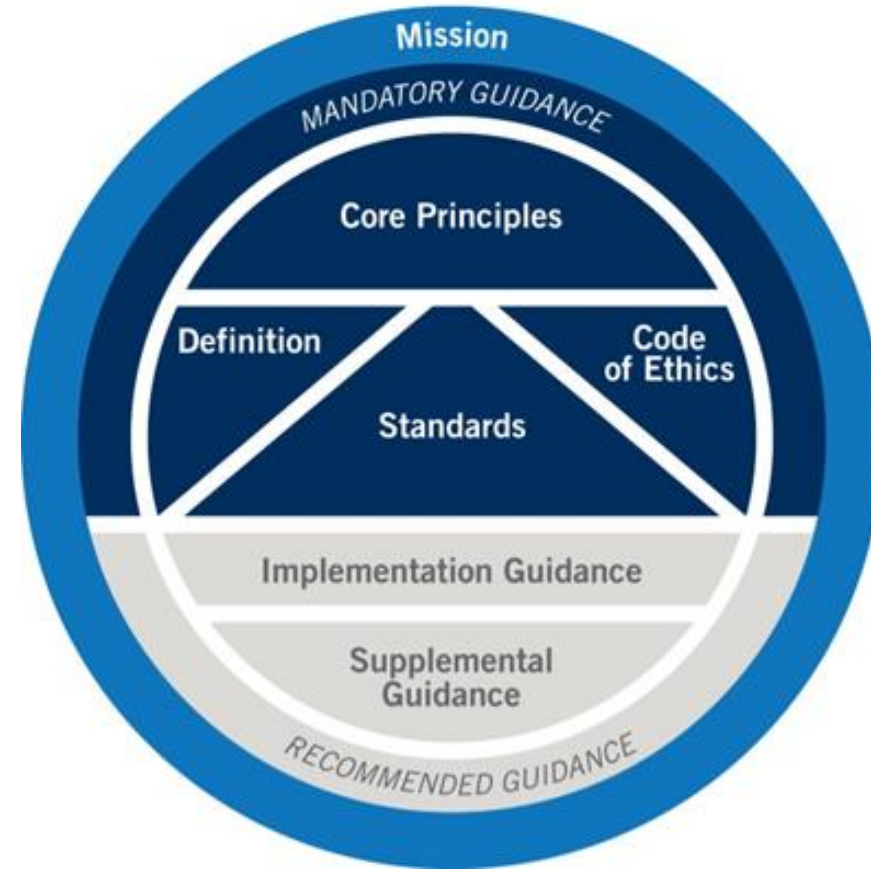


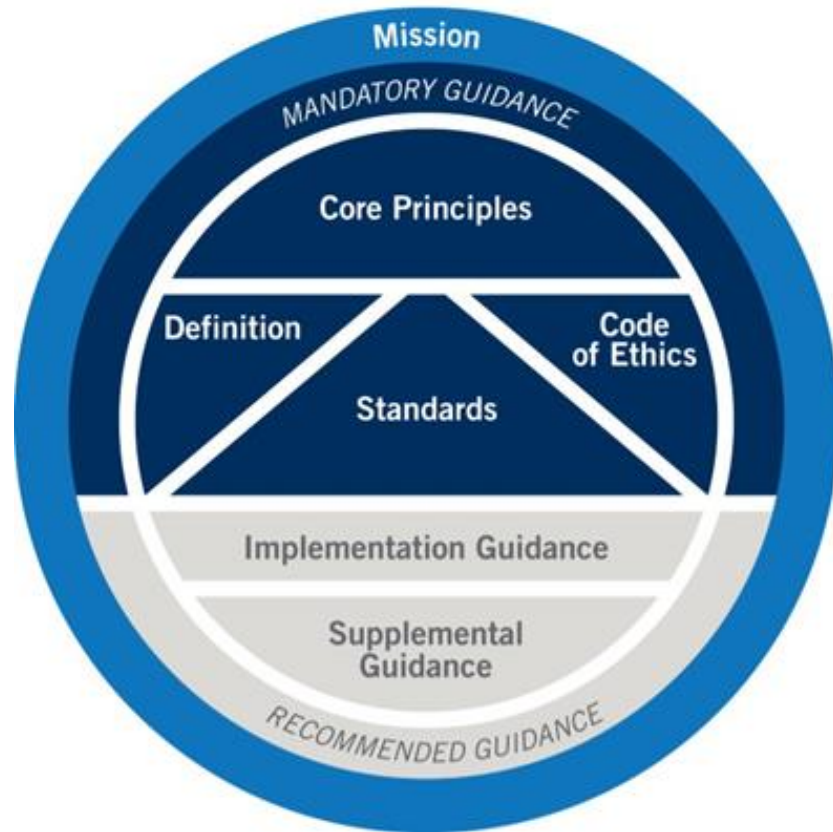
The IPPF in 2017

How changes to The IIA's
guidance framework can benefit
internal auditors and SAIs

From the Previous IPPF ... To the New IPPF



International Professional Practices Framework



- Launched July 2015
 - Introduced Mission.
 - Introduced 10 Core Principles.
 - Implementation Guidance.

Why Revise the *Standards*?

