

# Advisory Alert: IIA releases updated internal audit standards

The Institute of Internal Auditors' (IIA) has recently released and updated the IIA's International Standards for the Professional Practice of Internal Auditing (Standards).

## The amendments

The proposed approved and updated Standards, includes:

- Two new standards, pertaining to:
  - the reality that Chief Audit Executives (CAEs) are sometimes asked to take on risk management, compliance, or other roles beyond internal auditing
  - the potential objectivity-impairing situation in which an internal audit activity performs an assurance engagement after previously consulting in the area
- Alignment of the Standards to the Core Principles:
  - modifications primarily focused on the following two Core Principles, “Aligns with the strategies, objectives, and risks of the organization,” and “Is insightful, proactive, and future-focused”
- Updates to existing Standards:
  - Communications: Summarize in one standard the required communications from the CAE to the board and senior management
  - Quality Assurance and Improvement Program (QAIP): An enhanced annual

requirement for CAEs to report on their quality assurance and improvement program and current level of conformance.

The purpose of the Standards is to:

1. Guide adherence with the mandatory elements of the International Professional Practices Framework.
2. Provide a framework for performing and promoting a broad range of value-added internal auditing services.
3. Establish the basis for the evaluation of internal audit performance.
4. Foster improved organizational processes and operations.

## Effective date

The revised Standards will be effective on January 1, 2017, and are currently available on the IIA's website.

Refer to: <https://na.theiia.org/standards-guidance/mandatory-guidance/Pages/Standards.aspx>

**Call us to make an appointment with one of our experienced advisors. We will be glad to assist you.**



## Contact us

For assistance in this matter, please contact us via [ojel.rodriguez@pr.gt.com](mailto:ojel.rodriguez@pr.gt.com)



Adding true value means exceeding our clients' expectations, anticipating their needs and being proactive and innovative in the accounting profession.

Through the **Kevane Grant Thornton business and tax application for mobile devices** you will have access to our Alerts, Tax News and other related matters, plus a customized tax calendar for individuals, businesses and other entities, thus providing an excellent tool to manage filing and payment due dates with government agencies in Puerto Rico.

Download for free the application. Available for iPhone, Motorola and all tablets.



Follow us on  and 

**October 19, 2016**

**DISCLAIMER:** This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2016 Kevane Grant Thornton LLP All rights reserved.  
Kevane Grant Thornton LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please visit [www.kevane.com](http://www.kevane.com) for further details.