The Institute of Internal Auditors

International Professional Practices Framework (IPPF)

Adopted July 14, 2007

DESCRIPTION	PROCESS	FINAL APPROVAL
Definition of Internal Auditing		
A statement of the fundamental purpose, nature, and scope of internal auditing.	• Developed and updated by a task force appointed by the Board of Directors. • Exposure period of 90 days and draft distributed to members, stakeholders, and other professionals.	Board of Directors
Code of Ethics		
A statement of the principles and expectations governing the behavior of individuals and organizations in the conduct of internal auditing. A description of the minimum requirements for conduct. The Code describes behavioral expectations rather than specific activities.	• Developed and updated by the Ethics Committee. • Exposure period of 90 days and draft distributed to members, stakeholders, and other professionals. Final review by the Internal Auditing Standards Board to ensure Code of Ethics does not contradict the Standards.	Board of Directors
International Standards for the Professional Practice of Internal Auditing		
The Standards are mandatory and consist of: 1. Statements of basic requirements for the professional practice of internal auditing and for evaluating the effectiveness of its performance, which are internationally applicable at the organizational and individual level. The Standards are principle focused and provide a framework for performing and promoting internal auditing as defined. The Standards' structure is maintained as: • Attribute Standards relate to the attributes of the internal auditing organization or attributes personal to the internal auditor including objectivity and independence, professional proficiency, and compliance with standards. • Performance Standards are applicable to the performance of work and address managing the internal audit processes; assessing risk, control, and governance processes; planning the engagement; testing and analyzing information; evaluating evidential matter; and communicating results.	• Developed and updated by the Internal Auditing Standards Board. • Exposure period of 90 days and draft distributed to members, stakeholders, and other professionals. • Ethics Committee is included in final review to ensure the Standards do not contradict the Code of Ethics.	• Internal Auditing Standards Board • Internal Audit Standards Oversight Board

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• Implementation Standards address appropriate means of applying Attribute and Performance *Standards* to only assurance and consulting activities. Such assurance and consulting services cover a broad range of topics to include reporting on internal control, information technology, fraud, investigations, directed topics, and standards issued by other standards setting bodies and adopted by The IIA. 2. Interpretations which clarify terms or concepts within the Statements. It is necessary to consider both the Statements and their Interpretations to understand and apply the Standards correctly.		
Position Papers		
An IIA statement to assist a wide range of interested parties, including those not in the internal auditing profession, in understanding significant governance, risk or control issues and delineating the related roles and responsibilities of the internal audit profession.	• The Professional Issues Committee will be the primary initiator for the development of Position Papers. However, any international committee and institute can initiate a Position Paper request. • The Professional Practices Council approves the development of Position Papers to ensure proper coordination and consistency. • As project manager of the Position Paper process, the Professional Issues Committee assigns responsibility for development, which may be performed by another international committee, institute, the Professional Issues Committee itself or any combination of the above. • Position Papers may be developed and published in partnership with other professional associations or not-for-profit organizations. • The outline of the Position Paper is reviewed by the Professional Issues Committee, Internal Auditing Standards Board, the Ethics Committee, other applicable international committees, and IIA institutes for input for a one month exposure. Institutes will be notified of impending review one month prior to receipt of outline. • The final draft of a Position Paper will be sent to the Internal Auditing Standards Board, the Ethics Committee, other applicable international committees, and IIA institutes for a one-month review period. Institutes will be notified of impending review one month prior to receiving the exposure draft. • The Internal Auditing Standards Board and the Ethics Committee will review the paper to ensure consistency with the Standards and the Code of Ethics. For either body to reject, a majority vote of its members is required. Rejection by either body is referred to the Professional	Executive Committee

