

International Standards for the Professional Practice of Internal Auditing

The *International Standards for the Professional Practice of Internal Auditing* are the criteria by which the operations of an internal audit office are evaluated and measured. These standards are issued by the Institute of Internal Auditors (IIA) and known as the Red Book. Within the International Professional Practices Framework there are three sets of standards:

- **Attribute Standards:** address the attributes of organizations and individuals performing internal audit services.
- **Performance Standards:** describe the nature of internal audit services and provide quality criteria against which the performance of these services can be measured.
- **Implementation Standards:** provide guidance applicable in specific types of engagements.

Along with these standards are *The Code of Ethics* which states the principles and expectations governing the behavior of individuals and organizations in the conduct of internal auditing. It describes the minimum requirements for conduct and behavioral expectations rather than specific activities.

A digital version of the *International Standards for the Professional Practice of Internal Auditing* can be accessed at <https://www.theiia.org/en/content/guidance/mandatory/standards/international-standards-for-the-professional-practice-of-internal-auditing/>.

IIA Code of Ethics

The Code of Ethics states the principles and expectations governing the behavior of individuals and organizations in the conduct of internal auditing. It describes the minimum requirements for conduct, and behavioral expectations rather than specific activities.

Code of Ethics – Principles & Rules of Conduct

Internal auditors are expected to apply and uphold the following principles and rules of conduct:

1. **Integrity:** establishes trust and provides the basis for reliance on their judgment.
 - Shall perform their work with honesty, diligence, and responsibility
 - Shall observe the law and make disclosures expected by the law and the profession.
 - Shall not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the organization.
 - Shall respect and contribute to the legitimate and ethical objectives of the organization.
2. **Objectivity:** make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments. Exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information.
 - Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organization.
 - Shall not accept anything that may impair or be presumed to impair their professional judgment.
 - Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

3. **Confidentiality:** respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.
 - Shall be prudent in the use and protection of information acquired in the course of their duties.
 - Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organization
4. **Competency:** apply the knowledge, skills, and experience needed in the performance of internal audit services.
 - Shall engage only in those services for which they have the necessary knowledge, skills, and experience.
 - Shall perform internal audit services in accordance with the International Standards for the Professional Practice of Internal Auditing (Standards).
 - Shall continually improve their proficiency and the effectiveness and quality of their services.