

Proposed Enhancements to the IPPF (August 4, 2014)

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1. Mission of Internal Auditing

Background Information

Definition of Internal Auditing

(purpose, nature & scope 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.

Mission of Internal Auditing

To enhance and protect organizational value by providing stakeholders with risk-based, objective and reliable assurance, advice and insight.

Comparison between Definition and Mission of Internal Auditing:

	Definition	Mission
Quality	Independent and objective	Reliable and objective
Type	Assurance and consulting activity	Assurance, advice & insight
Result	Add value Improve operations Helps organisation accomplish objectives	Enhance & Protect Organisational value
Approach	Systematic and disciplined	Risk based
What	Evaluate and improve effectiveness of processes: Risk management Control Governance	-
Clients	-	Stakeholders

Comments and Recommendations

- The proposed Mission captures the role of Internal Auditing well.
- The stated decision by the RTF to not recommend changes to the Definition of Internal Auditing at this time, as well as the reasons for it, is noted. From the above comparative table between the definition and the mission, it appears that there are inconsistencies.
- The mission is so well worded it may be worth considering replacing the definition with the mission.

2. Core Principles

Comments and Recommendation

- General
The 12 Core Principles are a mixture of different issues, not necessarily fitting together.
- Example of a problematic area in the principles:
Principles 1 to 3:
The “Code of Ethics” refers to the principles of Integrity, Objectivity, Confidentiality and Competency.
The “Core Principles” cover Integrity, Objectivity and Competence (principles 1 to 3) but have no reference to Competency.
This may appear to be a non-alignment between the “Code of Ethics” and the “Core Principles”.
- It is recommended that all the Core Principles be revisited and re-evaluated.