



GUIDELINES ON TRANSITION TO  
2024 INTERNATIONAL PROFESSIONAL  
PRACTICES FRAMEWORK  
FOR PUBLIC SECTOR ENTITIES





## Our Mission

To prescribe and promote the adoption of accounting, internal audit, and risk management standards in the public sector



## Our Vision

A transparent and accountable public sector



## Motto

Promoting Accountability

---

### 1. Professionalism



# TABLE OF CONTENTS

	ACRONYMS	ii
1.0	INTRODUCTION	1
1.1	Achievements arising from IPPF 2017 adoption in the Public Sector	1
1.2	2024 International Professional Practices Framework	1
1.3	Rationale of Adopting the new standards	3
2.0	SIGNIFICANT IPPF CHANGES	5
2.1	Framework Structural Changes	5
2.2	Essential conditions for the Board & Senior Management	5
2.3	Internal audit strategy	5
2.4	Integrated assurance and the internal audit plan	6
2.5	Technological Resources	6
2.6	Reports and findings rating	6
2.7	Enhanced requirements for external quality assessments	7
2.8	Building Relationships	7
2.9	Performance Measurement	7
3.0	IMPLEMENTING 2024 IPPF ACROSS PUBLIC SECTOR	8
3.1	The GIAS Transition	8
3.2	The Transition Process	9
3.3	Transition to 2024 GIAS Assessment Checklist	10

## ACRONYMS

GIAS	Global Internal Audit Standards
IAF	Internal Audit Function
IPPF	International Professional Practices Framework
IIASB	International Internal Audit Standards Board
HIA	Head of Internal Audit
SOPs	Standard Operating Procedures
NT	National Treasury
OAG	Office of the Auditor General
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board



## 1.0 INTRODUCTION

Public Sector Accounting Standards Board (PSASB) is mandated by sections 194 of the PFM Act, 2012 to prescribe frameworks and set generally accepted standards for the development and management of accounting and financial systems by all State organs and public entities. The Board also prescribes internal audit procedures and mainstreams best practices for good governance, internal controls, and risk management.

The Board, vide gazette notice number 11033 of 30th August 2014, adopted the International Professional Practices Framework (IPPF) by public sector entities internal auditors for implementation. Since this adoption, public sector entities have been applying the IPPF.

### 1.1 Achievements arising from IPPF 2017 adoption in the Public Sector

Since its inception in 2014, PSASB has registered the following as some of its major achievements:

- a. Standardization of internal auditing for all public sector entities in the country. This enhances transparency and accountability across public entities as required by the PFM Act 2012.
- b. Standardization has promoted the reliance on the work of internal auditors by the Office of the Auditor General in undertaking statutory audits.
- c. Systematic and disciplined approach in review of governance, risk management, and control processes across the public sector.
- d. Value addition to organizations by internal auditors through assurance and advisory services.
- e. Guidance to public sector entities in adherence to the mandatory elements of the International Professional Practices Framework.
- f. Quality in internal audit functions enhanced through the establishment of a basis for evaluating internal audit performance.
- g. Effectiveness and efficiency of internal audit function
- h. Training and capacity building of public sector Internal Auditors.

### 1.2 2024 International Professional Practices Framework

The International Internal Audit Standards Board (IIASB) released the Global Internal Audit Standards on January 9th 2024, which has replaced the 2017 International Standards for the Professional Practice of Internal Auditing. PFM regulations of 2015 require Internal auditors to comply with the International Professional Practices Framework as issued by the Institute of Internal Auditors from time to time.

The 2024 IPPF comprises of Global Internal Audit Standards (GIAS), topical

requirements and global guidance. The Global Internal Audit Standards incorporates all the mandatory elements of the 2017 IPPF, including the Definition of Internal Auditing, Mission of Internal Audit, Code of Ethics, Core Principles for the Professional Practice of Internal Auditing.

Additionally, the recommended guidance contained in the 2017 Implementation Guides also has been incorporated into the 2024 Standards as considerations for implementation and examples of evidence of conformance. These elements are no longer considered separate elements of the framework. The GIAS contains five domains, 15 principles and 52 standards as summarized in the diagram below.



Source: Institute of Internal Auditors Global website

PFM regulations of 2015 require Internal auditors to conduct audits in accordance with policies and guidelines issued by the Public Sector Accounting Standards Board to ensure uniformity and consistency across both levels of government. Internal audit functions are required to adopt the new Global Internal Audit Standards by January 9, 2025.

