

## SECTION A-8

### THE INSTITUTE OF INTERNAL AUDITORS

#### The Institute of Internal Auditors (IIA)

The IIA is an international association established in 1941, dedicated to the continuing professional development of the individual internal auditor and the internal auditing profession. The IIA serves over 180,000 members in internal auditing, governance and internal control, IT, audit education, and security from more than 190 countries. The world's leader in certification, education, research, and technological guidance for the profession, The Institute of Internal Auditors serves as the profession's watchdog and resource on significant auditing issues around the globe.

#### IIA Definition of Internal Auditing

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

#### IIA Code of Ethics

The Code of Ethics is a set of principles and expectations governing the behavior of individuals and organizations in the conduct of internal auditing. It describes the minimum requirements for conduct, and behavioral expectations rather than specific activities.

#### IIA International Standards for the Professional Practice of Internal Auditing (*Standards*)

The *Standards* are principle-focused and provide a framework for performing and promoting internal auditing. The *Standards* are mandatory requirements consisting of:

- Statements of basic requirements for the professional practice of internal auditing and for evaluating the effectiveness of performance, which are internationally applicable at organizational and individuals levels.
- Interpretations, which clarify terms or concepts within the Statements.

The purpose of the *Standards* is to:

- Delineate basic principles that represent the practice of internal auditing.
- Provide a framework for performing and promoting a broad range of value-added internal auditing.
- Establish the basis for the evaluation of internal audit performance.
- Foster improved organizational processes and operations.

There are two types of standards: attribute and performance. Attribute standards address the characteristics of organizations and parties performing internal audit activities. Performance standards describe the nature of internal audit activities and provide criteria against which the performance of these services can be evaluated. Noted Below is a high level outline of the attribute and performance standards.

Attribute Standards:

- 1000 Purpose, Authority, and Responsibility
- 1100 Independence and Objectivity
- 1200 Proficiency and Due Professional Care
- 1300 Quality Assurance and Improvement Program

Performance Standards:

- 2000 Managing the Internal Audit Activity
- 2100 Nature of Work
- 2200 Engagement Planning
- 2300 Performing the Engagement
- 2400 Communicating Results
- 2500 Monitoring Progress
- 2600 Communicating the Acceptance of Risks