



2025 Report

IPPF OVERSIGHT COUNCIL



The Institute of
Internal Auditors

theiia.org

Internal Auditing and Standard-Setting

Internal auditing provides boards and management with independent, risk-based, and objective assurance, advice, insight, and foresight to enhance organizations' success. It contributes to economic stability and social well-being by helping organizations perform reliably, ethically, and sustainably in pursuit of their objectives.

The professional practice of internal auditing is most effective when it conforms to authoritative, internationally recognized professional standards that create trust, confidence, and credibility. An independent, competent, and trusted internal audit function is essential for effective organizational governance, risk management, and control. This applies to all entities, regardless of size or sector, where internal auditing's mission is to protect and enhance an organization's value. All stakeholders, including employees, customers, service users, vendors, investors, taxpayers, and citizens, benefit from ethical and sustainable practices contributing to improved organizational performance, position, and prospects.

The International Professional Practices Framework® (IPPF®) organizes the mandatory and recommended pronouncements of The Institute of Internal Auditors® (IIA®) applicable to internal audit professionals worldwide. In this report, the term "Standards" refers to the mandatory elements of the IPPF, including the Global Internal Audit Standards™ and Topical Requirements. Global Guidance is a recommended element of the IPPF.

The IPPF Oversight Council

The IIA is a global professional association recognized as the leading authority in internal auditing standards, certification, education, research, and technical guidance. In 2010, The IIA's Global Board of Directors established the IPPF Oversight Council (IPPFOC) to promote inclusiveness, transparency, and other qualities important to the multiple stakeholders who benefit from having confidence that the IPPF serves the public interest. The IPPFOC evaluates and advises on the appropriateness of The IIA's structure and standard-setting process.

The IPPFOC is a competent, vigilant, and well-informed independent oversight body mandated to ensure that The IIA's International Internal Audit Standards Board (IIASB) and Global Guidance Council (GGC) follow sound governance and due process, consider input from a broad range of stakeholders, and ultimately serve the public interest.

Members of the IPPFOC include representatives from organizations operating in the public and private sectors that are invested in ensuring the Standards reflect the public interest. Membership comprises representatives of these organizations:

- **Global Network of Director Institutes (GNDI)** – An international collaboration of membership organizations sharing expertise in directorship and corporate governance.
- **International Federation of Accountants (IFAC)** – The accountancy profession's global voice, serving the public interest through advocacy, development, and support for professional accountancy organizations and millions of accountants, crucial to the global economy.
- **International Foundation for Ethics and Audit (IFEA)** – A nonprofit organization established to support high-quality independent international standard-setting in audit, assurance, and ethics.
- **International Monetary Fund (IMF)** – An international organization that promotes global economic growth and financial stability.
- **International Organization of Supreme Audit Institutions (INTOSAI)** – An autonomous, independent, nonpolitical professional organization that provides support to supreme audit institutions and sets standards for public sector auditing.

- **Organisation for Economic Co-operation and Development (OECD)** – An intergovernmental organization that provides a forum for countries to share data and best practices related to public policies and international standards that stimulate trade and economic progress and foster prosperity, equality, opportunity, and well-being for all.
- **The World Bank** – A global partnership of institutions working for sustainable solutions that reduce poverty and build shared prosperity in developing countries.

The IIA also appoints two members to the IPPFOC to ensure that the internal audit profession is represented.

The IPPFOC provides oversight to help ensure the IPPF is:

- Developed and maintained through due process, and with wide exposure, broad input, and fairness.
- Of high-quality, principles-based, and globally applicable.
- Relevant to the public interest.

The IPPFOC reports its evaluations and recommendations to The IIA's Global Board of Directors, as illustrated.



Setting Internal Audit Standards in the Public Interest

Given the importance of the Standards to governments, businesses, and society, the IPPFOC invests its efforts in enhancing the credibility and stature of the Standards. The IPPFOC believes an internal audit function aligned with the Standards is more likely to achieve internal auditing's mission of enhancing and protecting an organization's value and serving the public interest.

The IPPFOC and The IIA established the *Framework for Setting Internal Audit Standards in the Public Interest* in 2022 to strengthen stakeholder engagement and better serve the public interest. It was updated in 2025 to reflect the inclusion of Topical Requirements.

The Framework includes a structure and due process to support the development by the IPPF standards- and guidance-setting committees of high-quality standards and facilitate their global adoption and implementation. The role of the IPPFOC in the standard-setting process is described in the Framework, as illustrated.



