The Institute of
Internal Auditors
Australia

Factsheet: The International Professional Practices Framework (IPPF)

Updated 2020

The IPPF provides a globally accepted rigorous basis for the operation of an Internal Audit function. Mandatory provisions are the subject of public exposure, with formal consideration of comments received from IIA members and non-members. The standards development process is supervised by an independent body, the IPPF Oversight Council of the IIA, which comprises persons representing stakeholders such as boards, management, public and private sector auditors, regulators and government authorities, investors, international entities, and IIA members.

Key features

The *mission statement* reflects what the profession strives to accomplish, whereas the *definition* focuses on what internal audit is. The *Code of Ethics* focuses on behaviour. Internal auditors rely on the *standards* to guide the profession and how the profession is practiced. *Core principles* highlight what effective Internal Audit looks like in practice as it relates to the individual internal auditor, the Internal Audit function, and Internal audit outcomes.

Regulatory Environment

Governments and regulators are increasingly mandating IPPF compliance as part of their laws, policies and regulations.

Recent History

- Revised Standards implemented in 2001.
- The IPPF released in 2009.
- The IPPF is usually reviewed about every two years (2011, 2013, 2015).
- Most recently updated with effect from 1 January 2017.

Mission Statement

To enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight.

Core Principles

1. Demonstrates integrity.
2. Demonstrates competence and due professional care.
3. Is objective and free from undue influence (independent).
4. Aligns with the strategies, objectives, and risks of the organisation.
5. Is appropriately positioned and adequately resourced.
6. Demonstrates quality and continuous improvement.
7. Communicates effectively.
8. Provides risk-based assurance.
9. Is insightful, proactive, and future-focused.
10. Promotes organisational improvement.

Definition

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

Code of Ethics

States the principles and expectations governing the behaviour of individuals and organisations in the conduct of internal auditing.

Describes the minimum requirements for conduct and behaviour expectations – (1) Principles and (2) Rules of Conduct.

Code of Ethics principles are:
- Integrity.
- Objectivity.
- Confidentiality.
- Competency.

Standards

The Standards for internal auditing worldwide are the 'International Standards for the Professional Practice of Internal Auditing' issued by the IIA. There are three types:
- Attribute Standards – the Internal Audit foundations.
- Performance Standards – for performing Internal Audit work.
- Implementation Standards – expand attribute and performance standards to prescribe specific standards applicable to assurance and consulting engagements.

There are 11 overarching and 41 underlying attribute and performance standards

Recommended Guidance

Implementation Guidance

- Implementation guides aligned to standard numbers.
- Guidance to assist internal auditors in applying the Standards and promoting good practices.
- Addresses approach, methodology and considerations, not detailed processes and procedures.

Supplemental Guidance

Provides Practice Guides, Global Technology Audit Guides (GTAGs), Guides for the Assessment of IT Risk (GAITs) and other detailed guidance for conducting Internal Audit activities. Includes:

- Topical areas.
- Processes and procedures.
- Programs and examples.
- Tools and techniques.
- Sector-specific issues.
- Step-by-step approaches

Helpful references

IIA Global - Position Papers are issued periodically to help readers understand significant governance, risk or control issues as they pertain to internal audit. They are primarily focused on the internal audit stakeholder community, not necessarily internal auditors.
IIA-Australia - White Papers, Fact Sheets, 20 Critical Questions series.

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