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### Response

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Yes

Are you commenting as an individual or as an official representative of an organization?  
(Choose one.)

### Response

---

As an official representative of an organization

### Response

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Organization name	The Chartered Institute of Public Finance and Accountancy (CIPFA)
Your title related to the organization	Governance Advisor

---

Please provide your name and contact information. Providing this information is optional. All information will be kept confidential and used only to contact you regarding the feedback you provided, if needed.

### Response

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Given name/first name	Diana
Family name/last name	Melville
Email address	diana.melville@cipfa.org
Phone number (including international prefix)	+44 20 7543 5616

---

Please select the region where the organization is headquartered.

**Response**

---

Europe

Please select the country, dependency, or area of special sovereignty where the organization is headquartered. If the location is not listed, choose "other" at the end of the list and input the information.

**Response**

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United Kingdom

To what extent do you agree or disagree with the structure of the proposed Global Internal Audit Standards being organized by Domains, Principles, Standards, and Considerations for Implementation and Considerations for Evidence of Conformance?

**Response**

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Disagree

Please provide any additional comments or recommended changes for the structure of the proposed Global Internal Audit Standards.

## Response

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CIPFA supports the proposed structure of the five domains, as it is simpler than the previous structure. CIPFA is concerned that the overall approach to the Global Standards is more rules-based, including a very significant increase in aspects that internal auditors 'must' apply. Internal auditors in the UK public sector, including CIPFA qualified members, generally conform to the existing standards (the UK Public Sector Internal Audit Standards). There are opportunities to improve the quality and effectiveness of internal audit in the sector, but we consider that best achieved with a clear performance vision and principles that allow flexibility to adapt to the needs of the organisation. A more prescriptive approach is not likely to improve the quality of internal audit in the sector and instead will encourage auditors to focus on the process of evidencing conformance, which we are sure is not the intention of the Institute. Overall the proposed standards are significantly longer. While inclusion of the Considerations for Implementation and Evidence of Conformance for each standard includes some useful content, overall the Standards are less accessible. This is important for board members who need to be aware of the Standards, particularly in Domain III, where their own actions will influence overall conformance. The incorporation of Public Sector examples under the Considerations for Implementation are in the main unhelpful. Some reflect very particular requirements of some jurisdictions, which are meaningless to other internal auditors in the public sector. This level of guidance and advice on the application of standards is better addressed at national / sector levels. CIPFA is of the view that the IIA should set standards that are equally applicable for all sectors and the public sector should not be singled out as a separate category. To help navigation and reference, CIPFA would like to see a clear numbering structure, so it is apparent which Domain, a Principle or Standard is part of.

### **Introduction to the Global Internal Audit Standards**

To what extent do you agree or disagree with the proposed content for this element?

#### **Response**

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Neutral (neither agree nor disagree)

### **Introduction to the Global Internal Audit Standards**

Please provide any additional comments or recommended changes for the proposed content for this element.

#### **Response**

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## **Glossary**

To what extent do you agree or disagree with the proposed content for this element?

### **Response**

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Agree

## **Glossary**

Please provide any additional comments or recommended changes for the proposed content for this element.

### **Response**

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In addition to the definitions included in the glossary, CIPFA would like to see the inclusion of 'public interest', suggesting use of the International Federation of Accountants (IFAC) definition: 'the net benefits derived for, and procedural rigor employed on behalf of, all society in relation to any action, decision, or policy'

## **Domain I. Purpose of Internal Auditing**

To what extent do you agree or disagree with the proposed content for this element?

### **Response**

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Disagree

## **Domain I. Purpose of Internal Auditing**

Please provide any additional comments or recommended changes for the proposed content for this element.

### **Response**

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The new Purpose replaces the Mission and Definition of internal audit, together with some aspects of the Core Principles, which are no longer included. Overall the Purpose fails to communicate the essential value of internal audit to the board and wider stakeholders. CIPFA recommends that the definition of when internal audit is most effective is amended to incorporate wider aspects of the previous Core Principles. The existing text has an undue weight to the process of internal auditing, rather than ensuring internal audit focuses on what matters. The Core Principles that should be reflected within the Purpose are that internal audit:

- Aligns with the strategies, objectives, and risks of the organisation
- Provides risk-based assurance
- Is insightful, proactive, and future-focused

## **Domain II. Ethics and Professionalism**

To what extent do you agree or disagree with the proposed content for this element?

### **Response**

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Neutral (neither agree nor disagree)

## **Domain II. Ethics and Professionalism**

Please provide any additional comments or recommended changes for the proposed content for this element.

### **Response**

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Strongly Disagree – opening text The definition of ‘internal auditors’ is unclear. The current Code of Ethics refers to both Institute members and ‘those who provide internal auditors services within the definition of internal auditing.’ The proposed definition only refers to IIA members or candidates. We would suggest that consistency with the previous definition is adopted to avoid confusion. CIPFA notes that other international standards are membership neutral and CIPFA would expect the IIA to take the same approach. As well as CIPFA members, other professional bodies have members working as internal auditors and the Global Internal Audit Standards should not distinguish between them.

