

INTERNATIONAL PROFESSIONAL PRACTICES FRAMEWORK (IPPF)

Disclosure

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The mission of The IIARF is to expand knowledge and understanding of internal auditing by providing relevant research and educational products to advance the profession globally.

The Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) comprises the full range of authoritative guidance for the profession. The IPPF provides mandatory and strongly recommended guidance to internal auditors globally, and paves the way to world-class internal auditing.

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THE IIA'S AUTHORITATIVE GUIDANCE: WHAT'S NEW?

Given the pace of change in the global internal audit profession, in 2006 the Board of Directors (Board) of The Institute of Internal Auditors (IIA) established an international steering committee and task force to review the Professional Practices Framework (PPF) and The IIA's guidance structure along with the related processes. The task force's efforts were focused on reviewing the scope of the framework and increasing the transparency and consistency of the guidance's development, review, and issuance processes. The results culminated in a new International Professional Practices Framework (IPPF) and a reengineered Professional Practices Council (PPC). The PPC now coordinates the approval and issuance of IPPF guidance as stated in the council's updated mission statement, which was approved by the Board in June 2007.

As the conceptual framework that organizes guidance promulgated by The IIA, the IPPF's scope has been narrowed to include only authoritative guidance developed by IIA international technical committees following appropriate due process. Authoritative guidance consists of two categories:

Mandatory. Conformance with the principles set forth in mandatory guidance is required and essential for the professional practice of internal auditing. Mandatory guidance is developed following an established due diligence process, which includes a period of public exposure for stakeholder input. The three mandatory elements of the IPPF are the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*.

Strongly Recommended. Strongly recommended guidance is endorsed by The IIA through a formal approval processes. It describes practices for effective implementation of The IIA's Definition of Internal Auditing, Code of Ethics, and *Standards*. The three strongly recommended elements of the IPPF are Position Papers, Practice Advisories, and Practice Guides.

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The following table provides an overview of what's changed:

Professional Practices Framework			
	Mandatory	Strongly Recommended	Endorsed or Developed by The IIA
Definition	✓		
Code of Ethics	✓		
Standards	✓		
Practice Advisories		✓	
Development and Practice Aids			✓



International Professional Practices Framework		
	Mandatory	Strongly Recommended
Definition	✓	
Code of Ethics	✓	
Standards and Interpretations	✓	
Position Papers		✓
Practice Advisories		✓
Practice Guides		✓

The most significant changes in the new IPPF are:

- **Process Improvements.** Enhancements to the various elements, increased transparency, and defined review cycles for authoritative guidance. The review cycle for the IPPF has been determined to be three years. Although the guidance enunciated in the IPPF will not necessarily change every three years, The IIA is committed to ensuring that it is reviewed completely and that changes are made if necessary.
- **Development and Practice Aids.** This element is no longer included in the framework. It previously encompassed all resources (e.g., training, publications, and research reports) that internal auditors might use in the course of their work. Because the scope of the new IPPF includes only authoritative guidance, as defined above, this category did not fit within the new framework.
- **Interpretations.** These have been added to the *Standards* to provide further clarity to terms and phrases. Interpretations, where needed, will immediately follow the associated standard.
- **Practice Advisories.** These have been narrowed in scope to include only the methodology and approach for implementing the Definition of Internal Auditing, the Code of Ethics, and the *Standards*. Current content that addresses tools or techniques has been moved into the Practice Guides element.
- **Practice Guides and Position Papers.** These elements have been added to the IPPF. Practice Guides allow guidance to be issued at the tools and techniques level, and include detailed processes and procedures, programs, and step-by-step approaches (e.g., examples of deliverables). Position Papers address The IIA's view on the roles and responsibilities of internal auditing in regards to a particular issue.