

PUBLIC POLICY ISSUE BRIEF

Good Governance and Investor Protections in Public Companies

Overview: An independent and effective internal audit function is an essential corporate governance practice to ensure organizational transparency, accountability, and trust. The IIA Canada supports establishing robust internal audit requirements at companies listed on Canadian stock exchanges, like those requirements found globally, such as at the New York Stock Exchange.

Role of Internal Audit: An internal audit function, adhering to The IIA's [Global Internal Audit Standards™](#), provides **independent, risk-based,** and **objective** assurance over risk management, governance, and internal control processes.

Since internal audit is independent from management – and reports directly to the organization's governing body – it is properly positioned to enhance value and strengthen credibility with stakeholders. The internal audit role represents a core investor protection and enterprise risk function that promotes operational **transparency** and **accountability**.



Corporate directors face increasing responsibilities to ensure accurate financial reporting for shareholders and regulators. Internal audit proactively identifies risk and assures effective controls, reducing burdens and enabling boards of directors and their audit committees to guide the organization toward its mission and shareholder goals.

IIA Key Objectives

Recognize the Importance of Risk Management with a Focus on Assurance: The IIA Canada supports public and corporate governance policies which emphasize the need for enhanced risk management, assurance, and governance processes among listed companies.

Enhance Investor Confidence: Strengthen investor value at companies listed on Canadian stock exchanges through a required internal audit function. The independent oversight performed by internal audit will promote greater transparency and confidence among boards of directors, audit committees and shareholders.

Utilize Internal Audit Expertise: Since internal audit is at the vanguard of monitoring the effectiveness of risk management and assurance over internal controls, The IIA encourages policymakers to use the profession's knowledge in the development of robust corporate governance standards at stock exchanges in Canada.

For any questions regarding the internal audit profession, please contact Ryan Singh, Director, Advocacy (Canada), at Ryan.Singh@TheIIA.org.