## **Domain II. Ethics and Professionalism**

From the list below, choose all areas for which you would like to provide feedback for this element.

### **Response**

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Principle 1 Demonstrate Integrity, Standard 1.1 Honesty and Courage, Standard 1.2 Organization’s Ethical Expectations, Principle 2 Maintain Objectivity, Standard 2.2 Safeguarding Objectivity, Principle 3 Demonstrate Competency, Principle 4 Exercise Due Professional Care, Standard 4.1 Conformance with Global Internal Audit Standards, Principle 5 Maintain Confidentiality

## **Principle 1 Demonstrate Integrity**

To what extent do you agree or disagree with the proposed content for this element?

## Response

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Agree

### **Principle 1 Demonstrate Integrity**

Please provide any additional comments or recommended changes for the proposed content for this element.

## Response

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### **Standard 1.1 Honesty and Courage**

To what extent do you agree or disagree with the proposed **requirements** for this standard?

## Response

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Agree

### **Standard 1.1 Honesty and Courage**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

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### **Standard 1.1 Honesty and Courage**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

## Response

---

Disagree

### **Standard 1.1 Honesty and Courage**

Why do you disagree with the proposed **considerations for implementation and evidence of conformance** for this standard? (Choose all that apply.)

## Response

---

CIPFA questions whether a separate public sector consideration is needed in the implementation guidance. Internal auditors working in the public sector should display courage, but so should internal auditors in other sectors.

### Standard 1.1 Honesty and Courage

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

## Response

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CIPFA questions whether a separate public sector consideration is needed in the implementation guidance. Internal auditors working in the public sector should display courage, but so should internal auditors in other sectors. The separate criteria suggest a different standard applies.

### Standard 1.2 Organization's Ethical Expectations

To what extent do you agree or disagree with the proposed **requirements** for this standard?

## Response

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Agree

### Standard 1.2 Organization's Ethical Expectations

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

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### Standard 1.2 Organization's Ethical Expectations

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

## Response

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Neutral (neither agree nor disagree)

### **Standard 1.2 Organization's Ethical Expectations**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

#### **Response**

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The wording is too strong where it says 'If internal auditors determine that senior management violated...' The internal auditor may have concerns that they should properly raise, but it is not the place of the internal auditor to pass judgement on senior management. It may also be difficult for the internal auditor to follow up on any action, as it is likely that any disciplinary investigation will be confidential until it is concluded.

### **Principle 2 Maintain Objectivity**

To what extent do you agree or disagree with the proposed content for this element?

#### **Response**

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Agree

### **Principle 2 Maintain Objectivity**

Please provide any additional comments or recommended changes for the proposed content for this element.

#### **Response**

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### **Standard 2.2 Safeguarding Objectivity**

To what extent do you agree or disagree with the proposed **requirements** for this standard?

#### **Response**

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Disagree

### **Standard 2.2 Safeguarding Objectivity**

Why do you disagree with the proposed **requirements** for this standard? (Choose all that apply.)

## Response

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CIPFA generally agrees, but the wording of Standard 2.2 on conflicts of interest to avoid is unclear. The meaning of 'Be established to protect oneself from potential or actual loss or harm' is not clear why that is a conflict of interest to avoid.

### **Standard 2.2 Safeguarding Objectivity**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

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Clarification of 'a qualified and competent internal auditor' is needed since the current definition of 'internal auditor' in the opening text only refers to IIA members. Members of other professional institutes may also be qualified and competent internal auditors. If the definition is addressed, then the meaning here is agreed,

### **Standard 2.2 Safeguarding Objectivity**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

## Response

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Neutral (neither agree nor disagree)

### **Standard 2.2 Safeguarding Objectivity**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

## Response

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It is not clear what is meant by the public sector interpretation, and we suggest it is deleted.

### **Principle 3 Demonstrate Competency**

To what extent do you agree or disagree with the proposed content for this element?

## Response

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Agree

**Principle 3 Demonstrate Competency**

Please provide any additional comments or recommended changes for the proposed content for this element.

**Response**

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**Principle 4 Exercise Due Professional Care**

To what extent do you agree or disagree with the proposed content for this element?

**Response**

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Agree

**Principle 4 Exercise Due Professional Care**

Please provide any additional comments or recommended changes for the proposed content for this element.

**Response**

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**Standard 4.1 Conformance with Global Internal Audit Standards**

To what extent do you agree or disagree with the proposed **requirements** for this standard?

**Response**

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Disagree

**Standard 4.1 Conformance with Global Internal Audit Standards**

Why do you disagree with the proposed **requirements** for this standard? (Choose all that apply.)

## Response

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In the UK public sector, internal audit standards are mandated for auditors working in public sector bodies in addition to the professional standards for an individual auditor (GIAS)., See below

### **Standard 4.1 Conformance with Global Internal Audit Standards**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

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In the UK public sector, internal audit standards are mandated for auditors working in public sector bodies in addition to the professional standards for an individual auditor (Global Internal Audit Standards). The wording of this section appears to cut across this mandate. Given the variety of jurisdictions and legislation around the world, we would like to see amendments to this requirement to reflect the authority of regulators. CIPFA also has concerns that conformance is included as an ethical matter for the individual auditor. This matters when conformance with the standards includes aspects in Domain III that are beyond the control of the chief audit executive. This could lead to unintended consequences. For example, it could become difficult to recruit a new chief audit executive to improve a weak internal audit function as they will be unlikely to conform with the standards for some time.