Oversight of Standards and Guidance Development

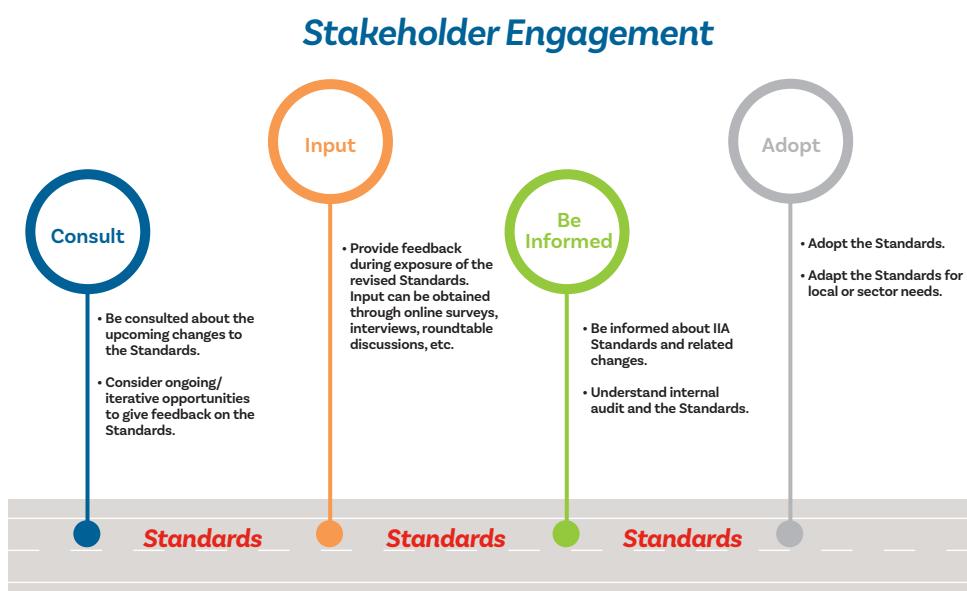
Global Internal Audit Standards (mandatory)	Topical Requirements (mandatory)	Global Guidance (recommended)
Approve any changes to due process for setting Standards.	Approve any changes to due process for setting Topical Requirements.	Approve any changes to due process for setting Global Guidance.
Review process for identifying and prioritizing revisions to standards or introducing new standards.	Review process for identifying, prioritizing, and developing Topical Requirements.	Review process for identifying, prioritizing, and developing Global Guidance.
Receive presentation on key issues at planning, development, and final stages of standard-setting.	Receive presentation on key issues at planning, development, and final stages of setting Topical Requirements.	Receive confirmation from GGC chair that due process was followed in setting the Global Guidance (IPPFOC may identify Global Guidance to review due process compliance).
Review due process compliance.	Review due process compliance.	

Oversight of the Stakeholder Engagement Process in Serving the Public Interest

The Framework outlines how the public interest is served through four key components:

- Consideration of and engagement with the stakeholders of the Standards.
- Principles for enhancing stakeholder trust in the Standards.
- A structure and process to set standards in the public interest.
- Oversight and assessment of the Standards' responsiveness to stakeholders' needs.

The IIA has implemented IPPFOC recommendations to strengthen the stakeholder engagement process and incorporate it throughout the development of the Standards. The process includes various levels of stakeholder engagement, as shown:



Impact and Continuous Improvement

Since establishing the IPPFOC, The IIA has continuously improved the quality of its standard-setting process, resulting in increased confidence in the IPPF. As demand for internal audit services evolves and grows, the profession can remain agile and high-performing by adhering to the IPPF – a dynamic, inclusive, and responsive framework of global standards developed under the IPPFOC's oversight and informed by its insight.

IPPFOC Priorities, Activities, and Conclusions

During 2025, the IPPFOC made significant progress in addressing its key priorities and, through various activities, achieved several important milestones, marking a year of strategic progress and impactful achievements.

IPPFOC Priorities

In accordance with the Framework and the IPPFOC's oversight role, the IPPFOC analyzed whether the IIA's standard-setting structure and due process:

- Demonstrate adequate responsiveness to the internal audit profession and its direct and indirect stakeholders through continuous engagement and transparency.
- Are responsive to changes in the profession, business, and society to enhance trust in the Standards and internal auditing's services.
- Identify stakeholders' varying perspectives and needs in relation to each standard and consider their input.

During 2025, the IPPFOC provided oversight of the:

- Due processes for standard-setting and stakeholder engagement in serving the public interest.
- Composition and functioning of the IIASB and GGC, including the role of The IIA's Global Nominating Committee.
- Promulgation, adoption, and maintenance of the Standards.
- Development of Topical Requirements and the Internal Auditing Competency Framework™.

