



INTERNATIONAL PROFESSIONAL PRACTICES FRAMEWORK (IPPF)

Virtual Seminar (17th to 18th March 2021)

THE MISSION OF INTERNAL AUDIT

Presented by CPA Gladys Byegon

Session Objectives



By the end of the session the participants are expected to:

1. Appreciate the Mission of Internal Audit and its relationship with other aspects of the IPPF
2. Understand the relationship between Core Principles and Internal Audit (IA) Mission
3. Understand the effects of delineation of scope on the extent of IA value addition to the entity
4. Remember the role of compliance in the pursuit of IA Mission

Presentation Agenda



- 1. Introduction**
- 2. Recap of IPPF (2017)**
- 3. Relationship between Core Principles and Internal Audit (IA) Mission**
- 4. Pursuit of IA Mission through provision of Assurance & Advisory Services**
- 5. Effects of scope on IA value addition to the entity**
- 6. Role of compliance in the pursuit of IA Mission**
- 7. Conclusion**

Introduction



Definition: Mission

Meriam Webster Dictionary: - A specific task with which a person or a group is charged

IPPF:

The Mission of Internal Audit (IA) articulates what internal audit aspires to accomplish within an organization.

Introduction



❖ The **IPPF (2017)** further provides that:
Practitioners should leverage the entire framework to facilitate their ability to achieve the Mission:

❖ The **Mission of IA** is therefore:
“To enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.”

Recap of the IPPF (2017)



The International Professional Practices Framework (IPPF) is the conceptual framework that organizes authoritative guidance promulgated by The IIA. ***Effective January 1, 2017.***



Add: The Mission of Internal Audit

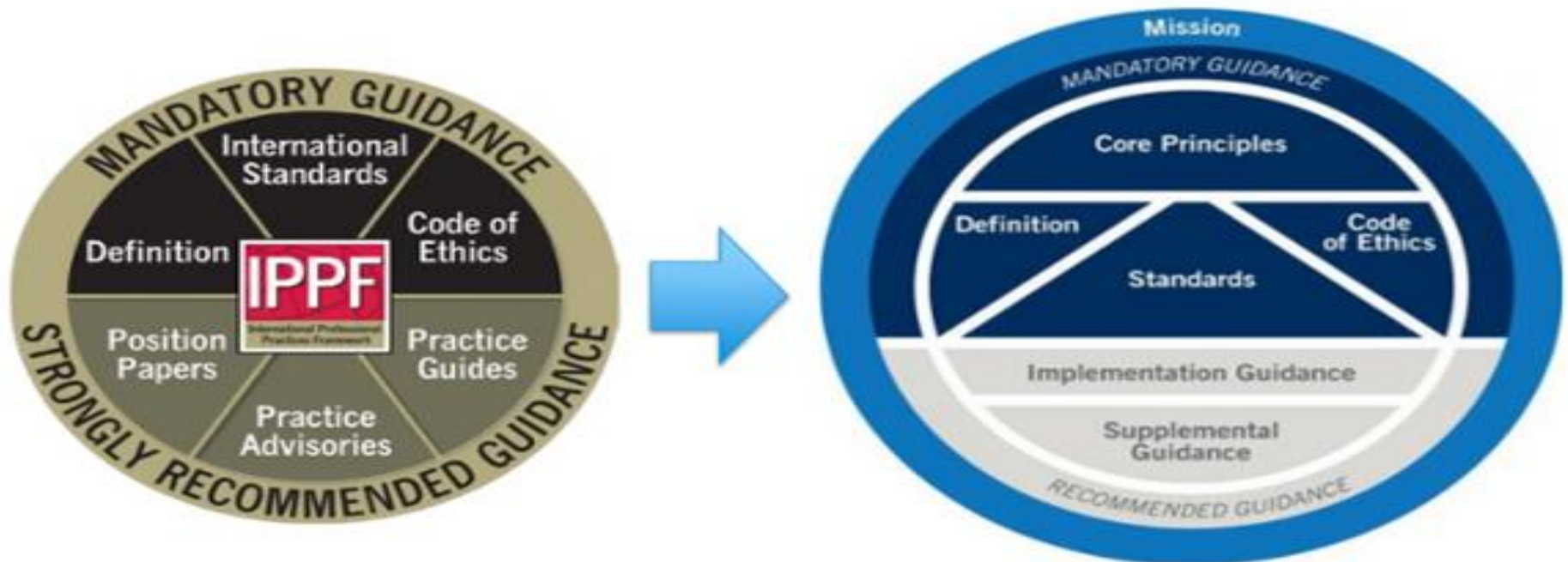
"To enhance and protect organizational value by providing risk-based and objective assurance, advice and insight."



