



FOUNDATIONAL PRINCIPLES OF THE GLOBAL INTERNAL AUDIT STANDARDS.

**UNDERSTAND, ACT AND
CONFORM!**

A STRUCTURED APPROACH:



WHAT'S THE IIA GLOSSARY DEFINITION?



WHAT ARE THE UNDERLYING/RELATED PRINCIPLES?



WHAT ATTITUDES AND BEHAVIORS ARE EXPECTED?



WHAT MUST THE INTERNAL AUDITOR DO?



HOW IS CONFORMANCE DEMONSTRATED?

INTEGRITY:

INTEGRITY IS BEHAVIOR CHARACTERIZED BY ADHERENCE TO MORAL AND ETHICAL PRINCIPLES, INCLUDING DEMONSTRATING HONESTY AND THE PROFESSIONAL COURAGE TO ACT BASED ON RELEVANT FACTS.

INTEGRITY:

Principle	Underlying Principles	Qualities of the Internal Auditor	Actions for Effective Application	Evidence of Conformance
Integrity	Honesty	Truthful	Enabling an environment where internal auditors feel supported when expressing legitimate, evidence-based engagement results, whether favorable or unfavorable. (CAE)	Ethics, law, regulation and professionalism training and education plan.
		Accurate	Arranging opportunities for education and training. (CAE)	Documented evidence of internal auditors' attendance or participation in ethics education and training.
		Clear		
		Open	Supervising and reviewing engagement plans and work programs; providing guidance to Internal Auditors on how to address potential/real situations that challenge honesty and courage. (CAE)	Internal Auditor Performance Objectives including honesty and courage, and evidence of such performance evaluation.
	Courage	Tactful	Soliciting feedback from stakeholders/auditees on the demonstrated courage and honesty of Internal Auditors. (CAE)	Documented feedback from key stakeholders regarding the honesty and courage of internal auditors.
		Respectful		Internal Auditors' signature of adherence to the organization's code of ethics and good conduct.
	Alignment with the organization's ethical expectations	Internal auditors are expected to understand, respect, meet, and promote the ethical expectations of the organization, and must be able to recognize and report conduct that is contrary to those expectations.		Internal Auditors' signature of commitment to act in adherence with the organization's code of ethics and good conduct.
Alignment with relevant laws and regulation.	Internal auditors are expected to understand and abide by the laws and/or regulations governing the organization within which they operate, and disclose any identified legal or regulatory violations to the appropriate authorities as per law, regulation and company policy.		Internal Auditors' signature of commitment to act in adherence with relevant laws and regulation. Documented review of work papers and communication with supervisors or legal counsel to address problematic illegal and unprofessional situations.	

OBJECTIVITY:

OBJECTIVITY IS AN **UNBIASED** MENTAL ATTITUDE THAT ALLOWS INTERNAL AUDITORS TO MAKE **PROFESSIONAL JUDGMENTS**, FULFILL THEIR RESPONSIBILITIES, AND **ACHIEVE THEIR PURPOSE** WITHOUT COMPROMISE.

OBJECTIVITY:

Principle	Underlying Principles	Qualities of the Internal Auditor	Actions for Effective Application	Evidence of Conformance
Objectivity	N/A	Impartial	<p>Organizing training to help internal auditors to better understand objectivity-impairing scenarios and how best to address them (CAE)</p> <p>Developing awareness of the ways in which situations, activities, and relationships may affect their ability to be objective (Internal Auditors).</p>	<p>Internal Audit charter mandating obligation for the internal auditor to maintain objectivity.</p> <p>Objectivity and conflict of interest training and education plan + evidence of attendance.</p> <p>Records of disclosures of conflict-of-interest situations, and actions taken (by appropriate parties) to manage continuity.</p> <p>Methodologies for identifying conflict of interest situations per engagement and taking appropriate safeguards.</p>
	N/A	Unbiased	<p>Adopting a mindset of professional skepticism: understanding that humans have a natural tendency to misrepresent events (Internal Auditors).</p> <p>Disclosing and avoiding conflict of interest situations/mindsets that could encourage bias and undue influence. (Internal Auditors).</p> <p>Avoiding tangible or intangible gifts, rewards, or favors, that may impair or be perceived to impair objectivity. (Internal Auditors).</p>	<p>Performance criteria, bonus and remuneration arrangements that foster objectivity and foreclose potential impairments to objectivity.</p> <p>Notes from engagement supervision; verifying conclusions are well supported and conflict of interest situations disclosed.</p> <p>Documented feedback from key stakeholders regarding the perceived objectivity of the internal auditor.</p>

