



Your Feedback for the Global Internal Audit Standards - 2023 Draft for Public Comment

Your responses can be found below.

I understand that data will be collected, processed, and handled according to the terms of The IIA's privacy policy. I consent to participate in this survey under these terms.

- **Response-** 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
- **Organization name-** ECIIA Public Sector Committee
- **Your title related to the organization-** Secretary general

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**
 - Given name/first name: pascale
 - Family name/last name: vandenbussche
 - Email address: p.vandenbussche@eciia.eu

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-** Belgium

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** Agree





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

- **Response-** We are generally positive but have included our suggestions for improvement. We also have general suggestions: - The document pushes the need for qualified IA for quality review but it is fine to have non-qualified IA members (including CAE) - It has a very traditional audit approach: nothing about agile auditing, new domains to audit (business model, value chain, culture...) - The public interest dimension needs to be defined more clearly: it is not common to share internal audit reports with external stakeholders, besides the External auditors, the Regulators or any specific stakeholder approved by the Governing Body.

Introduction to the Global Internal Audit Standards

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

- **Response-Agree**

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

- **Response -Agree**

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

- **Response-** In the proposed new standards the Glossary is mentioned at the beginning before Domain 1. In term of structure we would put the Glossary at the end of the document in an appendix.

Domain I. Purpose of Internal Auditing

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

- **Response-** Neutral (neither agree nor disagree)

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

- **Response-**The independence of Internal Auditing is an unconditional requirement. It should be included into the purpose statement as follows: "Internal auditing enhances the organization's success by providing the board and management with independent and objective assurance and advice." This is strongly required for the public sector.

Domain II. Ethics and Professionalism

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

- **Response-** Agree





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

- **Response-**The evidence of conformance for each domain is extensive and might have a big impact on EQA costs. We recommend to better explain the evidence of conformance and leave some flexibility in the evidence information but keeping the EQA mandatory. Also, many references to PS in the considerations are not relevant (they apply for everyone).

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

- **Response-**Standard 1.1 Honesty and Courage, Standard 1.2 Organization's Ethical Expectations, Standard 1.3 Legal and Professional Behavior, Standard 2.1 Individual Objectivity, Standard 2.2 Safeguarding Objectivity, Standard 5.2 Protection of Information

Standard 1.1 Honesty and Courage

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

- **Response-** Agree

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

- **Response-** The word courage might be misunderstood and translation is difficult. Internal auditor must be reasonably sure of the results she/he has obtained and should discuss them with management highlighting possible corrective actions in order to reduce the identified risks. If Findings are based on sufficient, reliable, and relevant evidence and appear reasonable, internal auditors need not fear anything and should communicate findings, recommendations, and conclusions with a positive and correct approach to support management in identifying the right actions. It is also important to note that in some country (eg Finland), there is no protection mechanism for internal auditors in the public sector. Proposal: "Internal auditors must perform their work with honesty and determination." Internal auditors must not make false, misleading, or deceptive statements, nor conceal or omit findings or other pertinent information

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

- **Response-** Agree

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

- **Response-**The specificity mentioned : "Public Sector Internal auditors in the public sector should always protect the public interest and should display courage when providing findings, recommendations, and conclusions." p 12 is not just for PS

Standard 1.2 Organization's Ethical Expectations

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

- **Response-** Agree





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

- **Response-**If internal auditors identify behavior within the organization that is inconsistent with the organization's ethical expectations, they must report the concern according to the policies established by the chief audit executive or the Board of Directors (in some countries).

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

- **Response-**Strongly agree

Standard 1.3 Legal and Professional Behavior

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

- **Response-**Agree

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

- **Response-** Internal auditors must not engage in or be a party to any activity that is illegal or discreditable to the organization or the profession of internal auditing. Internal auditors must not engage in or be a party to any activity that may harm the organization or its employees. This is not clear as nobody in the organization should be party to any illegal activity. and internal auditors should report all fraud or weaknesses even if it may result in harm for the organization reputation ...

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

- **Response-** Strongly agree

Standard 2.1 Individual Objectivity

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

- **Response-**Strongly agree

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

- **Response-**Agree

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

- **Response-** Annually, internal auditors should sign an attestation form, confirming their awareness of the importance of objectivity, understanding of relevant policies and procedures, and obligation to disclose any potential impairments. Some regulations prescribe an attestation (for outsourcing in Finland; for QAS review in Italy,.....). So the text should be more flexible here.





Standard 2.2 Safeguarding Objectivity

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

- **Response-** Agree

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

- **Response-**The statement related to PS mentions “engagement” but it should be replaced by advisory services (based on the glossary).

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

- **Response-**Agree

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

- **Response-** "If an impairment to objectivity cannot be avoided, the chief audit executive may consider options to mitigate the impairment, including: • Reassigning internal auditors to remove the impaired auditor from the engagement. • Rescheduling an engagement to ensure it is properly staffed. • Adjusting the scope of an engagement. • Outsourcing the performance or supervision of the engagement. Considerations for Implementation and Evidence of Conformance." Suggesting to consider a scope change in the case of impairment goes against the independence of the Internal Audit activity. If an audit engagement has been requested or approved in the audit plan we should not change or limit the scope because of impairment. We need to use the other options (etc. outsourcing...) but not limiting the scope. p18: "Activities to be avoided may include fraternizing outside of work with the organization’s employees, management, third-party." It is overkill. p19: Public Sector specificities is not relevant as it applies for other sectors If public sector internal auditors have potential impairments related to an advisory engagement, laws and regulations may require them to ensure that the person(s) requesting the advisory engagement understands the potential impairment and accepts the responsibility for the findings, recommendations, and conclusions. Additionally, internal auditors may be required to disclose potential impairments in the final engagement communication.