Recap of the IPPF (2017) cont..



From the Previous IPPF ... To the New IPPF



Relationship between Core Principles and IA Mission



- ❖ Demonstrates integrity.
- ❖ Demonstrates competence and due professional care.
- ❖ Is *objective and free* from undue influence (independent).
- ❖ Aligns with the strategies, objectives, and risks of the organization.
- ❖ Is *appropriately positioned* and adequately resourced.

Relationship between Core Principles and IA Mission cont..



- ❖ Demonstrates *quality* & *continuous improvement*.
- ❖ Communicates effectively.
- ❖ Provides risk-based assurance.
- ❖ Is *insightful, proactive, and future-focused*.
- ❖ Promotes *organizational improvement*.

Pursuit of IA Mission through provision of Assurance & advisory services



- ❑ Governing bodies and senior management rely on Internal Auditing for objective assurance and insight on the **effectiveness** and **efficiency** on *governance*, **risk management** and **internal control processes**.
- ❑ Compliance to the Standards.



IA Mission : Assurance & Advisory Services cont..



- ❑ Assurance that the organization is operating as intended in order to achieve the set objectives.
- ❑ Insight for improving controls, processes, procedures, performance, and risk management; and for reducing expenses, enhancing revenues, and improving profits.
- ❑ Objective assessments of operations.

IA Mission : Assurance & Advisory Services cont..



IA Function is therefore expected to:

- ☐ Have variety of skills, educational backgrounds, and expertise. (*Standard 1210 – Proficiency*)
- ☐ Use their broad knowledge of the business to help management achieve its business objectives and assist the governing body in fulfilling its oversight responsibility.
- ☐ Be catalysts, risk and control experts, efficiency specialists, and problem-solvers.

IA Mission : Assurance & Advisory Services cont..



- **Objectivity:**

With commitment to *integrity* and *accountability*, Internal Auditing **provides value** to governing bodies and senior management as an **independent** source of objective advice.

