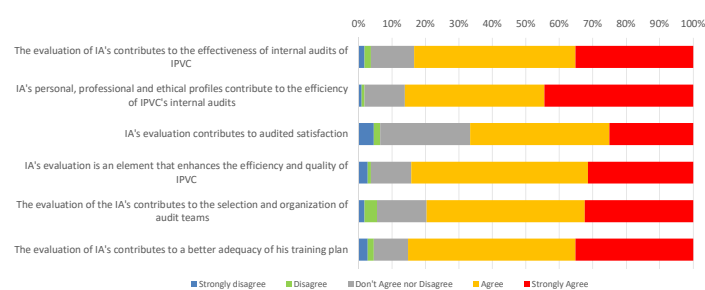
Graph 3 - The function of the internal auditor is communicated within the IPVC



Graph 4 - Key benefits of internal audit



Graph 5 - Auditor evaluation methods.



Graph 6 - The evaluation of the internal auditors and their contribution to the continuous improvement of the IPVC

CONCLUSIONS

The results obtained from the 108 valid questionnaires, show that it's possible to assess the level of agreement on the improvements resulting from the IA's performance. There is an opportunity to improve the perception of IA's performance. The evaluation of the IA's is relevant to determine their competence. The internal audit main benefits, according to the majority of respondents are to «identify and mitigate risks and propose improvements», «ensure greater efficiency of internal procedures», and «minimizing nonconformities».

The IPVC IA's evaluation model should incorporate the methods that obtained the highest relevance rates. The «post-audit review» (34.3%) is the most consensual method between IA's and audited, followed by «feedback» (32.4%) and the «review of records» (29.6%).

Most respondents (IA's and audited) agree with the contribution of the IA evaluation to the continuous improvement of IPVC and that personal, professional and ethical profiles contribute to the efficiency of institution internal audits. It is also consensual and considered relevant that the IA's evaluation contributes to a better IA's training plan.

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