

Anti-Corruption

Topical Requirement

Public Consultation Draft



The Institute of
Internal Auditors

Anti-Corruption Topical Requirement

The IIA's International Professional Practices Framework® comprises Global Internal Audit Standards™, Topical Requirements, and Global Guidance. Topical Requirements are mandatory and must be used in conjunction with the Standards, which provide the authoritative basis for the required practices.

Topical Requirements provide clear expectations for internal auditors by setting a minimum baseline for auditing specified risk areas. The organization's risk profile may require internal auditors to consider additional aspects of the topic, including local regulations.

Conformance with Topical Requirements will increase the consistency with which internal audit services are performed and improve the quality and reliability of internal audit services and results. Ultimately, Topical Requirements elevate the internal audit profession.

Internal auditors must apply Topical Requirements in conformance with the Global Internal Audit Standards. Conformance with Topical Requirements is mandatory for assurance services and recommended for advisory services.

The Topical Requirement is applicable when the topic is one of the following:

- The subject of an engagement in the internal audit plan.
- Identified while performing an engagement.
- The subject of a requested engagement that was not on the original internal audit plan.

Not all individual requirements may apply to every engagement, and some may be fulfilled through other approaches. If a requirement is excluded or superseded by other regulatory or contractual requirements or addressed through implementation of procedures in conformance with the Global Internal Audit Standards, the rationale must be documented and retained. Conformance will be evaluated during quality assessments.

For more information, see the Anti-Corruption Topical Requirement User Guide.



Anti-Corruption

Corruption is broadly defined as the abuse of entrusted power for private gain¹ and occurs in both the public and private sectors. Corruption encompasses a wide range of unethical and/or illegal behaviors that undermine integrity, transparency, and fairness in decision-making. Corruption is a specific type of fraud; this Topical Requirement is intended to cover corruption y. The financial costs of corruption are estimated to have a significant impact on the global economy, highlighting the critical need for anti-corruption programs and robust controls. Corruption not only weakens trust in organizations, corporations, government, and elected officials but may also irreparably harm the communities where it occurs.

Every organization is at risk of corruption, regardless of its size, industry, or jurisdiction. The ultimate impact of corruption is largely driven by 1) the external environment in which the organization operates, 2) how the organization designs its internal processes and controls to operate in that environment, and 3) the ethical culture within the organization.

External factors that elevate corruption risks include regions and environments with weak regulatory or operational restraints in financial services organizations and specific professional industries (such as legal, accounting, and real estate); countries with government turmoil or weak enforcement of laws and regulations; regions where persistent and systemic corruption is normalized in governance practices; geopolitical instability; market volatility; areas where key resources are controlled by only a few; areas of fierce competition for emerging markets; and areas where public and private sectors are significantly intertwined (such as use of natural resources).

The external corruption landscape can be navigated by establishing appropriate and adequate governance, risk management, and controls to mitigate corruption risks. This is where internal audit functions in both the public and private sectors can play a critical role in helping organizations prevent, detect, and mitigate corruption.

While the role of internal audit functions in combatting corruption is widely discussed and encouraged in many regions, it is not always mandated. Internal auditing is uniquely positioned to evaluate the organization's tone at the top; assess controls over third parties and other business processes prone to corruption; identify indicators and anomalies; and provide assurance that controls are appropriately designed and implemented to meet the organization's objectives.

It is important that the internal audit function ensures it has appropriate authority to perform assurance and advisory work on anti-corruption topics in alignment with jurisdictional regulations, its mandate, and charter. It is also important to understand that corruption is a technical topic; therefore, the internal audit function must conduct its work in this area commensurate with the level of competence and expertise available. If the internal audit function or any internal auditors have roles in the anti-corruption program or in elements such as

1. United Nations Office on Drugs and Crime and United Nations Global Compact, *An Anti-Corruption Ethics and Compliance Programme for Business: A Practical Guide* (New York: United Nations, 2026), <https://businessintegrity.unodc.org/bip>.



whistleblowing protocols, the affected auditors must consider objectivity and disclose their roles if necessary to ensure the scope of any assurance engagement is not affected.

While the number and types of corruption schemes vary, international standards, industry guidance, and regulatory bodies generally focus on corruption risks in these areas:

- **Bribery and kickbacks**, such as offering an undue advantage to a public official or other party to influence them to act, or receiving something of value after using official duties to benefit one or more third parties.
- **Charitable and political donations**, such as payments disguised as political contributions to a particular candidate or a donation to a charity as a vehicle for corruption.
- **Conflicts of interest**, such as a circumstance that creates a risk of personal interests influencing professional judgment or actions.
- **Corporate donations**, such as donating organizational assets to conceal bribes or corrupt intent.
- **Facilitation payments**, such as public officials requesting or demanding small unofficial bribes be paid to speed up routine or administrative actions.
- **Accounting deficiencies**, such as weak financial controls allowing corrupt transactions to go undetected, including manipulation of financial data to conceal corrupt activities.
- **Gifts and entertainment**, such as giving and receiving gifts outside the acceptable threshold for the organization, or other forms of entertainment to influence or reward improper acts.
- **Hiring of related parties**, such as hiring an individual as a favor to a third party in exchange for an improper benefit.
- **Sponsored travel**, such as covering travel expenses and amenities for public officials when engaging in official duties.
- **Sponsorships**, such as disguising the recipients of pledged funds or assets to conceal the payment of an improper benefit to the organization.

This Topical Requirement covers an internal auditor's role in providing assurance and advisory services for an organization's anti-corruption program and activities, including its governance, risk management, and control processes. To adequately assess anti-corruption efforts within an organization, internal auditors must understand the risk implications for their organization and recognize indicators of corruption that may require further investigation. Conformance with this Topical Requirement does not provide absolute assurance that an internal audit function will detect all corruption acts within an organization. This Topical Requirement does not cover the performance of investigations into corruption activities.