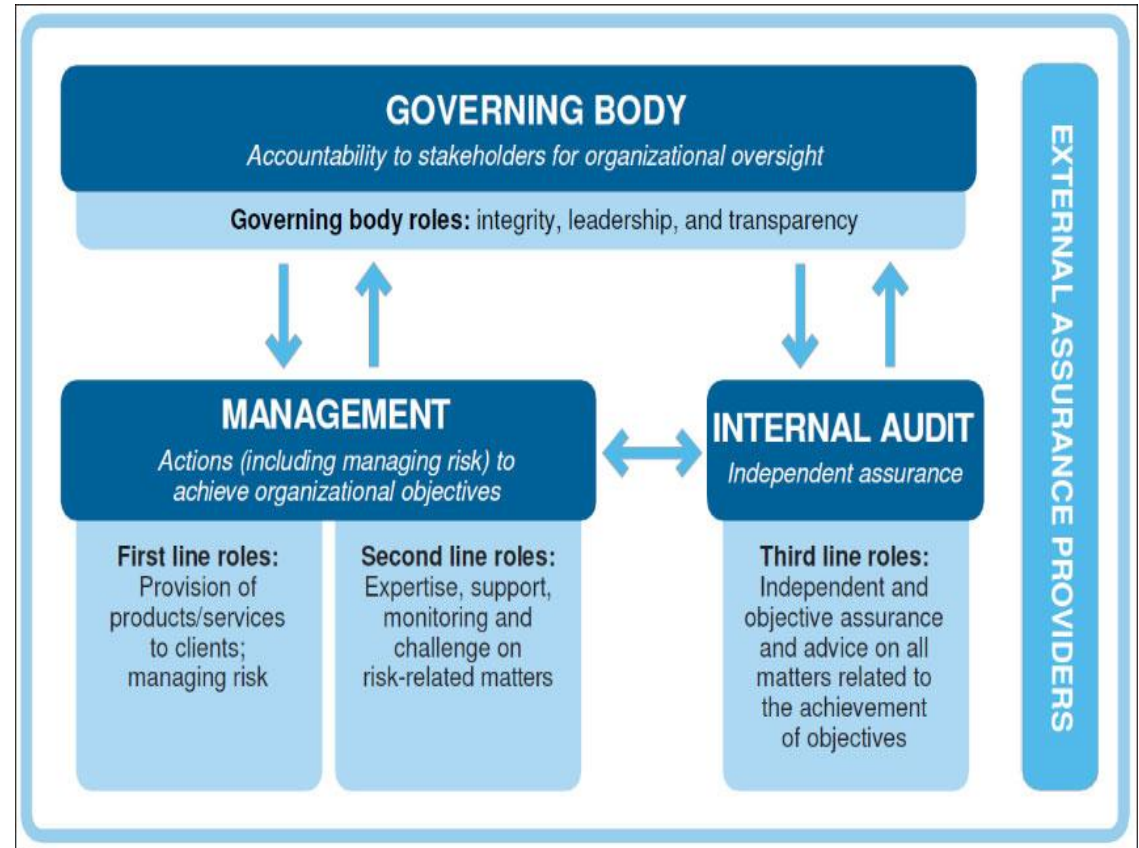
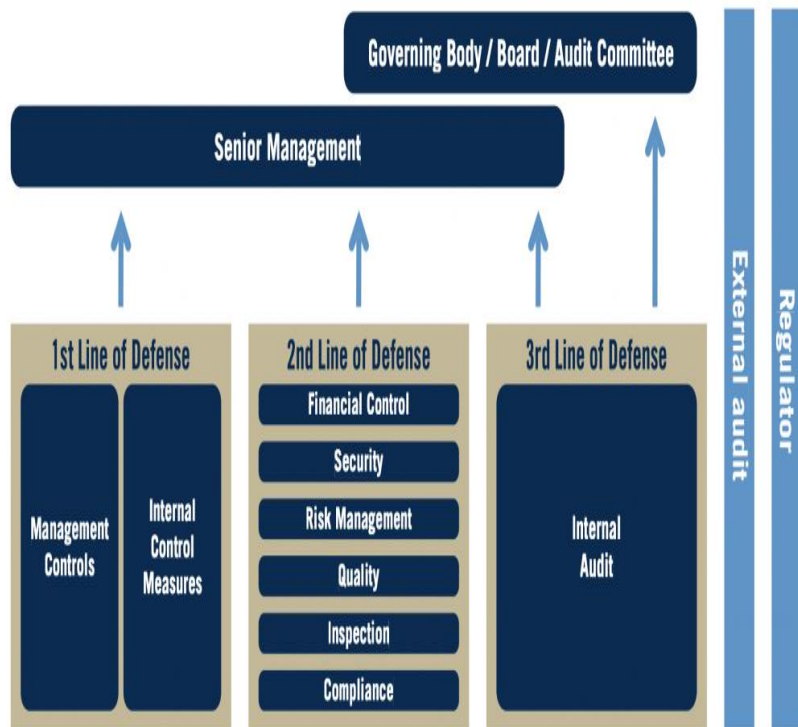
- Independent assurance in pursuit of IA Mission as guided by the 3- line of defense model.

IA Mission : Assurance Services

cont..(3- line of defense model 2013 vs 2020)



The Three Lines of Defense Model



2020 Model: Management & IA expected to Align, Communicate, coordinate and collaborate

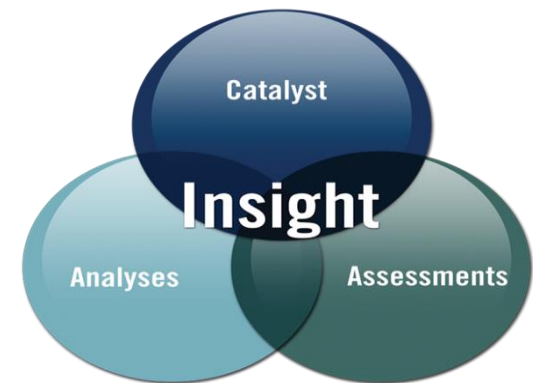
Vision: A world class Professional Accountancy Institute

IA Mission : Assurance & Advisory Services *cont...*



Insight:

Internal Auditing is a **catalyst** for improving an *organization's effectiveness* and *efficiency* by providing **insight and recommendations** based on *analyses* and **assessments** of data and business processes.



Effects of scope on IA value addition to the entity



- ❑ According to IIA *Position Paper on Internal Auditing role in Governing Body/Executive Committee* (January 2019):
- ❑ Greater value when IA:
 - ✓ positioned to offer insight and foresight driven by an enterprise-wide perspective,
 - ✓ Has varied critical skills,
 - ✓ Provides independent assurance and advice that support healthy transparency in risk management processes.

