

### **Context for needing the Audit Committee Guidance and Tool Kit**

The International Professional Practices Framework (IPPF) has been updated to a new structure which includes: the new Global Internal Audit Standards; new Topical Requirements; and Guidance. It becomes effective from 9 January 2025, and the internal audit profession needs to take the time now to transition to these from the International Professional Practices Framework (2017). With the increased requirements it is important that Audit Committees play their part in supporting the transition but also in transitioning their own practices to meet the mandatory Principles, Standards and Essential Conditions detailed in the Global Internal Audit Standards 2024.

The purpose of this guidance and tool kit is to help Audit Committees support their internal audit functions and to meet the new Global Internal Audit Standards. It is broken into three key areas and for each there is guidance tools to assist in the links below.

- Understanding the new IPPF (2024)
- Overseeing the transition to the new IPPF (2024)
- Implementing Audit Committee changes to conform with the new IPPF (2024)

### **Audit Committee Knowledge**

We would recommend the following three tools are used as a minimum for all audit committees in order to develop an understanding of the new Global Internal Audit Standards. These would take a maximum of 1 hour of audit committee member's time in total.

1. **Watch** the Global IIA's [5 Questions with Anthony](#) - a 15 minute interview with Anthony Pugliese, CEO of Global IIA
2. **Access** the PowerPoint Presentation "**Global Internal Audit Standards 2024 – What Audit Committees need to know**" (Can be delivered by the Head of Internal Audit).
3. **Read** [Domain III: Governing the Internal Audit Function and the Three Lines Model](#) (2 pages) provided by Global IIA which focuses on the Audit Committee's area of responsibility in the Global Internal Audit Standards.

In addition, for larger organisations, audit committees may also wish to read and review additional documents and videos that the Global IIA has produced to support a deeper understanding of the new Global Internal Audit Standards. All of these are publicly available.

[Complete Global Internal Audit Standards](#)

[Condensed Global Internal Audit Standards](#) (Requirements and Essential Conditions only)

[Getting to Know the new Global Internal Audit Standards](#) (1 ½ hour recorded webinar)

[What the new Standards mean to Quality Assessments](#) (1 ½ hour recorded webinar)

### Overseeing the Transition

The Chief Audit Executive (CAE) is ultimately responsible for ensuring that practices within the IAF conform with the IPPF. Therefore, the Audit Committee may wish to **add an objective for the CAE** relating to the successful transition to the new IPPF. However, the Audit Committee needs to oversee the transition and this can be achieved using a number of methods.

As a minimum we would recommend a **regular meeting between the Chair of the Audit Committee and CAE** to discuss the transition. However, for larger organisations, audit committees may wish to go further by adopting one or all of the following:

1. An agenda item covering the transition at every Audit Committee meeting until the transition is completed.
2. Deep Dives commissioned by the Audit Committee on aspects it feels are key to meet the requirements.
3. Appointment of an independent third party to provide assurance to the Audit Committee on the transition arrangements. This may be part of an External Quality Assessment.

To support this, we are providing a **Global Standards Transition Questionnaire for Audit Committees** (Appendix 2) to use to assist them in this oversight. This can be used regardless as to whether the internal audit function is inhouse, outsourced or a shared service model. The tool is designed to not only provide the questions Audit Committees can ask but also guidance on the answers that they should expect.

### Implementing Audit Committee Changes

**Complete a Gap Analysis** - As part of the transition plans, the CAE should perform a gap analysis to the new Global Internal Audit Standards, which includes the Essential Conditions and other requirements of Audit Committees. The extent of the Audit Committee involvement will vary, for smaller organisations we would expect this to have been completed by the CAE, whereas for larger, we would expect an Audit Committee member to have been involved in identifying the gaps. There are two key tools already available:

1. We have provided a [global-internal-audit-standards-self-assessment-tool-vs1.xlsx \(live.com\)](#) for this purpose, which members have had access to since early May 2024.
2. Global IIA has now published its [conformance readiness assessment 20240506.pdf](#), which highlights the new and enhance requirements.

**Develop an Action Plan** - Having identified the changes needed an action plan needs to be determined, agreed and followed. The [global-internal-audit-standards-self-assessment-toolvs1.xlsx \(live.com\)](#), includes an action plan template to assist with this.

**Maintaining Conformance** - We are also providing an **Annual Agenda Schedule** (Appendix 3) specifically for Audit Committees to help maintain conformance after January 2025. This provides a list of regular agenda items, mapped to the new Global Internal Audit Standards, with required/suggested frequencies. The tool can be adopted as is or used as a benchmark for what is already in place.