




IIA Exposure Draft Global Internal Audit Standards: Five Things I Liked (or Mostly) By Douglas Hileman, CRMA, FSA, CPEA

The Institute of Internal Auditors has released an exposure draft of Global Internal Audit Standards (“draft GIAS”). These standards will affect the Internal Audit profession and all who rely on it. Here are five things I liked – at least, mostly.

- Necessity and Timing:** It has been six years since the International Professional Practices Framework (IPPF) was revised. The world has changed, other relevant standards have changed, and more is expected of Internal Audit. For example, COSO released supplemental guidance “Achieving Effective Internal Control over Sustainability Reporting (ICSR)” in March 2023¹. This document highlights roles for Internal Audit. It introduced “ICSR” into the lexicon. People are already talking about “sustainability SOX testing”. The timing is good.
- Structure and Readability:** I found the draft GIAS easier to navigate than the IPPF. It should avoid flipping pages (or one fewer monitor). “Considerations for Implementation and Evidence of Conformance” are clearly delineated from the standards. However, it is not entirely clear whether these are mandatory or illustrative. The Evidence sections, in particular, set a high bar. 
- Conformance and performance:** The draft GIAS begin by putting internal auditors on notice that the standards move beyond conformance and into performance. If auditing is to be regarded as more than “ticking the boxes”, it should begin with the standards. However, the content leans heavily on demonstrating conformance. I have suggested more content on performance.
- Commitment to quality:** The draft GIAS emphasizes quality throughout – as it should! However, the extent of mandatory provisions could be a heavy lift for small companies, small audit shops, non-profits and/ or governments. The saying is “don’t let the perfect get in the way of the good.” I suggest the standards could provide flexibility.
- Survey mechanism:** The survey mechanism is clear, comprehensive, and easy to navigate. You can comment on any domain, standard, or considerations/ evidence you like. Or not. Outline comments in parallel to the exposure draft, and using the survey will be a snap.

See also my blog post of “Six Suggestions for Improvement.” The IIA’s comment period runs through May 30, 2023. See <https://www.theiia.org/ippfevolution>. I encourage internal auditors and stakeholders alike to read and submit comments.

¹ I was a principal author of this supplemental guidance. The document can be accessed on the COSO website, as well as from the home page of www.douglashileman.com.