### **Standard 4.1 Conformance with Global Internal Audit Standards**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

## Response

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Agree

### **Standard 4.1 Conformance with Global Internal Audit Standards**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

## Response

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**Principle 5 Maintain Confidentiality**

To what extent do you agree or disagree with the proposed content for this element?

**Response**

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Agree

**Principle 5 Maintain Confidentiality**

Please provide any additional comments or recommended changes for the proposed content for this element.

**Response**

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**Domain III. Governing the Internal Audit Function**

To what extent do you agree or disagree with the proposed content for this element.

**Response**

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Disagree

**Domain III. Governing the Internal Audit Function**

Please provide any additional comments or recommended changes for the proposed content for this element.

## Response

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Proposed principles in Domain III encapsulate some of the objectives of the CIPFA Statement on the Role of the Head of Internal Audit (CIPFA 2019) but in a more generic way that is not always easily applicable to UK public sector governance arrangements. As a result, demonstrating conformance with Domain III by UK local government bodies may be compromised, even where there is no concern about the governance and oversight of internal audit. The Global Standards attempts to mandate decisions and responsibilities for the board towards internal audit, though it cannot require boards to comply with them. Chief Audit Executives can advise and guide the board on adoption and implementation of Domain III, but ultimately those decisions lie with the board. The Global Standards are of internal auditing, not internationally agreed governance standards. As it stands, the Board's compliance with the Principles and Standards of Domain III will be necessary to demonstrate conformance. CIPFA recommends that the IIA adopt Domain III as their recommended practice for boards, rather than internal audit standards. As part of the assessment of conformance, the assessment would consider the extent to which the board follows the recommendations, but those practices would not determine the level of conformance. The IIA should also work with regulators and standard setters to encourage them to adopt the recommended practice for boards within their own codes. This would then provide greater flexibility to individual sectors to apply the recommended practice in way that is appropriate for the governance of those bodies. Although both the Glossary and the standards themselves attempt to define 'board' it is likely that each organisation within differing sectors and jurisdictions will need to make their own interpretation of which body or bodies fulfils the role of the board. To facilitate this in UK local government, CIPFA would welcome sufficient flexibility to interpret the fulfilment of 'board' functions. In the UK public sector there are many internal audit services which operate as shared services and multi-client providers. Domain III, in particular, assumes the internal audit service has a single board relationship. This difference is particularly challenging when assessing conformance with the standards.

### **Domain III. Governing the Internal Audit Function**

From the list below, choose all areas for which you would like to provide feedback for this element.

### **Response**

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Principle 6 Authorized by the Board, Standard 6.1 Internal Audit Mandate, Standard 6.2 Board Support, Principle 7 Positioned Independently, Standard 7.1 Organizational Independence, Standard 7.2 Chief Audit Executive Roles, Responsibilities, and Qualifications, Standard 7.3 Safeguarding Independence, Principle 8 Overseen by the Board, Standard 8.1 Board Interaction, Standard 8.2 Resources, Standard 8.3 Quality, Standard 8.4 External Quality Assessment

**Principle 6 Authorized by the Board**

To what extent do you agree or disagree with the proposed content for this element?

**Response**

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Disagree

**Principle 6 Authorized by the Board**

Why do you disagree with the proposed content for this element? (Choose all that apply.)

**Response**

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UK local government bodies all have statutory regulations that mandate internal audit, these will be referenced within the approved Charter of the body.,The introduction of a Mandate in addition to the Charter is unnecessarily complex.

**Principle 6 Authorized by the Board**

Please provide any additional comments or recommended changes for this element.

**Response**

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The introduction of a Mandate in addition to the Charter is unnecessarily complex. CIPFA recommends the requirements of Mandate and Charter are brought together in the Charter. Where there are legislative or regulatory mandates for specific sectors or jurisdictions, for example UK local government bodies all have statutory regulations that mandate internal audit, these will be referenced within the approved Charter of the body.

**Standard 6.1 Internal Audit Mandate**

To what extent do you agree or disagree with the proposed requirements for this standard?

**Response**

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Disagree

**Standard 6.1 Internal Audit Mandate**

Why do you disagree with the proposed requirements for this standard? (Choose all that apply.)

## Response

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Superseded by local/government regulations or standards,Lack of perceived benefit compared to cost

### **Standard 6.1 Internal Audit Mandate**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

---

The introduction of a Mandate in addition to the Charter is unnecessarily complex. CIPFA recommends the requirements of Mandate and Charter are brought together in the Charter. Where there are legislative or regulatory mandates for specific sectors or jurisdictions, for example UK local government bodies all have statutory regulations that mandate internal audit, these will be referenced within the approved Charter of the body.