Standard 5.2 Protection of Information

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

- **Response-**Strongly agree

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

- **Response-** Agree





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

- **Response-** p31: Internal auditors in the public sector must understand and comply with any jurisdictional requirements regarding disclosures of information. It is not specific to PS

Domain III. Governing the Internal Audit Function

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

Response- Agree

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

- **Response-** The relation with the “Board” is defined in details but practices vary a lot amongst countries/jurisdictions in the PS sector. The flexibility for the Board is not enough. It is important to define the governance model and the roles and responsibilities but there is no one size fits all solution in the PS context. There is a real problem with applying ‘must’ to Board activity. There are frequent references to the Board ‘must’, eg pages 34, 36, 42, 45, 48, 50, 53 and 56. The Standards can quite correctly use ‘must’ for internal audit activity but cannot use the same terminology for the Board, especially as there is no way of enforcing the requirement. Clearly the various requirements are recommended best practice and should be phrased appropriately. Or, a “comply or explain” option should be introduced.

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

- **Response-** Principle 6 Authorized by the Board, Standard 6.1 Internal Audit Mandate, Standard 6.2 Board Support, 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-** Agree , Principle 6 Authorized by the Board

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

- **Response-** "The mandate empowers the internal audit function to enhance the organization's success by providing senior management and the board with objective assurance and advice" We should add "independent objective assurance."

Standard 6.1 Internal Audit Mandate

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

- **Response-** Agree

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





- **Response-** "Chief Audit Executive Responsibilities To help the board determine the scope and types of internal audit services, the chief audit executive must collaborate with other internal and external assurance providers and with regulators, if applicable, to ensure a mutual understanding of each other's roles and responsibilities. This mutual understanding should be shared with the board." We should add a reference to the 3 lines model as the whole governance model is key in the PS

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

- **Response-** Strongly agree

Standard 6.2 Board Support

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

- **Response-** Agree

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

- **Response-**The relation with the "Board" is defined in details but practices vary a lot amongst countries/jurisdictions in the PS sector. The flexibility for the Board is not enough. It is important to define the governance model and the roles and responsibilities but there is no one size fits all solution in the PS context.

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

- **Response-** Strongly agree

Standard 8.2 Resources

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

- **Response-** Agree

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

- **Response-** The relation with the "Board" is defined in details but practices vary a lot amongst countries/jurisdictions in the PS sector. The flexibility for the Board is not enough. It is important to define the governance model and the roles and responsibilities but there is no one size fits all solution in the PS context.

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

- **Response-** Strongly agree





Standard 8.3 Quality

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

- **Response-** Strongly agree

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

- **Response-** Agree

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

- **Response-**p54: The quality assurance and improvement program should include compliance with any laws or regulations governing the internal audit function in the jurisdiction within which the organization operates. It is not specific to PS

Standard 8.4 External Quality Assessment

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

- **Response-** Strongly agree

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

- **Response-** Strongly agree

Domain IV. Managing the Internal Audit Function

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

- **Response-**Strongly agree

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

- **Response-**Standard 11.1 Building Relationships and Communicating with Stakeholders, Principle 12 Enhances Quality; 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-**Strongly 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-** 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-Agree**

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

- **Response-** p83, not just for PS: Internal auditors should consider the public at large to be a direct stakeholder of the organization. To serve the public, the internal audit function may consider input from the public, such as users of services including utilities, public transit systems, and parks and recreation facilities. Additional stakeholders may include elected officials; however, internal auditors should involve management and the board before taking direction from officials who do not provide direct governance over the organization.

Principle 12 Enhances Quality

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

- **Response-Agree**

Principle 12 Enhances Quality

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

- **Response-** p95: The system of internal assessment also must include ongoing monitoring of the conformance with applicable regulations.

Domain V. Performing Internal Audit Services

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

- **Response-** Agree

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

- **Response-**Standard 14.1 Gathering Information for Analyses and Evaluation

Standard 14.1 Gathering Information for Analyses and Evaluation

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

- **Response-Agree**





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

- **Response-** "Standard 14.1 Gathering Information for Analyses and Evaluation Internal auditors must evaluate whether the information is relevant and reliable and whether it is sufficient such that analyses provide a reasonable basis upon which to formulate potential engagement findings. The results of the analyses and the supporting information are collectively referred to as "evidence." (See also Standard 14.2 Analyses and Potential Engagement Findings.)" We suggest to stress the concept that Internal Audit should gather the information as much as possible independently from management, if not possible should carefully evaluate the risk of non-reliable information. We see many cases of Internal Audit requesting data and information to the business and simply assuming that it's reliable without double check.

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

- **Response-**Strongly agree

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

- **Response-** Yes

Topical Requirements

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

- **Response-**We believe that some topics should be developed by sector (see proposal below for specific items)

Do you support providing Topical Requirements for these topics?

- **Response-**Not sure

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

- **Response-** Public sector: performance audits-RAF audits : it needs definitions Relation with SAIs is specific to IA in the PS Management of recommendations in the PS: variety of models (collaboration with Mgt or not, follow up...)

