

16th Annual Conference

IPPF-2017

CIA Muundu
Strategy & Risk Management
Azizi Consulting

12th – 14th June, 2018
Sarova Whitesands, Mombasa

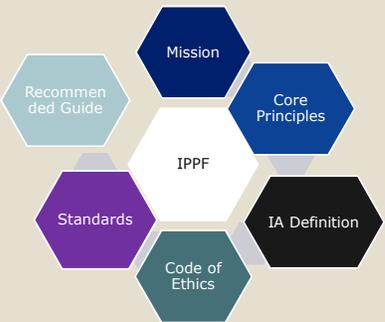
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Why?

- Mandatory elements
- Framework for value addition
- Basis for evaluating performance
- Principle based
 - “must”—unconditional requirement
 - “should”—expected unless circumstances justify deviation



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Internal Audit Mission

- Enhance value
- Protect value
- Through risk based services
 - Assurance
 - Advice
 - Insight



IPPF supports achievement of internal audit mission

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Core Principles

- Applies to the auditor & function
- IA effectiveness through
 1. Integrity
 2. Competence and professional due care
 3. Objective and independent
 4. Align with strategy, objectives & risk management
 5. Appropriately positioned & resourced
 6. Quality & continuous improvement
 7. Effective communication
 8. Risk based assurance
 9. Insight, proactive & future focused
 10. Organizational improvement



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Code of Ethics

- Expected behavior audit function & auditor
- Principles and rules of conduct
 1. Integrity: honest, diligence, responsible, lawful & org code of ethics
 2. Objectivity: bias (real/perceived) & conflict on interest
 3. Confidentiality: use & protection of info acquired. Personal gain
 4. Competence: knowledge, skills, experience, IPPF, continuous improvement



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Standards

- Mandatory
- Statements and interpretation
- Performing, promoting and evaluating IA
- Enhance org processes & operations
- Internationally acceptable
- Attribute standards: character of auditor and audit department
- Performance standards: nature and performance criteria

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Attribute Standards

- 1100—Independence and objectivity—function & person
- 1000- Purpose, authority and responsibility—why IAD
- 1200—Proficiency and Due Professional Care--competency
- 1300: Quality assurance and improved program--internal and external

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Performance Standards

- 2000: Managing the Internal Audit Activity—people, process & systems
- 2100: Nature of work—ERM/IRM, controls & governance
- 2200: Engagement planning—objective, scope & resources
- 2300:Performing the engagement—identify, analyze, document & supervise
- 2400: Communicating results—criteria, quality, dissemination & conclude
- 2500: Monitoring progress—management action plan & risk acceptance
- 2600:Communicating acceptance of risks

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Recommended Guidance

- Implementation guide
 1. Practice advisory
 2. Assist to implement standards
 3. Approach and methodology but not detail procedures
- Supplementary guide
 1. Recommended guidance
 2. Detail guidance for conducting specific audit activities
 3. Topic areas, sector specific, procedures, tools & techniques



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Practice Guide

1. Guidelines for conducting internal audit activity
2. Independence and Objectivity
3. Interaction with the Board
4. Auditing the control environment
5. Assisting small internal audit activities implement IPPF
6. Assessing the adequacy of risk management
7. Measuring internal audit effectiveness and efficiency
8. CAEs—appointment, performance evaluation and termination
9. Auditing executive compensation
10. Evaluating CSR
11. Internal audit and fraud

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Practice Guide (Cont'd)

1. Auditing outsourced services
2. Formulating internal audit opinion
3. Global Technology Audit Guide
4. Guide to the Assessment of IT Risks

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