### **Standard 6.1 Internal Audit Mandate**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

## Response

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Disagree

### **Standard 6.1 Internal Audit Mandate**

Why do you disagree with the proposed **considerations for implementation and evidence of conformance** for this standard? (Choose all that apply.)

## Response

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Guidance to public sector bodies is best undertaken by those responsible for specific jurisdictions. That way the guidance can be tailored to specific circumstances.

### **Standard 6.1 Internal Audit Mandate**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

## Response

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It is confusing for public sector bodies when the the public sector guidance is not applicable to their circumstances.

### Standard 6.2 Board Support

To what extent do you agree or disagree with the proposed **requirements** for this standard?

### Response

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Disagree

### Standard 6.2 Board Support

Why do you disagree with the proposed **requirements** for this standard? (Choose all that apply.)

### Response

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CIPFA agrees that it is of vital importance that the organisation takes responsibility for supporting effective internal audit and creating the right environment in which internal audit can operate.

### Standard 6.2 Board Support

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

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CIPFA agrees that it is of vital importance that the organisation takes responsibility for supporting effective internal audit and creating the right environment in which internal audit can operate. In the UK local government context it is difficult to identify a single body that can fulfill the role of the board. An audit committee is an advisory body so it will not have the authority to approve the budget and resource plan of internal audit.

### Standard 6.2 Board Support

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

## Response

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Disagree

### Standard 6.2 Board Support

Why do you disagree with the proposed **considerations for implementation and evidence of conformance** for this standard? (Choose all that apply.)

## Response

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Not appropriate for small internal audit functions

### Standard 6.2 Board Support

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

## Response

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### Principle 7 Positioned Independently

To what extent do you agree or disagree with the proposed content for this element?

## Response

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Agree

### Principle 7 Positioned Independently

Please provide any additional comments or recommended changes for the proposed content for this element.

## Response

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CIPFA supports the importance of the organisational independence of internal audit. Depending on which body (or bodies) fulfils the role of Board, direct reporting relationships should be established.

### Standard 7.1 Organizational Independence

To what extent do you agree or disagree with the proposed **requirements** for this standard?

## Response

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Agree

### **Standard 7.1 Organizational Independence**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

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### **Standard 7.1 Organizational Independence**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

## Response

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Neutral (neither agree nor disagree)

### **Standard 7.1 Organizational Independence**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

## Response

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### **Standard 7.2 Chief Audit Executive Roles, Responsibilities, and Qualifications**

To what extent do you agree or disagree with the proposed **requirements** for this standard?

## Response

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Agree

### **Standard 7.2 Chief Audit Executive Roles, Responsibilities, and Qualifications**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

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### **Standard 7.2 Chief Audit Executive Roles, Responsibilities, and Qualifications**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

#### **Response**

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Agree

### **Standard 7.2 Chief Audit Executive Roles, Responsibilities, and Qualifications**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

## Response

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### **Standard 7.3 Safeguarding Independence**

To what extent do you agree or disagree with the proposed **requirements** for this standard?

#### **Response**

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Agree

### **Standard 7.3 Safeguarding Independence**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

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CIPFA agrees that alternative assurance arrangements should be established where the chief audit executive has ongoing non audit responsibilities.

### **Standard 7.3 Safeguarding Independence**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

## Response

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Agree

### Standard 7.3 Safeguarding Independence

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

## Response

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### Principle 8 Overseen by the Board

To what extent do you agree or disagree with the proposed content for this element?

## Response

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Agree

### Principle 8 Overseen by the Board

Please provide any additional comments or recommended changes for the proposed content for this element.

## Response

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CIPFA agrees the principles underpinning these Standards 8.1,8.2 and 8.3 but there are difficulties with the application in practice. While the audit committee might be regarded as the body best able to fulfil the role of 'the board' under local government governance arrangements the audit committee is a non-executive advisory committee. Decision making powers lie elsewhere.

### Standard 8.1 Board Interaction

To what extent do you agree or disagree with the proposed **requirements** for this standard?

## Response

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Agree

### **Standard 8.1 Board Interaction**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

#### **Response**

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CIPFA agrees the principles underpinning standard 8.1, but there are difficulties with the application in practice. While the audit committee might be regarded as the body best able to fulfil the role of 'the board' under local government governance arrangements, the audit committee is a non-executive advisory committee. Decision-making powers lie elsewhere.

### **Standard 8.1 Board Interaction**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

#### **Response**

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Neutral (neither agree, not disagree)

### **Standard 8.1 Board Interaction**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

#### **Response**

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### **Standard 8.2 Resources**

To what extent do you agree or disagree with the proposed **requirements** for this standard?

#### **Response**

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Agree

### **Standard 8.2 Resources**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

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CIPFA agrees the principles underpinning Standard 8.2 but there are difficulties with the application in practice. While the audit committee might be regarded as the body best able to fulfil the role of 'the board' under local government governance arrangements the audit committee is a non-executive advisory committee. Decision making powers lie elsewhere.

