

IIA-Exposure

From: Doron Ronen, CPA

Sent: Thursday, October 02, 2014 7:34 AM

To: Institute.Relations@c.theiia.org; iia-exposure

Subject: RE: IIA Israel Professional Standards Committee input: Proposed Changes to the IPPF

Hello

1. First, we would like to express our appreciation to the RTF and the IIA for a work very well done!
2. IIA Israel Professional Standards Committee decided to discuss the "Proposed Enhancements to the IPPF", and after a thorough brain storming, we are pleased to provide hereinafter – our feedback. [Of Course, comments from individual members in Israel would be welcomed as well].
3. I would like to thank IIA Israel Professional Standards Committee Members who participated in the abovementioned discussion and brain storming:
 - a. **Doron Ronen** (CIA, CRMA) – VP IIA Israel & Professional Standards Committee Chair
 - b. **Ron Grupel** - VP IIA Israel & Professional Standards Committee Member
 - c. **Guy Sapir** – Director IIA Israel & Professional Standards Committee Member
 - d. **Oren Shachar** (CIA) – Director IIA Israel & Professional Standards Committee Member
 - e. **Yitzik Lipel** (CIA, CRMA) - Professional Standards Committee Member
 - f. **Ety Bezalel** - Professional Standards Committee Member
 - g. **Moshe Cohen** - Professional Standards Committee Member
 - h. **Rachel Pelleg** - Professional Standards Committee Member
 - i. **Aya Steiner** (CIA) - Professional Standards Committee Member

4. EXPOSURE DRAFT SURVEY QUESTIONS -Comments

1. MISSION OF INTERNAL AUDITING

1.1 *To what extent do you support the addition of a Mission of Internal Auditing to the IPPF?* **5**

1.2 *To what extent do you agree that the proposed Mission of Internal Auditing captures what internal audit strives and/or aspires to accomplish in organizations?* **4**

Comments:

- (a) "Advice" – The IIA Standards use the word "Consulting", and NOT "Advice". We suggest to consider the use of the word "Consulting" in order to be consistent with The IIA Standards.
- (b) "TO ENHANCE AND PROTECT ORGANIZATIONAL VALUE" – Some our Committee Members suggested to consider the possibility of replacing the term "TO ENHANCE AND PROTECT ORGANIZATIONAL VALUE" with "To add value to the organization", in order to be consistent with the IIA Definition of Internal Audit.

2. CORE PRINCIPLES FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING

2.1 *To what extent do you support adding Core Principles for the Professional Practice of Internal Auditing as an element of the IPPF?* **5**

2.2 *Do you agree with the three "input-related" Principles as proposed?* **5**

2.3 Do you agree with the six “process-related” Principles as proposed? **4**

Comments:

We support the abovementioned as it simplified the standards and help in focus the internal auditors in the key aspects of the profession, However we would suggest adding the word "Independence" (as described in Standards 1100 and 1110).

Rational – Independence is a core fundamental element of the internal auditor work that should be explicitly stated as one of the principles, The IIA may consider to add it to principle # 4 as follows:

Is independent and appropriately positioned within the organization with sufficient organization authority.

2.4 Do you agree with the three “output-related” Principles as proposed? **5**

2.5 Do you agree with the order of the 12 Principles as proposed? **5**

2.6 To what extent do you agree with the view that all Principles must be “present and operating effectively” for an internal audit function to be considered effective? **3**

2.7 Do you agree that the Principles, if adopted, would require guidance to help demonstrate to practitioners what the Principles might look like in practice? **2**

Comments:

We do NOT believe it would be required to create a guidance, because if necessary, one can go back to the Standards and its notes.

3. IMPLEMENTATION GUIDANCE & SUPPLEMENTAL GUIDANCE

3.1 To what extent do you support the restructure of guidance elements from “Practice Advisories” to a more comprehensive layer entitled “Implementation Guidance” as part of the framework? **5**

3.2 To what extent do you support the restructure of guidance elements from “Practice Guides” to “Supplemental Guidance” as part of the framework? **5**

4. ADDRESSING EMERGING ISSUES

4.1 To what extent do you support the introduction of a new IPPF element to address emerging issues? **5**

4.2 To what extent do you agree that Emerging Issues Guidance, due to its quicker development process, should be less authoritative than Supplemental Guidance as part of the framework? **5**

Position Papers

5.1 To what extent do you support the deletion of “Position Papers” as an element of the IPPF? **5**

5. REQUIRED AND RECOMMENDED

6.1 To what extent do you support revision of the words “Mandatory” and “Strongly Recommended” to “Required” and “Recommended,” respectively? **5**

6. SUMMARY OF THE ELEMENTS OF THE PROPOSED REVISED IPPF

7.1 Overall, to what extent do you support the changes regarding the IPPF as detailed on the previous page? **5**

7.2 To what extent do you agree that the pictorial representation adequately depicts the hierarchy and interrelationships of each element of the new proposed IPPF? **5**

7.3 To what extent do you agree that the pictorial representation of the proposed new IPPF is visually appealing? **4**

5. We would be glad if Hebrew will be added to the languages list.

Sincerely yours,

Doron Ronen, CIA, CRMA, CPA, CRISC, CFE, MA, LL.M
VP and Professional Standards Committee Chair
IIA Israel