Evaluating and Assessing Anti-Corruption Governance, Risk Management, and Control Processes

This Topical Requirement provides a consistent, comprehensive approach to assessing the design and implementation of anti-corruption governance, risk management, and control processes. The requirements represent a minimum baseline for the assessment.

Governance

Requirements

Internal auditors must assess the following aspects of the organization's governance of protections against corruption:

- A. The board and senior management are committed to fighting corruption within the organization. The board approves and oversees an anti-corruption program established by senior management that features proactive, adaptive elements to address evolving risks, aligned with relevant regulations, organizational values, and risk management strategies. Senior management promotes integrity through a clear "tone at the top," rewarding ethical conduct and enforcing a zero-tolerance policy against corruption. If a formal anti-corruption program is absent, core compliance components such as training, reporting, discipline, and monitoring are in place to manage risks from corrupt interactions.
- B. Policies and procedures are documented and established to define and assess anti-corruption activities. They cover ethics, whistleblowing, and other programs for detecting and addressing inappropriate activities, reporting, and discipline. Policies define prohibited conduct such as improper gifts and conflict of interest, as well as establish procedures for working with third parties. Policies align with applicable regulatory and legal requirements and are periodically reviewed and updated as needed.
- C. The organization's anti-corruption management roles and responsibilities are defined. They detail leadership, ownership, and oversight responsibilities for the program, including raising concerns, investigating, and holding staff accountable for inappropriate activities. Policies and procedures address how concerns are communicated and investigated, identify who should be informed, and outline methods for confidential communication when necessary. Those responsible for the effectiveness of anti-corruption efforts have sufficient qualifications, training, seniority, authority, support, resources, autonomy, and access to the oversight body and to senior management.



- D. Protocols for communicating with relevant stakeholders are defined, in alignment with jurisdictional laws, and include timely reporting on the status of the performance, risks, compliance, and reported allegations (specifically breaches of laws and regulations). In addition to the board and senior management, examples of relevant stakeholders include operations, risk management, compliance, legal, human resources, external investigators and assurance providers, law enforcement, information security, procurement, and others.

Risk Management

Requirements

Internal auditors must assess the following aspects of the organization's management of corruption risk:

- A. Processes for continuously identifying, assessing, reviewing, and managing corruption risks are standardized and comprehensive, include defined roles and responsibilities, and sufficiently address key risks relevant to the organization (such as strategic, reputational, ethical, operational, financial, trade compliance, geopolitical, and legal). Assessment of risks considers the organization's jurisdiction and regulatory changes, the use of third parties, the types of goods and services the organization produces and exchanges, and public-facing interactions.
- B. Risk responses are adequate and accurate based on the ranking and prioritization of risks. Responses are approved, implemented, reviewed, monitored, evaluated, and adjusted as needed.
- C. Processes are in place to manage and, if necessary, escalate corruption issues that arise, ensuring accountability.

Control Processes

Requirements

Internal auditors must regularly assess the effectiveness of the following controls established by management related to the organization's anti-corruption efforts.

- A. An organizational anti-corruption program and/or compliance elements are adequately resourced, maintained, and together prevent, detect, and correct actions that could lead to corruption.
- B. Anti-corruption policies and procedures are comprehensive, adequately tailored to the organization's risks, and maintained. These policies and procedures are clear, communicated, and accessible to all employees and relevant parties, and, along with ethical standards and organizational values, are integrated into the day-to-day operations of the organization. Specific policies and procedures exist to address the significant corruption risks identified in the introduction.



- C. Training and awareness programs are implemented, maintained, and required for all employees to build awareness of anti-corruption policies, procedures, and processes. The level and specificity of training are commensurate with the level of corruption risk associated with the position and duties.
- D. Whistleblower programs or other complementary reporting mechanisms are in place to detect and prevent corruption attempts. Whistleblower channels are appropriately established and secured, as are protections for whistleblowers. Whistleblower procedures are in alignment with jurisdictional laws and regulations.
- E. The organization has implemented sufficient controls to more easily identify and help prevent corruption, such as enforcing segregation of duties; establishing appropriate approval levels for transactions or activities; reviewing and maintaining required documentation; and setting aside specific general accounts for the recording of certain transaction types (such as gifts, donations, and sponsorships). Specifically for financial processes, internal controls are in place to help ensure that the organization's financial records and supporting documentation are fairly and accurately represented and that transactions are properly recorded.
- F. Due diligence protocols and control activities are established over third-party relationships, including vendors, suppliers, contractors, subcontractors, outsourced service providers, other agencies, and consultants.
- G. Ongoing monitoring and regular testing of operational processes susceptible to corruption and controls are conducted, and that anti-corruption program elements are working as intended, including verifying the reliability of information.
- H. Incident response, reporting, and remediation protocols are established, including enforcement standards, investigation protocols, severity-based escalation processes, post-incident reviews, and root cause analysis. Organizations review lessons learned from enforcement actions and initiate disciplinary and corrective actions. Enforcement activities are applied consistently, comply with legal requirements, and ensure fair and equitable treatment across the organization.
- I. Practices exist to help prevent future occurrences and support an environment of continuous improvement, such as analysis of enforcement activities for lessons learned.



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About The Institute of Internal Auditors

The Institute of Internal Auditors (IIA) is an international professional association that serves more than 265,000 global members and has awarded more than 200,000 Certified Internal Auditor® (CIA®) certifications worldwide. Established in 1941, The IIA is recognized throughout the world as the internal audit profession's leader in standards, certifications, education, research, and technical guidance. For more information, visit theiia.org.

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June 2026



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