



INTOSAI'S REPRESENTATION IN INTERNATIONAL STANDARD-SETTING BODIES

INSTITUTE OF INTERNAL AUDITORS – INTERNATIONAL PROFESSIONAL PRACTICES FRAMEWORK OVERSIGHT COUNCIL (IPPF OC)

Representative: Mr Jacek JERIERSKI, Advisor to President, SAI Poland (term 2016-2018)

IPPF OC Mission: The mission of the International Professional Practice Framework (IPPF) Oversight Council is to evaluate and advise on the adequacy and appropriateness of The IIA's IPPF standard- and guidance-setting processes.

IPPF OC membership: representatives nominated from different organisations in the stakeholder community (boards, management, public and private sector auditors, regulators and government authorities, investors, and international organisations), and two IIA representatives.

Stakeholders currently represented on IPPFOC: IFAC, World Bank, OECD, the National Association of Corporate Directors (NACD) and INTOSAI.

IPPF OC Chair: Alta Prinsloo, IFAC

INTOSAI representative Jacek Jezierski participated in the IPPFOC in-person meetings in November 2016 and in March 2017.

Recent discussions regarding the Council's role and mission:

The discussions held by the Council's members included ways the Council could evolve beyond advising on the adequacy and appropriateness of the IIA's IPPF standard- and guidance-setting processes to also include providing insights or advice on matters relevant to the *Standards*.

The Council was originally created for an independent view of The IIA's standard-setting processes, but The IIA is open to a role including coaching relevant to the *Standards*. IIA President and CEO Richard Chambers, who participated in the Council's latest meeting in March 2017 noted that – while the Council is predominantly intended to be an observer of the standard-setting process with a focus on quality, independence, and providing recommendations to the Board – it can also have capacity for an advisory role.

Specific considerations for a more involved future discussion related to the mission of the Council included:

- To serve in the public interest related to international standard-setters,
- To provide an advisory role for aspects outside of but related to standard-setting,
- To enhance and facilitate standard-setting with other organisations (as a new responsibility).

In addition, there was a discussion related to The IIA's position related to the public sector and the challenges in terms of how independence of internal audit is viewed. When The IIA began 75 years ago, the culture of The IIA was to help in the private sector first – The IIA was founded by the corporate audit community, and the public sector joined later. Some of the strategic discussion questions posed by the Council included:

- Is the largest area for membership growth / growth in the profession in the public sector?

- Does The IIA need to better articulate alignment of the Standards for the public sector, or is there a need to discuss a separate set of Standards?
- In terms of wanting to strategically move forward with recognition of internal audit as a profession, how can The IIA address independence issues / perceptions in the public sector?

Considerations regarding INTOSAI:

- INTOSAI could introduce internal audit as a value creator in every ministry.
- INTOSAI could focus on having a relationship with internal audit by leveraging internal audit reports and recommendations. The IIA and INTOSAI also need to address the concept of a single audit, and not audit the same things when The IIA and INTOSAI standards are similar.
- The IIA needs to be more involved in other standard-setting bodies, including INTOSAI. Rather than commenting on a final exposure draft, The IIA should be involved during the entire process.
- Have The IIA's Professional Responsibility and Ethics Committee (PREC) compare The IIA's Code of Ethics with INTOSAI and IFAC.

Upcoming Council meetings:

- Virtual meeting on 11 September 2017 related to international committee meetings in July;
- IIA committee meeting observations on 29-30 November 2017;
- Tbc: additional meeting to review the governance task force exposure to affiliates and members (September).

[May 2017]