### Standard 8.2 Resources

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

### Response

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Neutral (neither agree nor disagree)

### Standard 8.2 Resources

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

## Response

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### Standard 8.3 Quality

To what extent do you agree or disagree with the proposed **requirements** for this standard?

### Response

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Agree

### Standard 8.3 Quality

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

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CIPFA agrees the principles underpinning Standard 8.3 but there are difficulties with the application in practice. While the audit committee might be regarded as the body best able to fulfil the role of 'the board' under local government governance arrangements the audit committee is a non-executive advisory committee. Decision making powers lie elsewhere.

### Standard 8.3 Quality

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

#### Response

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Neutral (neither agree, not disagree)

### Standard 8.3 Quality

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

## Response

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### Standard 8.4 External Quality Assessment

To what extent do you agree or disagree with the proposed **requirements** for this standard?

#### Response

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Disagree

### Standard 8.4 External Quality Assessment

Why do you disagree with the proposed **requirements** for this standard? (Choose all that apply.)

#### Response

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It isn't clear how the assessment should be conducted for an internal audit service that is a shared service or a multi-client provider.

### **Standard 8.4 External Quality Assessment**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

#### **Response**

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It isn't clear how the assessment should be conducted for an internal audit service that is a shared service or a multi-client provider. Should each client have their own external quality assessment, the timing and scope decided by each board? Or should the internal audit service coordinate a single assessment across their various clients? In the latter situation how would differences in conformance with Domain III by the clients be addressed? CIPFA disagrees that the Certified Internal Audit designation is essential for the completion of the external quality assessment. This would exclude competent assessors with alternative qualifications. CIPFA considers that the standards should remain membership neutral, as per our comments in 4.1.

### **Standard 8.4 External Quality Assessment**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

#### **Response**

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Neutral (neither agree nor disagree)

### **Standard 8.4 External Quality Assessment**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

#### **Response**

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CIPFA recommends that the standards should be membership neutral, so references to the Certified Internal Auditor qualification should be omitted.

### **Domain IV. Managing the Internal Audit Function**

To what extent do you agree or disagree with the proposed content for this element?

#### **Response**

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Agree

## **Domain IV. Managing the Internal Audit Function**

Please provide any additional comments or recommended changes for the proposed content for this element.

### **Response**

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## **Domain IV. Managing the Internal Audit Function**

From the list below, choose all areas for which you would like to provide feedback for this element.

### **Response**

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Principle 9 Plans Strategically, Standard 9.1 Understanding Governance, Risk Management, and Control Processes, Standard 9.2 Internal Audit Strategy, Standard 9.3 Internal Audit Charter, Standard 9.4 Methodologies, Standard 9.5 Internal Audit Plan, Standard 9.6 Coordination and Reliance, Principle 10 Manages Resources, Standard 10.1 Financial Resource Management, Standard 10.2 Human Resource Management, Standard 10.3 Technological Resources, Principle 11 Communicates Effectively, Standard 11.1 Building Relationships and Communicating with Stakeholders, Principle 12 Enhances Quality, Standard 12.1 Internal Quality Assessment, Standard 12.2 Performance Measurement, Standard 12.3 Ensuring and Improving Engagement Performance

## **Principle 9 Plans Strategically**

To what extent do you agree or disagree with the proposed content for this element?

### **Response**

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Agree

## **Principle 9 Plans Strategically**

Please provide any additional comments or recommended changes for the proposed content for this element.

### **Response**

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CIPFA disagrees with some content and strongly agrees with other aspects.

**Standard 9.1 Understanding Governance, Risk Management, and Control Processes**

To what extent do you agree or disagree with the proposed requirements for this standard?

**Response**

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Neutral (neither agree nor disagree)

**Standard 9.1 Understanding Governance, Risk Management, and Control Processes**

Please provide any additional comments or recommended changes for the proposed requirements for this standard.

**Response**

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CIPFA agrees the importance of understanding governance, risk management and control for the chief audit executive. The IIA's mapping makes clear that this standard, along with 9.4 and 9.5 are intended to cover content currently in standard 2110, 2120 and 2130. These standards are applicable to all internal auditors, not just those in management roles.

**Standard 9.1 Understanding Governance, Risk Management, and Control Processes**

To what extent do you agree or disagree with the proposed considerations for implementation and evidence of conformance for this standard?

**Response**

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Agree

**Standard 9.1 Understanding Governance, Risk Management, and Control Processes**

Please provide any additional comments or recommended changes for the proposed considerations for implementation and evidence of conformance for this standard.

**Response**

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**Standard 9.2 Internal Audit Strategy**

To what extent do you agree or disagree with the proposed requirements for this standard?

## Response

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Strongly agree

### Standard 9.2 Internal Audit Strategy

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

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CIPFA has always advocated the need for an internal audit strategy and welcomes this additional requirement.

### Standard 9.2 Internal Audit Strategy

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

## Response

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Agree

### Standard 9.2 Internal Audit Strategy

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

## Response

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### Standard 9.3 Internal Audit Charter

To what extent do you agree or disagree with the proposed **requirements** for this standard?