COMPETENCY:

COMPETENCY IS THE SUM OF 'KNOWLEDGE, SKILLS AND ABILITIES.' EXPECTED FROM THE INTERNAL AUDITOR.

COMPETENCY:

Principle	Underlying Principles	Qualities of the Internal Auditor	Actions for Effective Application	Evidence of Conformance
Competency	Knowledge	Understand: <ul style="list-style-type: none"> - Complexity and materiality of risks (external and internal) related to the organization and its business - Fraud types and probabilities - Laws, regulation and best practices relevant to the organization. - Trends and emerging issues related to the organization. - Stakeholder expectations 	Engage only in those services for which they have or can attain the necessary competencies. (Internal Auditor)	Internal audit competency map (listing of certifications, education, CPEs, experience, work history, and other qualifications of internal auditors), highlighting gaps in relation to execution of annual/strategic audit plan. Risk assurance competency map (listing of certifications, education, CPEs, experience, work history, and other qualifications of all assurance service providers within the organization), opportunities to complement competency gaps through other units. Internal auditor competency self assessment following adopted competency framework.
		Have a good mastery of techniques in: <ul style="list-style-type: none"> - GRC processes 	Obtain appropriate professional credentials and certifications. (Internal Auditor)	
		Demonstrate effective capacities in: <ul style="list-style-type: none"> - Financial Management - Information Technology - Data collection, analysis and interpretation 	Continually identify and engage necessary training and education on audit methodologies and the business of the organization (Internal Auditor)	
		Demonstrate effective capacities in: <ul style="list-style-type: none"> - Communication & collaboration - Supervision & Leadership 	Ensure that the internal audit function collectively possesses (and otherwise can obtain) the competencies to perform the internal audit services. (CAE)	
	Skills		Establish minimum expectations for professional development of internal auditors. (CAE)	Results of assessment of internal auditors' career paths and needs for professional development.
	Abilities		Include funding for training and professional development in the internal audit budget. (CAE)	
			Assign work and orient recruitments based on the assessed competency strengths and weaknesses of the internal audit activity. (CAE)	Internal audit training (conferences, workshops) plan and budget.
			Consider relying on the competencies of other assurance service providers and external consultants to fill competency gaps. (CAE)	

DUE PROFESSIONAL CARE :

DUE PROFESSIONAL CARE IS THE LEVEL OF **SKILL,**
CARE AND APPLICATION EXPECTED FROM A
REASONABLY PRUDENT AND COMPETENT
PROFESSIONAL IN SIMILAR CIRCUMSTANCES.

DUE PROFESSIONAL CARE :