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	Practices Council to facilitate resolution. • The developer of a Position Paper is responsible for its content, updating and resubmission to the Professional Issues Committee in accordance with review cycles.	
Practice Advisories		
Practice Advisories address approach, methodology and considerations, but not detailed processes and procedures which are addressed in Practice Guides. Practice Advisories provide concise and timely guidance to assist internal auditors in applying the Code of Ethics and the Standards and promoting good practices. This includes practices relating to: • International, country, or industry-specific issues; • Specific types of engagements; and • Legal or regulatory issues.	• The Professional Issues Committee will be the primary initiator for the development of Practice Advisories. However, any international committee and institute can initiate a request for a Practice Advisory. • The Professional Practices Council approves the development of practice advisories to ensure proper coordination and consistency. • As project manager of the practice advisory process, the Professional Issues Committee assigns responsibility for development, which may be performed by another international committee, institute, the Professional Issues Committee itself, or any combination of the above. • The Internal Auditing Standards Board and the Ethics Committee will review the final draft of Practice Advisories to ensure consistency with the Standards and the Code of Ethics. For either body to reject, a majority vote of its members is required. Rejection by either body is referred to the Professional Practices Council to facilitate resolution. • Other international committees may be involved in the review process as appropriate.	Professional Practices Council
Practice Guides		
Detailed guidance for conducting internal audit activities. This includes detailed processes and procedures, such as tools and techniques, programs, and step-by-step approaches, including examples of deliverables.	• The Professional Practices Council approves the development of practice guides to ensure proper coordination and consistency. The Council is responsible for the processes of developing, reviewing and approving practice guides. • The Council assigns the development to an international committee. • Final review of a practice guide is done by the Internal Auditing Standards Board and Ethics Committee to ensure consistency with the Standards and the Code of Ethics, respectively. For either body to reject, a majority vote of its membership is required. Rejection by either body is referred to the Professional Practices Council to facilitate resolution. • Other international committees may be involved in the review process as appropriate. • The developer of a practice guide is responsible for its content, updating and resubmission to the Professional Practices Council in accordance with review cycles.	Professional Practices Council

Approval of Guidance

Approval by two-thirds of the membership of the approval committee or board is required.

Arbitration

Should there be any substantive disagreements among committees or boards, then:

- Mandatory guidance will be arbitrated by the Board of Directors or its designated subcommittee.
- Strongly recommended guidance will be arbitrated by the Professional Practices Council.

Review Cycles for the IPPF

It is important that the IPPF guidance is current, relevant and timely. Therefore, the guidance is reviewed by appropriate international technical committees in response to any changes in business environment or legislation or coincident with the issuance of a new Common Body of Knowledge. In addition, guidance will be comprehensively reviewed by the responsible international technical committee at least once every three years. The review will either confirm the appropriateness of the guidance or identify necessary changes. The review process will be coordinated by the Professional Practices Council to ensure consistency among the IPPF elements.

Local Input to Global Guidance

A. IIA institutes may **not** issue guidance considered mandatory. Institutes may raise recommendations for changes to the *International Standards for the Professional Practice of Internal Auditing*, the Code of Ethics, and any other guidance contained in the IPPF to the appropriate committees or boards outlined in Section IV above. Such recommendations will be considered and acted upon as appropriate by the committee and boards designated within Section IV. The results of such consideration will be communicated back to the requesting institute.

B. Institutes may develop local guidance that is *strongly recommended*; e.g., Practice Advisories, Position Papers, and Practice Guides, by following the requirements below:

   1. Institutes are required to share their plans for developing guidance (Templates will be developed at a later date.) with IIA Global Headquarters at guidance@theiia.org to enable coordination and determine the potential for the development of international guidance.
   2. Once guidance is drafted, an institute is required to submit the draft to IIA Global Headquarters at guidance@theiia.org for routing to the appropriate IIA international technical committees. The committee(s) will review the draft guidance and provide feedback to that institute within 30 days (longer if translation is required). This review will provide institutes with assurance that the guidance is consistent with the International Professional Practices Framework.
   3. If it is consistent with the IPPF, an institute can issue the guidance locally, according to the local approval process. Local guidance may be considered for adoption by The IIA as international guidance, following the exposure and approval processes defined in Section IV, and with the agreement of that institute.
   4. Local and international guidance will be included on the guidance section of The IIA Web site.

   C. Translation of mandatory guidance must be authorized and approved by the Internal Auditing Standards Board.