***Caution*:** *Ensure compliance with Standards, document in the Charter, Report to Audit Committee*

Role of compliance in the pursuit of IA Mission

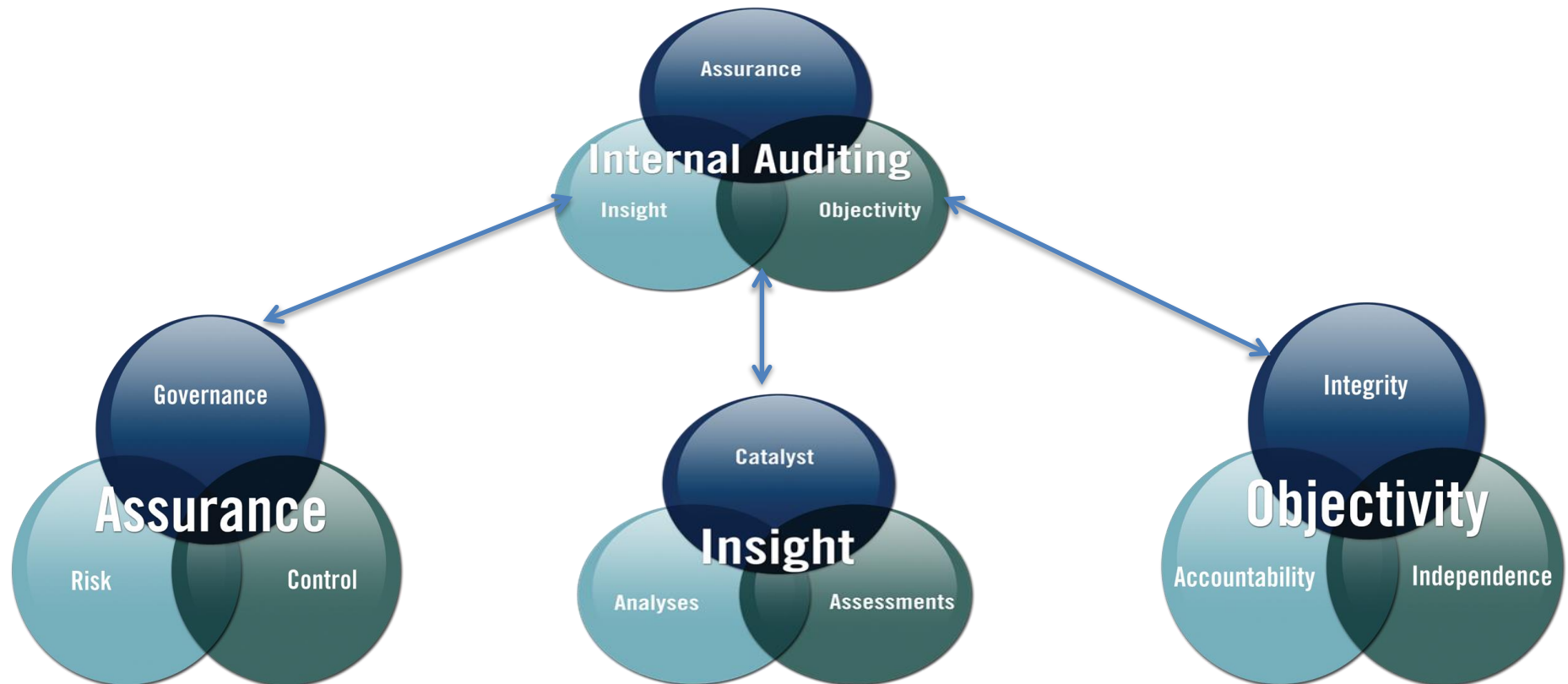


- ❑ Conformance to the IPPF is key in the pursuit of the IA mission.
- ❑ IA activity must operate under a charter that adopts the IPPF.
- ❑ Conformance to the IPPF strengthens the delivery of internal audit services leading to: Improvement on governance, manage risks, and implement controls to more effectively achieve its goals.
- ❑ Beneficiaries of compliance : *internal auditors, management, Board (inclusive of audit committees) and regulators.*

Recap



Recall: IA Mission is to enhance and protect organizational value by *providing risk-based and objective assurance, advice, and insight.*



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Conclusion



- ❑ Entire IPPF is relevant for achievement of Internal Audit Mission



Conclusion



Session

Thank You

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Thank
You

Your logo