IPPFOC Activities

During 2025, the IPPFOC completed the following:

Governance

- Conducted two virtual meetings and a three-day in-person session to address IPPFOC annual business, along with six due diligence meetings involving subcommittee members, to provide oversight of the development of Topical Requirements.
- Reviewed the updates to the *Framework for Setting Internal Audit Standards in the Public Interest* to ensure that it was comprehensively revised to:
 - Align with the updated IPPF.
 - Explicitly reference the structure and process for setting standards, including Topical Requirements, in the public interest.
- Analyzed changes to the IPPFOC, GGC, and IIASB charters to validate that they appropriately reflected the updated IPPF. A fundamental change to the mission in each charter was to include a reference to serving the public interest.
- Reviewed the onboarding processes for the IPPF standards-and-guidance-setting committees to confirm that reference to the *Framework for Setting Internal Audit Standards in the Public Interest* and IPPF changes have been incorporated.

IPPFOC Membership

- Welcomed a new chair and new members representing OECD and IFAC.
- Appointed alternates who can serve on the IPPFOC when the designated representative is unavailable and be prepared to succeed the designated representative.
- Approved the IMF to join the IPPFOC, broadening the IPPFOC representation and strengthening its membership and succession planning.

Due Diligence Review

- Conducted oversight of and confirmed that due process had been followed for:
 - Cybersecurity Topical Requirement.
 - Internal Auditing Competency Framework.
 - Third-Party Topical Requirement.
 - Organizational Behavior Topical Requirement.
- Monitored the development of the Organizational Resilience Topical Requirement.
- Received progress reports from the IIASB working groups that are developing:
 - Criteria to measure the impact of the IPPF.
 - A process for maintaining the *Framework for Setting Internal Audit Standards in Public Interest*.
 - Drafting conventions for standard-setting.

Other IPPFOC Activities

- Engaged with The IIA's Advocacy team regarding its:
 - Legal, regulatory, and policy framework for the internal audit profession.
 - Draft disciplinary and oversight framework.
- Received feedback from The IIA's Quality team regarding the implementation of the new Quality Assessment Manual.
- Participated in the discussion regarding the Global Internal Audit Standards, Vision 2035 objectives, and The IIA's Three Lines Model alignment with evolving practices within the internal auditing profession.

2026 IPPFOC Work Plan

- Reviewed and approved the IPPFOC work plan for 2026, based on The IIA's strategic plan, the Standards and Guidance strategic plan, and the IIASB and GGC work plans.

IPPFFOC Conclusions

The IPPFOC commended The IIA on the following achievements in 2025:

- Approval and implementation of the updated GGC, IIASB, and IPPFOC charters.
- Publication of the updated *Framework for the Setting of Internal Audit Standards in the Public Interest*.
- Publication of Topical Requirements for Cybersecurity, Third-Party, and Organizational Behavior.
- Efforts to promote the IPPF, including the extensive stakeholder engagement and speaker program and the delivery of a webinar to promote the Cybersecurity Topical Requirement, attracting 3,980 participants.
- Publication of the Global Practice Guide "Internal Auditing Competency Framework" and companion tool.
- Establishment of a global volunteer database to increase inclusion and involvement of subject matter experts to support the development of Global Guidance and Topical Requirements.

- An increase in staffing, enhancing the Standards and Guidance team's ability to deliver on key initiatives and support ongoing projects, particularly given the added responsibility of developing Topical Requirements.
- Effective liaison between the chairs of the IIASB and GGC to ensure that each committee's membership is balanced regarding professional, geographical, gender, and other forms of representation.
- Implementation of performance reviews of the IIASB and GGC committee chairs and members.
- Completion of a skills matrix for IIASB and GGC members, mapping competencies against Standards and Guidance projects.
- Implementation of a formal process for seeking stakeholder input for Topical Requirements, a key requirement of the standard-setting process.

Key Recommendations of the IPPFOC for 2026

Having observed the IIASB and GGC meetings and reviewed due process, the IPPFOC recommends:

- Further discussion among the IIASB, GGC, and Global Nominating Committee of the IPPFOC recommendations to:
 - Include non-internal auditors on their respective committees.
 - Create opportunities for talented individuals to join the committees who may face barriers to participation.
- Monitoring the ambitious timelines for developing Topical Requirements and assessing whether additional resources are needed.
- Publishing a policy that supports the procedures in place for the development and maintenance processes for Global Internal Audit Standards and Topical Requirements, including criteria for:
 - Membership of the Task Force and Advisory Group for specific projects.
 - AI usage in policy documents that define the prompts and how the results will be monitored and evaluated for accuracy.
- Evaluating whether Standards and Guidance staff can assume more content development work to allow the IIASB and GGC to focus on strategy and due diligence.
- Developing a post-implementation feedback mechanism for Topical Requirements.
- Coordinating a cross-functional approach to measuring the promulgation, adoption, and maintenance of the Standards.
- Ongoing promotion, application, and monitoring of the *Framework for Setting Internal Audit Standards in the Public Interest*.