



Implementing the IIA's Global Internal Audit Standards

Focusing on the future: Introducing the Standards

The Institute of Internal Auditors (IIA) revised its Global Internal Audit Standards™ (“the Standards”) in 2023 to support the continued evolution of the profession and help organisations address today’s complex risk landscape.

This represents a significant opportunity for Internal Audit (IA) functions to incorporate the latest developments in good practice and drive transformation to increase the value they can provide to their stakeholders.

All organisations will need to consider their response and implement changes for the Standards in 2024, ready to conform in 2025. Find out below how PwC can help you.

An opportunity to transform: Key changes in the Standards

The Standards, which can be found on the IIA’s global website, include additional focus on areas such as:

- Board (or equivalent) involvement in IA
- IA mandate, vision and strategic plan
- An understanding of risks and coverage throughout the organisation
- Planning, tracking and measuring performance (e.g., efficiency and quality)
- IA reporting, evaluating findings and effective communication

There will also be Topical Requirements and guidance that help IA functions focus on key risk areas. These include topics such as Cybersecurity, Information Technology Governance, Privacy Risk Management, Sustainability and ESG (Environmental, Social & Governance), and Third-party Management.



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A unified approach: How leadership should respond



Board/Audit Committee and Senior Management

Consider how a strong IA function can help the company achieve its vision by building resilience to protect value and give the business confidence to transform to create value.

Second Line (e.g., Risk, Compliance)

Capture the opportunity to align and collaborate with IA to strengthen the company's approach to risk and optimise assurance and monitoring activities.



IA Leaders (e.g., Chief Audit Executive)

Use the Standards to continue the IA transformation journey and engage differently with stakeholders.

Benefits: Unlocking the potential of IA

Organisations will be at different levels of maturity in relation to corporate governance and risk management. Critical to this is having a modern IA function that can adapt to a changing risk landscape and incorporate the latest Standards and best practices. Based on the key areas of focus in the Standards, benefits could include, for example:

- **Better stakeholder alignment** - through additional Board and Senior Management engagement in the IA life-cycle, alignment on strategic priorities and coverage, and optimised IA reporting
- **More effective auditing of important risks** - incorporating IIA Topical Requirements and guidance to help IA enhance its approach to addressing key risk areas
- **Increased efficiency and risk coverage** - by further cooperation with second line and a clear understanding of assurance activity mapped to key risk areas
- **Additional insights and value to the business** - as a result of IA training and upskilling, including knowledge of strategic/business risks, audit methodology, and technology and data



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How we can help

There are five key steps involved in implementing the Standards.

- 1. Assess readiness and agree priorities**
- 2. Create transformation plan and refresh IA strategy**
- 3. Implement the plan**
- 4. Brief and train your people**
- 5. Monitor outcomes**

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