

INSIGHTS TO QUALITY

How The IIA Core Principles Support Successful Internal Audit Practices

The IIA Quality Services' assessment teams work with many internal audit activities each year. They increasingly report that those whose charter aligns with and builds from the audit committee's charter exhibit stronger adherence with The IIA's *International Standards for the Professional Practice of Internal Auditing* and two specific elements of the Core Principles for the Professional Practice of Internal Auditing include: **Demonstrates integrity** and **Is objective and free from undue influence**.

This alignment demonstrates a successful governance practice that promotes and supports the independence and objectivity of internal audit. It specifies the responsibilities related to monitoring of the internal audit activity, as outlined in two IIA *Standards*:

STANDARD 1000

Purpose, Authority, and Responsibility, which states that the purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Mission of Internal Audit and the mandatory elements of the IPPF: Core Principles, Code of Ethics, *Standards*, and the Definition of Internal Auditing.

STANDARD 1100

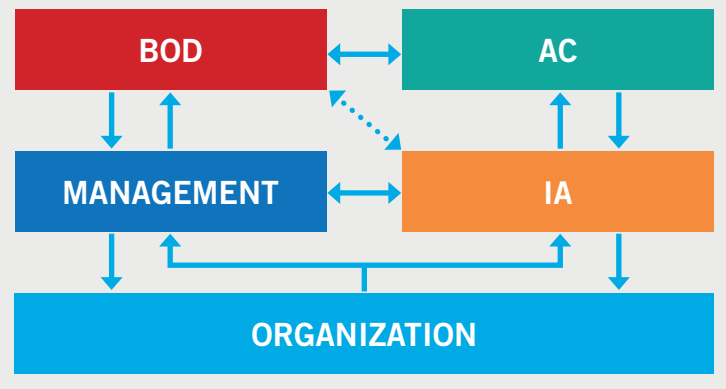
Independence and Objectivity, which states that the internal audit activity must be independent, and internal auditors must be objective in performing their work.

How Can Charter Alignment Add Value to Your Organization?

EXTERNALLY: Aligning the two charters demonstrates to stakeholders that your organization maintains the utmost integrity in two of its most critical risk and control monitoring functions.

INTERNALLY: The internal audit activity is enabled to provide broad coverage of organizational risk and control issues and work closely with management to improve the organization's risk management framework.

SUGGESTED ALIGNMENT FOR OPTIMUM RISK MANAGEMENT



Because IIA Standard 1000 requires the chief audit executive (CAE) to periodically review the internal audit charter and present it for approval, an opportunity exists to take advantage of this best practice and work to achieve alignment during the next charter review.

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Contact us at Quality@theiaa.org or +1-407-937-1399.

The IIA’s Model Charters include all elements necessary to facilitate conformance with **Standards 1000 and 1100** AND ensure the charters are aligned effectively.

The IIA’s Model Charters are designed to illustrate common practices typically set out in an internal audit activity charter. The generic nature of the drafts is intended to encourage customization.

| | SAMPLE AUDIT COMMITTEE CHARTER CONTENTS: | SAMPLE INTERNAL AUDIT CHARTER CONTENTS: |
|-----------------------|--|--|
| PURPOSE | To provide structured, systematic oversight. | To provide independent, objective assurance. |
| AUTHORITY | The Audit Committee is to carry out the responsibilities.... | The chief audit executive (CAE) will report functionally to the Audit Committee and administratively to.... |
| RESPONSIBILITY | The Audit Committee is to provide the Board with independent, objective advice, and detailed information on the requirements for effective oversight of the internal audit activity and other assurance providers. | The CAE is to submit a risk-based audit plan, communicate to the Audit Committee.... <ul style="list-style-type: none"> • Independence and Objectivity • Scope of Internal Audit Activities • Quality Assurance and Improvement Program |

For information on the Core Principles for the Professional Practice of Internal Auditing, visit www.theiia.org/Guidance and navigate to Core Principles under Mandatory Guidance. Download the model charters: [Model Internal Audit Charter](#) and [Model Audit Committee Charter](#).

About IIA Quality Services, LLC

IIA Quality Services’ mission is to elevate professionalism within internal auditing and conformance with the *International Standards for the Professional Practice of Internal Auditing* by providing knowledge, resources, and external assessment services to internal audit activities. IIA Quality Services’ experts provide full-scope quality assessments, validations of self-assessments, and readiness reviews.

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