



THE GLOBAL ASSOCIATION FOR THE
INTERNAL AUDIT PROFESSION

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RESOURCES

BEST PRACTICES

NETWORKING

PUBLICATIONS

BENCHMARKING

QUALITY

PROFESSIONALISM

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Risks Are
Everywhere.

Accidents Competitors
Fire Fraud

Inefficient Operations

Hurricanes Lawsuits

Legal Compliance

Loss of Key Suppliers

Loss of Major Customers

Missed Opportunities Market

Risk Policy Violations

Poor Decision
Making Security

Issues Staffing Issues

Stock Devaluation

Reputation Damage

Terrorism
Theft War

Internal Auditing: The Basics

Every organization has objectives (strategic, financial, operational, and compliance). Internal auditors provide independent assurance and advice to help ensure the organization's objectives are being met. Internal auditors ask:

1. What is the organization trying to accomplish? What are its objectives?
2. What can go wrong to prevent the organization from accomplishing its objectives (risks)?
3. What controls can be put into place to help minimize those risks?

What do internal auditors do?

Internal auditors identify and assess the organization's risks to prevent bad things from happening, ensure good things happen, and help management and other stakeholders (the board of directors and investors) understand where the risks are and whether they are under control.

To do this, internal auditors:

- Evaluate whether policies and procedures are being followed.
- Monitor compliance with laws and regulations.
- Ensure accuracy of records.
- Suggest ways to reduce costs, improve processes, manage risks, and enhance revenues.
- Investigate alleged fraud situations.
- Educate senior management and the board on critical issues.
- And much more!

When internal auditors do their job, the organization's internal controls are strong, reporting is accurate, ethics are maintained, oversight is effective, risks are mitigated, and investments are protected.

WHAT IS THE IIA?

The internal audit profession's trusted leader and greatest resource

Established in 1941, The Institute of Internal Auditors Inc. (IIA) is a global professional association for internal auditors. As the chief advocate of the internal audit profession, The IIA serves as the profession's:

- International standard-setter.
- Sole provider of globally accepted certifications.
- Principal researcher and educator.

With more than 180,000 members from 190 countries and hundreds of local area chapters, The IIA offers its global membership unparalleled opportunities for professional peer networking. The association also provides a variety of products and services for members, ultimately making it the No. 1 resource for internal audit professionals around the world.



STANDARDS & GUIDANCE



The IIA promulgates professional standards and other authoritative guidance organized under a conceptual framework called the International Professional Practices Framework (IPPF). The IPPF is updated regularly, evolving as the internal audit profession itself evolves, to ensure that the profession has, on an ongoing basis, a blueprint for professional practice and performance.

The IPPF's structure and associated processes ensure that all authoritative guidance is current, relevant, and internationally consistent and applicable. An independent governing body, the IPPF Oversight Council, reviews these processes and ensures transparency and adherence to due process.

The IPPF houses both mandatory and strongly recommended authoritative guidance. Conformance with the principles set forth in mandatory guidance is essential for the professional practice of internal auditing and is required for internal auditors to be able to state that their internal audit activity "conforms with The IIA's IPPF." The three mandatory elements of the IPPF are:

- Definition of Internal Auditing.
- International Standards.
- Code of Ethics.

The most substantial mandatory element is the International Standards for the Professional Practice of Internal Auditing, which includes principle-focused standards that address both the characteristics of an internal audit organization and the performance of the internal audit activity itself.

The IIA also offers a variety of strongly recommended, but not mandatory, guidance to help internal auditors address topics such as fraud, independence and objectivity, IT, and quality assurance. The IPPF's strongly recommended guidance describes practices for effective implementation of the mandatory guidance elements and is endorsed by The IIA through a formal approval process.



CERTIFICATIONS



The IIA offers five leading certification programs for internal auditors, including the premier Certified Internal Auditor® (CIA®), the only globally recognized designation for internal auditors. The CIA is the standard by which individuals demonstrate their comprehensive competence and professionalism in the field of internal auditing.

The Institute also offers four specialty certifications:



Demonstrates candidates' understanding of important CSA fundamentals, processes, and related topics such as risk, controls, and business objectives.



Is designed especially for auditors working in banking institutions, thrift/savings and loan organizations, credit unions, insurance companies, security and commodity services, holding and investment companies, credit agencies, financial services regulatory agencies, and other financial services organizations.