## Response

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Agree

### Standard 9.3 Internal Audit Charter

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

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In line with our response to Principle 6 CIPFA suggests combining the Mandate and Charter.

### Standard 9.3 Internal Audit Charter

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

#### Response

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Neutral (neither agree nor disagree)

### Standard 9.3 Internal Audit Charter

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

## Response

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The public sector consideration is confusing. Auditors in UK local government do have a mandate established in regulation, but this would be insufficient to serve as a charter. CIPFA suggests deleting the public sector consideration.

### Standard 9.4 Methodologies

To what extent do you agree or disagree with the proposed **requirements** for this standard?

#### Response

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Agree

### Standard 9.4 Methodologies

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

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### **Standard 9.4 Methodologies**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

#### **Response**

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Agree

### **Standard 9.4 Methodologies**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

#### **Response**

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### **Standard 9.5 Internal Audit Plan**

To what extent do you agree or disagree with the proposed **requirements** for this standard?

#### **Response**

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Neutral (neither agree nor disagree)

### **Standard 9.5 Internal Audit Plan**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

#### **Response**

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Clarification of what is meant by 'a documented assessment of the organisation's strategies, objectives and risks' is required. The Standards no longer refer to a 'risk-based plan', which suggests a different approach going forward. The considerations for implementation emphasise the importance of addressing internal audit plan towards the organisation's key risks. CIPFA would like to see a stronger focus on the plan being risk-based in the actual standard itself.

### **Standard 9.5 Internal Audit Plan**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

## Response

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Agree

### Standard 9.5 Internal Audit Plan

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

## Response

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### Standard 9.6 Coordination and Reliance

To what extent do you agree or disagree with the proposed **requirements** for this standard?

## Response

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Neutral (neither agree nor disagree)

### Standard 9.6 Coordination and Reliance

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

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Coordination and reliance on the work of other assurance services can add value to the work of internal audit and add value to the organisation. As they are currently drafted, the Standards could be interpreted that it is the job of the Chief Audit Executive to prepare assurance maps on behalf of the organisation. The interaction of the Standards with the Three Lines Model and other resources such as CIPFA's Developing Effective Assurance Frameworks in Public Sector Organisations (due for publication 2023) would merit further examination. The standard says the chief audit executive 'must' coordinate with other assurance providers. Where there are external regulators and inspectors (such as in the UK public sector) the ability of the chief audit executive to coordinate their interactions with the organisation will be very limited. These bodies have statutory powers, with no obligation to respond to the internal audit function. Amended wording would be helpful to emphasise communication where coordination is not possible.

**Standard 9.6 Coordination and Reliance**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

**Response**

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Neutral (neither agree nor disagree)

**Standard 9.6 Coordination and Reliance**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

**Response**

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The responsibility for establishing an assurance framework should lie with the board, though internal audit can provide guidance where arrangements are poorly defined. Care is needed to ensure responsibility isn't passed to the internal auditor.

**Principle 10 Manages Resources**

To what extent do you agree or disagree with the proposed content for this element?

**Response**

---

Disagree

**Principle 10 Manages Resources**

Why do you disagree with the proposed content for this element? (Choose all that apply.)

**Response**

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Good financial management is required of all managers, The standards should focus on internal audit.

**Principle 10 Manages Resources**

Please provide any additional comments or recommended changes for the proposed content for this element.

## Response

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CIPFA agrees that to manage the internal audit function management of financial, human, and technological resources is required. The standards reflect expected good practice from the management of any function, but which seem out of place in a set of standards about internal auditing.

### **Standard 10.1 Financial Resource Management**

To what extent do you agree or disagree with the proposed **requirements** for this standard?

#### **Response**

---

Disagree

### **Standard 10.1 Financial Resource Management**

Why do you disagree with the proposed **requirements** for this standard? (Choose all that apply.)

#### **Response**

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Other

### **Standard 10.1 Financial Resource Management**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

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CIPFA agrees that to manage the internal audit function management of financial resources is required. The standards reflect expected good practice from the management of any function, but which seem out of place in a set of standards about internal auditing.

### **Standard 10.1 Financial Resource Management**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

#### **Response**

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Neutral (neither agree nor disagree)

**Standard 10.1 Financial Resource Management**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

**Response**

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**Standard 10.2 Human Resource Management**

To what extent do you agree or disagree with the proposed **requirements** for this standard?

**Response**

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Neutral (neither agree nor disagree)

**Standard 10.2 Human Resource Management**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

**Response**

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CIPFA agrees that it is important to plan and develop the internal audit team, supporting professional development. This is good practice for the management of any function. The internal audit strategy should include a resourcing strategy.

**Standard 10.2 Human Resource Management**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

**Response**

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Neutral (neither agree nor disagree)

**Standard 10.2 Human Resource Management**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

## Response

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The evidence of conformance is very detailed. If the external assessor will be expected to check through these it will add additional time and cost to the review.

### Standard 10.3 Technological Resources

To what extent do you agree or disagree with the proposed **requirements** for this standard?

#### Response

---

Disagree

### Standard 10.3 Technological Resources

Why do you disagree with the proposed **requirements** for this standard? (Choose all that apply.)