- Ongoing process—IPPF mandatory guidance reviewed at least once every three years.
 - Last revision to the *Standards* published in 2013.
 - To keep up with the demands of today's business environment.
 - CAEs being asked to accept other roles and responsibilities.
- New IPPF introduced in 2015.
 - Included new mandatory guidance, the Core Principles for the Professional Practice of Internal Auditing.
- IASB reviewed relationship between the *Standards* and the Core Principles.
 - Proposed changes better highlight the relationship.

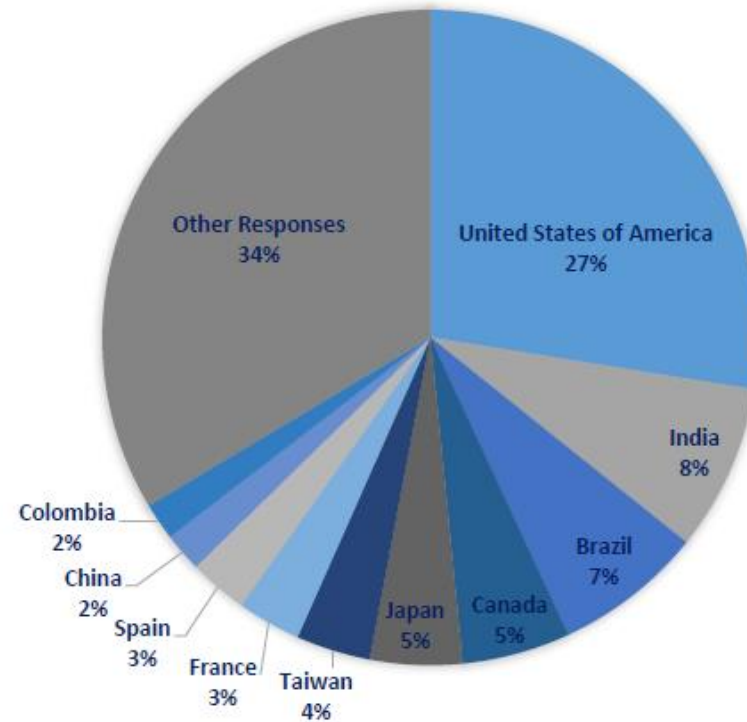
Global Exposure

- 16 languages.
- 3,000+ webinar attendees.
- 8,000+ AuditChannel.tv video views.
- 35,000+ unique web page visits.



Global Response

- 1,144 survey responses.
- 76 institutes represented.



Overwhelming support across 42 survey questions related to the revisions to the *Standards*, with 94.4% agreeing or strongly agreeing.

External Stakeholders

- The IPPF Oversight Council provided additional review, which allowed for vital input from other standard-setting bodies and related groups including INTOSAI, NACD, OECD, IFAC and World Bank

Overview of Changes to the *Standards*

New standards to address:

- Chief audit executives taking on roles and responsibilities beyond internal auditing.
- Potential objectivity-impairing situation of performing assurance role after previous consulting role.

Updates to existing standards to clarify requirements:

- Relationship between new Core Principles, such as “Is insightful, proactive and future-focused,” and the *Standards*.
- Quality assessment and improvement program.
- Communications between CAE, the board, and senior management.
- Scope of EQA: must opine on conformance with *Standards* and Code of Ethics.

Overview of Changes to the *Standards*

Updates to the Introduction to the *Standards*:

- Clarify that the *Standards*, together with the Code of Ethics, encompass mandatory elements.
- Conformance with the Code of Ethics and *Standards* demonstrates conformance with all mandatory elements.
- Modifications to enhance the flow and clarify the introduction

Updates to Standards Glossary:

- Added definition of Core Principles.
- Modified definition of Board.
- Modified definition of IPPF.
- Modified definition of CAE.

Implementation Guidance

Significant work was done to update dozens of existing implementation guides to reflect the IPPF changes ahead of the Jan. 1, 2017 effective date.

- Purpose, Authority, and Responsibility
- Recognizing Mandatory Guidance in the Internal Audit Charter
- Independence and Objectivity
- Organizational Independence
- Direct Interaction with the Board
- Chief Audit Executive Roles Beyond Internal Auditing
- Individual Objectivity
- Impairment to Independence or Objectivity
- Proficiency and Due Professional Care
- Proficiency
- Due Professional Care

Supplemental Guidance

- Practice Guides, Global Technology Audit Guides (GTAGs), and Guides to the Assessment of IT Risks (GAIT) now are part of Supplemental Guidance under the new IPPF.

Next Steps: Future of the IPPF

Next Steps:

- New *Standards* go into effect Jan. 1, 2017
- New 2017 IPPF (Redbook) available 1Q 2017.
- New QA manual available 2Q 2017.
- Certifications: Exam Questions no earlier than July 1, 2017.



<https://global.theiia.org/standards-guidance/Pages/2016-Standards-Exposure.aspx>

Global Public Sector Insight

- The IIA's Global Public Sector Insight (GPSI) compared INTOSAI and IIA authoritative guidance frameworks (1Q 2016)
- Comparison found a great deal of similarity between the frameworks:
 - Principles-based
 - Strive to strengthen the position of internal audit profession
 - Recognize IA conducted in diverse legal and cultural environments



IPPF and Government Audits

- The IPPF is already the basis for public sector auditing in many countries.
- e.g. numerous UK government agencies currently use IIA *Standards*.

Parting Thoughts

- INTOSAI and IIA partnership continues to grow.
- Two strong organizations working toward a common goal.
- Eager to find new opportunities for collaboration and cooperation.

INTOSAI