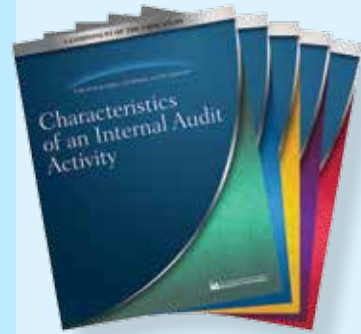
Is designed especially for auditors working in the public sector at all levels: federal/national, state/provincial, local, quasi-governmental, or crown authority.



Demonstrates candidates' ability to provide assurance on core business processes in risk management and governance, educate management and the audit committee on risk and risk management concepts, and focus on strategic organizational risks.

These certifications are offered in multiple languages and are available to members and non-members through computer-based testing year-round at more than 500 locations worldwide.

RESEARCH & KNOWLEDGE SHARING



The IIA regularly conducts research projects — including benchmarking studies, global and regional surveys, and targeted roundtable discussions — to promote knowledge sharing and advance the internal audit profession worldwide.

The IIA Research Foundation (IARF), a nonprofit, charitable organization that serves as the research arm of The IIA, facilitates most of the research. Through initiatives that explore current issues, emerging trends, and future needs, The IARF has been a driving force behind the evolution of the profession and has delivered more than 200 research reports on topics such as governance, sustainable development, fraud detection and prevention, IT, and security.

One of the largest research endeavors undertaken by The IARF is the global Common Body of Knowledge (CBOK) project, which produces a continuously expanding, living database that provides a rich overview of how the

profession is being practiced and viewed worldwide.

The Audit Executive Center, a specialty service that caters to chief audit executives across a variety of industries throughout North America, also produces groundbreaking research reports and thought leadership based on input from its elite membership.

The IIA communicates research results, thought leadership, and other best practice information through The IARF Bookstore, its award-winning print magazine *Internal Auditor*, and a variety of electronic and print newsletters. Virtual discussion forums and social media platforms such as LinkedIn and Facebook encourage online interactions among members and other followers. The IIA's video-sharing website, *AuditChannel.tv*, also promotes knowledge sharing by enabling professionals worldwide to search for and post videos on internal audit-related topics.

EDUCATION

The IIA is dedicated to serving its members and advancing the internal audit profession at all levels, from the college student to the most seasoned chief audit executive.

A leader in innovative continuing professional education, The IIA provides quality learning opportunities for busy internal auditors in an array of platforms, including: public seminars, customizable on-site courses, e-seminars, Members-Only Webinars, e-workshops, conferences, The IIA's CIA Learning System™, self-study programs, and Vision University. Many of The IIA's Learning Solutions are certified by the National Association of State Boards of Accountancy.

Because education is the foundation of any profession, The IIA also works to increase and enhance internal audit education in colleges and universities worldwide, providing a solid foundation for the internal auditors of tomorrow. The IIA has designed a robust academic program to prepare students who seek to pursue a career in the profession of internal auditing. The IIA also partners with schools that desire to promote internal auditing as a career choice for their students by offering quality internal audit curriculum.



ADVOCACY

On behalf of internal auditors everywhere, The IIA actively reaches out to regulators, government officials, standard-setting bodies, boards of directors, the media, and other stakeholders of internal audit to:

- Clarify the role of internal auditors.
- Educate others about the value of internal auditing.
- Promote professional standards for internal auditing.
- Advance good governance and risk management practices.

The IIA's advocacy efforts include interactions with regulators such as the U.S. Securities and Exchange Commission (SEC) and the Public Company Accounting Oversight Board (PCAOB). Additionally, The IIA has commented on Government Accountability Office (GAO) exposure drafts, met with legislators on Capitol Hill, and testified to support good governance and risk management practices.

As the global voice of the internal audit profession, The IIA also works collaboratively with the following like-minded organizations to broaden stakeholders' understanding of internal auditing and its role in effective governance: The National Association of Corporate Directors (NACD), The Center for Audit Quality (CAQ), Financial Executives International (FEI), ISACA, and Association of Certified Fraud Examiners (ACFE).

It's The IIA's mission to serve its members and to advance the internal audit profession around the world.

The IIA is governed by a global board of directors that comprises 38 directors as well as 18 international committees that are charged with specific missions. Approximately 350 committee members voluntarily provide guidance and direction through their participation on these committees.



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For additional information about IIA membership as well as the numerous products and services that are available to members and nonmembers, please contact IIA Customer Relations.

The IIA North America services the United States, Canada, Caribbean, Bermuda, Guyana, and Trinidad & Tobago. More than 100 additional IIA Institutes around the world provide localized services members in 190 countries.