MEMORANDUM OF UNDERSTANDING
BETWEEN THE INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC) AND THE INSTITUTE OF INTERNAL AUDITORS (IIA)

NOVEMBER 2019

Purpose
The International Federation of Accountants (IFAC)

IFAC is the global organization for the accountancy profession. It comprises more than 175 member organizations in 130 jurisdictions, representing nearly 3 million professional accountants. IFAC’s vision is for the accountancy profession to be essential to strong, sustainable organizations, financial markets, and economies. IFAC, with its member organizations, serves the public interest by enhancing the relevance, reputation, and value of the global accountancy profession. This public interest focus is achieved through three strategic objectives: contributing to and promoting the development, adoption, and implementation of high-quality international standards; preparing a future-ready profession; and speaking out as the voice for the global profession.

The Institute of Internal Auditors (The IIA)

The IIA is the recognized global body for the profession of internal auditing with over 200,000 members in 190 countries and 110 affiliated bodies. It is responsible for the development, maintenance, and promotion of the International Professional Practices Framework (IPPF) which comprises the mandatory and authoritative ethical and technical standards and guidance for internal auditing. The IIA also provides the international certification program, Certified Internal Auditor (CIA), as the benchmark for all professional internal auditors, as well as defining the competency framework for practitioners, managers, and chief audit executives. The IIA is committed to promoting and advocating for the profession in all jurisdictions.

This Memorandum of Understanding (MOU)

This MOU establishes a basis for cooperation and collaboration between IFAC and The IIA (the Parties) on identified areas of common strategic interest.

The MOU recognizes the fundamental importance of internal auditing as an essential component of organizational governance, providing independent and objective assurance and advice for governing bodies and management. Internal auditors work closely with many professional accountants within their organization in a wide number of roles and with external auditors and consultants. Many internal auditors have an accounting background and are members of both The IIA and professional accounting organizations (PAOs) that are affiliated to IFAC. The ethical and technical standards of the IPPF that guide the work and behavior of internal auditors are consistent with those of the accounting profession, especially as they relate to auditing and assurance.

Areas of Common Strategic Interest

The Parties have identified the following areas of common strategic interest:
• The incorporation of both internal and external audit into advocacy, public policy, and regulatory development and engagement.

• Promote to PAOs and other key stakeholders the importance of internal auditing as a key component of corporate governance including roles, skills and competency, and relevant standards, including information and support for PAOs.

• Research and thought leadership on all aspects of organizational governance, risk management, and internal control.

**Cooperation and Collaboration Process**

The Parties will identify on an annual basis any opportunities to coordinate or collaborate on initiatives undertaken in the areas of common strategic interest.

• At the operational level this will include activities aimed at promoting understanding and better utilization of the distinct and complementary roles of accountants and internal auditors in organizational governance.

• At the strategic level this will include the Parties actively contributing to each other's strategy development.

When the Parties agree to undertake a joint project/activity to further any of these initiatives, the terms of such project/activity shall be formalized in a legally-binding agreement between the Parties.

**Intellectual Property**

Each Party will share with the other Party facets of its intellectual property or ideas and concepts that are relevant and appropriate to advance the collaborative ends of this MOU in accordance with the policies and procedures of the Party sharing the intellectual property.

**Cost**

Each party will bear its own costs relating to initiatives undertaken further to this MOU, unless agreed between the Parties in writing.

**Publicity and External Communications**

Each Party will obtain the approval of the other Party for the contents of any public communication relating to this MOU, or any initiative undertaken pursuant to it that references the other Party's collaboration, prior to issue thereof.

Neither Party will in any communication to third parties purport to represent the other Party's views or position on any matter, including any initiative undertaken further to this MOU, without the prior written consent of the other Party.

**Use of Logos and Trademarks**

Either Party may, with the prior written consent of the other Party, use, where relevant and appropriate and in appropriate terms, the other Party's logo and/or trademark, which each Party will make available to the other Party in digital format for such use.

**Contact**

Each Party will designate a staff member to act as the primary contact for coordination of all matters arising in relation to, or further to, this MOU and facilitate the exchange of information between the Parties on
matters of common strategic interest. Each Party will inform the other Party of any change in the Party’s contact person.

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<th>For IFAC</th>
<th>For The IIA</th>
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<tbody>
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<td>Francis Nicholson</td>
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**Monitoring and Review**

The management of the Parties will report annually to their respective boards on the status and continued relevance of this MOU.

**Modification and Assignment**

Any revisions to this MOU will be agreed in writing between the Parties. Neither Party may assign this MOU without the prior written consent of the other Party.

**Status of MOU**

This MOU does not place any rights or obligations on the Parties. It also does not limit the rights of any of the Parties to enter into similar agreements with other organizations. Nothing in this MOU should be deemed to constitute, create, give effect to, or otherwise recognize a partnership, joint venture, or formal business entity of any kind.

**Term and Termination**

The MOU is of a non-binding nature, and will remain in existence unless it is terminated by either Party through written communication.

This MOU sets forth the mutual intentions for a spirit of cooperation and collaboration between IFAC and IIA. As evidence of our commitment, we hereby affix our signatures:

**Signature**

Kevin Dancey  
Chief Executive Officer  
International Federation of Accountants  
11 December 2019

**Signature**

Richard Chambers  
President and Chief Executive Officer  
The Institute of Internal Auditors  
11 December 2019