#### Response

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Includes general good management practice as well as matters specific to internal audit.

### Standard 10.3 Technological Resources

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

---

CIPFA agrees that to manage the internal audit function management of technological resources is required. The standards reflect expected good practice from the management of any function, but which seem out of place in a set of standards about internal auditing.

### Standard 10.3 Technological Resources

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

#### Response

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Neutral (neither agree nor disagree)

**Standard 10.3 Technological Resources**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

**Response**

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**Principle 11 Communicates Effectively**

To what extent do you agree or disagree with the proposed content for this element?

**Response**

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Agree

**Principle 11 Communicates Effectively**

Please provide any additional comments or recommended changes for the proposed content for this element.

**Response**

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**Standard 11.1 Building Relationships and Communicating with Stakeholders**

To what extent do you agree or disagree with the proposed **requirements** for this standard?

**Response**

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Agree

**Standard 11.1 Building Relationships and Communicating with Stakeholders**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

**Response**

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**Standard 11.1 Building Relationships and Communicating with Stakeholders**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

**Response**

---

Neutral (neither agree nor disagree)

**Standard 11.1 Building Relationships and Communicating with Stakeholders**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

**Response**

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The public sector consideration is confusing with the reference to elected officials. In UK local government elected representatives form the body charged with governance. They would not be expected to direct the work of internal audit without further consultation.

**Principle 12 Enhances Quality**

To what extent do you agree or disagree with the proposed content for this element?

**Response**

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Agree

**Principle 12 Enhances Quality**

Please provide any additional comments or recommended changes for the proposed content for this element.

**Response**

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**Standard 12.1 Internal Quality Assessment**

To what extent do you agree or disagree with the proposed **requirements** for this standard?

**Response**

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Agree

**Standard 12.1 Internal Quality Assessment**

Please provide any additional comments or recommended changes for the proposed requirements for this standard.

**Response**

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**Standard 12.1 Internal Quality Assessment**

To what extent do you agree or disagree with the proposed considerations for implementation and evidence of conformance for this standard?

**Response**

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Agree

**Standard 12.1 Internal Quality Assessment**

Please provide any additional comments or recommended changes for the proposed considerations for implementation and evidence of conformance for this standard.

**Response**

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**Standard 12.2 Performance Measurement**

To what extent do you agree or disagree with the proposed requirements for this standard?

**Response**

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Disagree

**Standard 12.2 Performance Measurement**

Why do you disagree with the proposed requirements for this standard? (Choose all that apply.)

**Response**

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The standard omits evaluation of the achievement of Purpose.

### **Standard 12.2 Performance Measurement**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

#### **Response**

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In establishing appropriate performance objectives, CIPFA considers that the chief audit executive should consider the extent to which the internal audit function is achieving the Purpose of Internal Auditing. Below this, the chief audit executive will wish to have management metrics such as efficiency measures or staff productivity. These are common practice for the management of any function so do not need to be specifically stated in Internal Audit Standards.

### **Standard 12.2 Performance Measurement**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

#### **Response**

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Neutral (neither agree nor disagree)

### **Standard 12.2 Performance Measurement**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

#### **Response**

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### **Standard 12.3 Ensuring and Improving Engagement Performance**

To what extent do you agree or disagree with the proposed **requirements** for this standard?

#### **Response**

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Agree

### **Standard 12.3 Ensuring and Improving Engagement Performance**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

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### **Standard 12.3 Ensuring and Improving Engagement Performance**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

#### **Response**

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Agree

### **Standard 12.3 Ensuring and Improving Engagement Performance**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

## Response

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### **Domain V. Performing Internal Audit Services**

To what extent do you agree or disagree with the proposed content for this element?

#### **Response**

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Neutral (neither agree nor disagree)

### **Domain V. Performing Internal Audit Services**

Please provide any additional comments or recommended changes for the proposed content for this element.

## Response

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CIPFA generally agrees the content of Domain V, though it considers that some of the Standards are overly detailed. It strongly disagrees with Standard 14.4.

### **Domain V. Performing Internal Audit Services**

From the list below, choose all areas for which you would like to provide feedback for this element.

## Response

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Principle 13 Plan Engagements Effectively, Principle 14 Conduct Engagement Work, Standard 14.4 Recommendations and Action Plans, Principle 15 Communicate Engagement Conclusions and Monitor Action Plans, Standard 15.1 Final Engagement Communication, Standard 15.2 Confirming the Implementation of Action Plans

### Principle 13 Plan Engagements Effectively

To what extent do you agree or disagree with the proposed content for this element?

## Response

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Agree

### Principle 13 Plan Engagements Effectively

Please provide any additional comments or recommended changes for the proposed content for this element.

## Response

---

CIPFA generally agrees the content of Principle 13, though it considers that some of the Standards are overly detailed.

### Principle 14 Conduct Engagement Work

To what extent do you agree or disagree with the proposed content for this element?

## Response

---

Neutral (neither agree nor disagree)

### Principle 14 Conduct Engagement Work

Please provide any additional comments or recommended changes for the proposed content for this element.