Principle	Underlying Principles	Qualities of the Internal Auditor	Actions for Effective Application	Evidence of Conformance
Due Professional Care	Diligence	Conformance with the GIAS.	<ul style="list-style-type: none"> - Establish internal audit methodology that aligns with the law, authoritative guidance and the GIAS. (CAE) - Align the internal audit methodology (SOP) with changes to the GIAS and other authoritative guidance updates. (CAE) - Plan and perform engagements in accordance with approved methodology and the GIAS. (Internal Auditor) - Disclose non-conformance with the standards and alternative courses of action taken due to limiting circumstances, legal and other authoritative guidance. (CAE) 	<p>Documented and up-to-date internal audit methodology (Charter & SOP) that aligns with the law, authoritative guidance and the GIAS.</p> <p>References in internal audit methodology (SOP) to relevant legal, regulatory and other authoritative guidance.</p> <p>Disclosures of non-conformance with the standards due to legal and other authoritative limitations, and alternative actions taken.</p> <p>Standard audit plan & program designed and documented following a thorough assessment of the nature, circumstances, and requirements of the services to be audited.</p>
	Judgement	Consideration of nature, circumstances and requirements of the processes and organization to be audited.	<ul style="list-style-type: none"> - Ensure that engagement work programs are designed and executed methodically in relation to the specific nature, circumstances, and requirements of audited services. (CAE) 	<p>Documented supervision of work papers to ensure exhaustive assessment of the nature, circumstances, and requirements of the services to be audited.</p>
	Skepticism	Application of professional skepticism in the analysis of information.	<ul style="list-style-type: none"> - Organize workshops to help internal auditors build their capacity in terms of understanding and practicing professional skepticism. (CAE) - Review audit work papers to validate the application of professional skepticism by the internal auditor. (CAE) - Gather sufficient and appropriate facts and information to substantiate conclusions. (Internal Auditor) 	<p>Plans and evidence of attendance to professional skepticism training.</p> <p>Adequate documentation of internal audit work papers, at best disclosing the detection of false/misleading information.</p> <p>Documented review and supervision of work papers to ensure :</p> <ul style="list-style-type: none"> - exhaustive assessment of the nature, circumstances, and requirements of the services to be audited. - opinions are fact and information based and not built on mere trust.

CONFIDENTIALITY :

INFORMATION OBTAINED IN THE COURSE OF
INTERNAL AUDITS SHOULD BE **USED AND
PROTECTED APPROPRIATELY**; FOR THE PURPOSES
OF THE AUDIT, AND ONLY DISCLOSED IF
PROFESSIONALLY OR LEGALLY OBLIGATED TO.

CONFIDENTIALITY :

Principle	Underlying Principles	Qualities of the Internal Auditor	Actions for Effective Application	Evidence of Conformance
Confidentiality	Appropriate Use of Information	N/A	<p>Use information received for professional purposes only and not for personal gain or to the detriment of the organization. (Internal Auditor)</p> <p>Be aware of and compliant with any policies and procedures related to the third-party information. (Internal Auditor)</p> <p>Do not disclose confidential information to unauthorized parties unless legally/professionally obligated to do so. (Internal Auditor)</p> <p>Ensure access to information for the purpose of audit is duly requested and provided following organization's policies and procedures. (Internal Auditor/CAE)</p> <p>Consult with legal counsel to better understand the impact of legal and/or regulatory requirements and protections. (CAE)</p> <p>Ensure appropriate security and encryption tools are applied in the use of confidential information by auditors. (CAE)</p>	<p>Documentation of Requests for Access to information and data for the purposes of audits.</p> <p>Documentation of security and encryption protocols restricting access to audit information to duly assigned/authorized auditors.</p> <p>Plans and evidence of attendance to training on privacy and confidentiality of information.</p> <p>Documentation of authorized or legally obligated disclosures or distribution of confidential information.</p>
	Appropriate Protection of Information	N/A	<p>Ensure internal auditors, outsourced internal auditors and persons on secondment in internal audit are aware of and understand the relevant laws, regulations, policies, and procedures related to confidentiality, information privacy, and information security. (CAE)</p> <p>Review audit plans and programs to ensure internal auditors understand the sensitivity and confidentiality to which they have access. (CAE)</p>	<p>Signed agreements to confidentiality or nondisclosure of information.</p>

For more, visit our **Tools** section for an on-demand **Ethics and Professionalism Checklist**, to guide a self-assessment your internal audit activity's conformance with the ethics and professionalism principles.



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rlotan@sg-consultants.com