

# Topical Requirements: A New Concept

The IIA's IPPF Evolution Project introduces new terms and concepts, including Topical Requirements. This paper explains what Topical Requirements are and how they will help internal auditors be even more successful.



Internal audit practices vary throughout the world. The purpose of Topical Requirements is to enhance the consistency and quality of internal audit services.

Quite simply, Topical Requirements complement the newly proposed IPPF structure, which includes the Global Internal Audit Standards™ and guidance. The Standards provide requirements and recommendations to guide the professional practice of quality internal auditing globally.

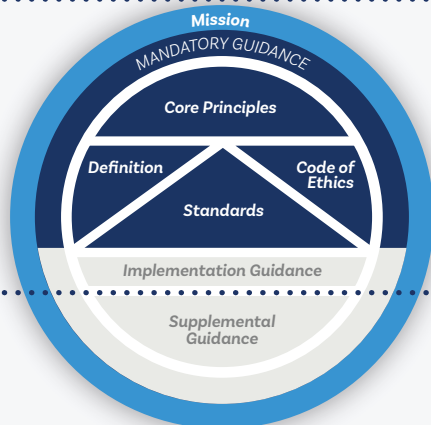
Whereas the Standards cover core internal audit elements and are universally applicable, Topical Requirements will be applicable only to specific audit topics or engagements that are designated within an organization's audit plan.

## Are Topical Requirements mandatory?

Auditors are not required to include Topical Requirements in their audit plans. Only when a subject covered by the Topical Requirements is included in the audit plan does it become mandatory to demonstrate conformance with the Topical Requirements when executing the testing specific to the audit topic/engagement.

## CURRENT

International Professional Practices Framework



## PROPOSED

International Professional Practices Framework

### Global Internal Audit Standards

including requirements and considerations for implementation as well as evidence of conformance.

### Guidance

including clarifications and best practices (Practice Guides and GTAGs).

### Topical Requirements

including requirements when auditing the specific topic.



## ***What is the intent of Topical Requirements?***

Topical Requirements ensure that all internal audit functions – large, small, private, or public – apply consistent audit methodology when assessing the effectiveness of governance, risk management, and controls of a particular topical area.

Topical Requirements are intended to:

- Raise the internal audit function’s professionalism and performance.
- Improve the quality and value of internal audit services.
- Provide comfort to stakeholders that critical elements are addressed within a particular audit area.

## ***What will the Topical Requirements include?***

Draft versions of Topical Requirements have featured an overview of the topic and a section on applying the Global Internal Audit Standards to an engagement.

Each provides a list of attributes that must be considered and documented when auditing a specific subject to give internal auditors the context and clarifications necessary to determine whether the required elements of governance, risk management, and controls are in place.

## ***What subjects will be addressed?***

Organizations face many critical risk areas such as cybersecurity, sustainability, privacy, fraud, and more. Topical Requirements will strengthen the ongoing relevance of the IPPF to the evolving risk landscape. A list of eight audit subjects is now under consideration and if approved would become available after the new Global Internal Audit Standards launch.

Assessing Organizational Governance  
Cybersecurity  
Fraud Risk Management  
Information Technology Governance

Privacy Risk Management  
Sustainability: Environmental, Social & Governance  
Third-party Management  
Public Sector-specific: Performance Audits

To identify topics, a rigorous process of due diligence and development will be utilized including market research and surveys to obtain input from internal auditors and stakeholders. Once a topic is approved and before it is implemented, a public comment period will be scheduled.