

Core Principles practice guidance



International Professional Practices Framework



Audit leaders have some great tools in their armoury.

This piece explores the **Demonstrating the Core Principles for the Professional Practice of Internal Auditing** guidance produced by IIA global. The Core Principles were added to the International Professional Practices Framework (IPPF) in 2015.

We highlight the key points of Global's guidance and why it is beneficial for you to read and engage with it. The Core Principles apply to all sectors and are intrinsic to the codes of practices produced by the Chartered IIA here in the UK.

Key takeaways

You need to embed the Core Principles into your internal audit activities because:

- They personify the internal audit profession
- Consistent application will help achieve trusted advisor status
- They set a positive cultural tone

You will find there are significant benefits when you, your team and the profession as a whole consistently demonstrate conformance with the Core Principles.

These benefits include:

- Greater competence in talking about the profession and value of internal audit

- Increased credibility when you interact with people at all levels
- Enhanced responsibility/accountability from providing assurance to being a trusted advisor
- More faith in the results and conclusions of internal audit work
- Greater relevance of internal audit activities within an organisation
- Demonstrable measures of success to share with stakeholders

Greater justification for the resourcing and continuance of the internal audit profession

By striving to adhere to them you will also achieve the IIA Global Mission of Internal Audit “to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight” and also that of the Institute here in the UK “the primary role of internal audit should be to help the board and executive management to protect the assets, reputation and sustainability of the organisation.”

Document summary

This guidance provides practical insights for developing and maintaining a good internal audit culture by embedding the principles into the day to day running of the function.

Each of the ten principles is explored in detail in the guidance explaining:

- What it means
- How it links to the IPPF elements including the Standards
- The enablers to show what needs to be done in practical terms
- Ideas for how success can be measured and validated.

Core Principles summarised

The Core Principles are the overarching concepts that define internal audit as a profession.

The Standards are the detailed ways of working that ensure rigour in what we do.

Both are mandatory elements of the overall framework.

There are 10 principles.

1. Demonstrates integrity
2. Demonstrates competence and due professional care
3. Is objective and free from undue influence
4. Aligns with the strategies, objectives and risks of the organisation
5. Is appropriately positioned and adequately resourced
6. Demonstrates quality and continuous improvement
7. Communicates effectively
8. Provides risk-based assurance
9. Is insightful, proactive and future-focused
10. Promotes organisational improvement

The Core Principles, taken as a whole, articulate internal audit effectiveness. For an internal audit function to be considered effective, all Principles should be present and operating effectively. How an internal auditor, as well as an internal audit activity, demonstrates achievement of the Core Principles may be quite different

from organisation to organisation, but failure to achieve any of the Principles would imply that an internal audit activity was not as effective as it could be in achieving internal audit's mission.

What do I need to do?

Audit leaders need to define, measure, assess and monitor demonstration of each of the Core Principles.

Have you read the **guidance** yet?

Share it with your team. Put it into practice.

If you an auditor reading this - prompt the discussion if your CAE is busy!

Decide what approach is going to work best for your internal audit team.

What **measures/KPIs/metrics** do you use today? How can you adapt them?

Large functions may have dedicated teams to do this but in smaller teams it could be useful to have nominated champions to drive different activities.

The principles must form part of your quality assurance and improvement programme (**QAIP**). A self-assessment template is included in the guidance and could be used to communicate results with key stakeholders such as the board and audit committee.

Closing thoughts

We encourage you to use the supplemental **guide - Demonstrating the Core Principles for the Professional Practice of Internal Auditing**.

Learn the ten Core Principles.

What better way to communicate why you do what you do, why you are passionate about it and why it is important that it is appropriately resourced to protect your organisation.