## Response

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CIPFA generally agrees standards 14.1, 14.2, 14.3, 14.5 and 14.6, but strongly disagrees with 14.4.

#### **Standard 14.4 Recommendations and Action Plans**

To what extent do you agree or disagree with the proposed **requirements** for this standard?

#### **Response**

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Strongly disagree

#### **Standard 14.4 Recommendations and Action Plans**

Why do you disagree with the proposed **requirements** for this standard? (Choose all that apply.)

#### **Response**

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Requiring internal auditors to make recommendations would be a backward step for many public sector internal auditors.

#### **Standard 14.4 Recommendations and Action Plans**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

#### **Response**

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The standards says that internal auditors must formulate recommendations. Many internal audit functions have found a more open discussion with management on how to address the root causes of the audit's findings to be more constructive and effective than formally tabling a recommendation to management. CIPFA would not wish to see this practice constrained by the Standards and we would like the standards to provide alternative means to achieve the desired outcomes.

#### **Standard 14.4 Recommendations and Action Plans**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

#### **Response**

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Disagree

#### **Standard 14.4 Recommendations and Action Plans**

Why do you disagree with the proposed **considerations for implementation and evidence of conformance** for this standard? (Choose all that apply.)

## Response

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Focus on recommendations rather than working with management to find appropriate resolutions is inappropriate.

### **Standard 14.4 Recommendations and Action Plans**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

## Response

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The public sector consideration is not relevant for the UK public sector and should be removed.

### **Principle 15 Communicate Engagement Conclusions and Monitor Action Plans**

To what extent do you agree or disagree with the proposed content for this element?

## Response

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Neutral (neither agree nor disagree)

### **Principle 15 Communicate Engagement Conclusions and Monitor Action Plans**

Please provide any additional comments or recommended changes for the proposed content for this element.

## Response

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### **Standard 15.1 Final Engagement Communication**

To what extent do you agree or disagree with the proposed **requirements** for this standard?

## Response

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Neutral (neither agree nor disagree)

### **Standard 15.1 Final Engagement Communication**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

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The Standard requires disclosure where the engagement is not conducted in conformance with the Standards. The practical application of this should clarify if this applies to conformance with all Standards or simply those Standards concerning the performance of internal audit services. While CIPFA agrees the principle that it is important for management to know that the internal audit work is in conformance with the Standards, the practical benefits of detailed disclosures on each Standard to individual managers following each engagement is less certain.

### **Standard 15.1 Final Engagement Communication**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

#### **Response**

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Neutral (neither agree nor disagree)

### **Standard 15.1 Final Engagement Communication**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

## Response

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### **Standard 15.2 Confirming the Implementation of Action Plans**

To what extent do you agree or disagree with the proposed **requirements** for this standard?

#### **Response**

---

Disagree

### **Standard 15.2 Confirming the Implementation of Action Plans**

Why do you disagree with the proposed **requirements** for this standard? (Choose all that apply.)

## Response

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Unmitigated risks are the responsibility of management not internal audit. The board should hold management to account where agreed audit actions are not implemented.

### **Standard 15.2 Confirming the Implementation of Action Plans**

Please provide any additional comments or recommended changes for the proposed **requirements** for this standard.

## Response

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CIPFA agrees the importance of confirming the implementation of action plans by management. However, the responsibility for implementation lies with management not internal audit and management should be held accountable by the board.

### **Standard 15.2 Confirming the Implementation of Action Plans**

To what extent do you agree or disagree with the proposed **considerations for implementation and evidence of conformance** for this standard?

## Response

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Disagree

### **Standard 15.2 Confirming the Implementation of Action Plans**

Why do you disagree with the proposed **considerations for implementation and evidence of conformance** for this standard? (Choose all that apply.)

## Response

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The responsibilities for internal audit appear to outweigh those of management. There is an opportunity to link to the wider performance and risk management arrangements of the organisation.

### **Standard 15.2 Confirming the Implementation of Action Plans**

Please provide any additional comments or recommended changes for the proposed **considerations for implementation and evidence of conformance** for this standard.

## Response

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Do you support the inclusion of Topical Requirements in the IPPF?

### Response

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No

### Topical Requirements

Please provide any additional comments or recommended changes for the proposed content for this element.

## Response

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CIPFA welcomes the publication of guidance on emerging topics but believes that these are best regarded as guidance rather than requirements. CIPFA disagrees with the proposal in the recent paper, Topical Requirements: A New Concept, to expect mandatory conformance with the topical requirement when it is included in the audit plan. We foresee that a topic such as 'Assessing Organisational Governance' is going to be hard to apply to some public sector governance structures. It is more productive that the guidance remains as guidance to inform and support internal audit planning.

Do you support providing Topical Requirements for these topics?

### Response

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Not sure

Please list any additional topics you would like to be considered for development of Topical Requirements (optional).

## Response

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CIPFA supports guidance for internal auditors but some of the topics will require detailed sector knowledge to be of benefit. Some areas such as IT governance, cybersecurity, and sustainability would be welcome as these are generally applicable to all organisation types.