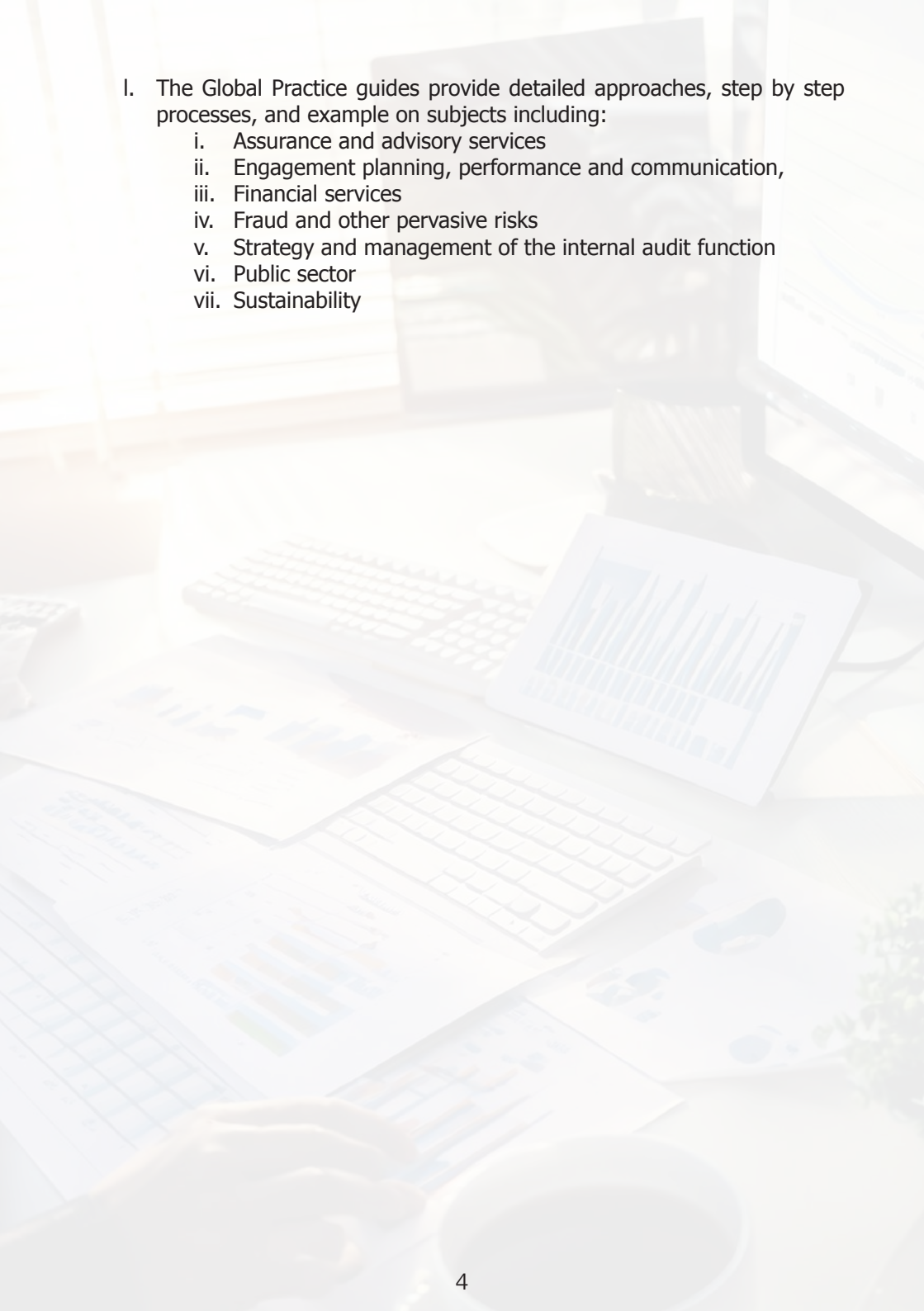
The previous version, the International Standards for the Professional Practice of Internal Auditing, released in 2017 (the 2017 Standards), remains approved for use during this transition period. However, PSASB supports and advocates for early adoption.

### 1.3 Rationale of Adopting the new standards

Some of the benefits that will accrue to public sector entities implementing the 2024 IPPF include:

- a. Public sector entities will obtain enhanced value from internal audit services.
- b. Consequence of a section called "Considerations for Implementation" to each standard, which offers common and preferred practices for implementing the requirements. This section incorporates information from the current Implementation Guides and other authoritative guidance and includes nuances in public sector and small internal audit functions, when appropriate.
- c. The addition of a section called "Considerations for Evidence of Conformance" to each standard, which gives examples of recommended ways to demonstrate that the requirements of each standard have been implemented
- d. Increased level of detail and adding content to clarify responsibilities and enhance the quality of internal audit engagements
- e. Enhanced professionalism and credibility of internal audit functions within public entities.
- f. Clarified roles and responsibilities among the governing bodies, management and internal audit.
- g. Elevated and clarified responsibilities and roles of HIA in managing the internal audit function to include: internal audit strategy, methodologies, effective communication, and management of financial, human, and technological resources.
- h. Continuous improvement through promoting a culture of continuous assessment within the entity
- i. GIAS serves as a basis for evaluating and elevating the quality of the internal audit function
- j. Topical requirements have been designed to strengthen the ongoing relevance of internal auditing in addressing the evolving risk landscape across industries and sectors
- k. The global internal audit standards is designed to enhance the consistency and quality of internal audit services related to specific audit subjects and to support internal auditors performing engagements in those risk areas



- 
- I. The Global Practice guides provide detailed approaches, step by step processes, and example on subjects including:
- i. Assurance and advisory services
  - ii. Engagement planning, performance and communication,
  - iii. Financial services
  - iv. Fraud and other pervasive risks
  - v. Strategy and management of the internal audit function
  - vi. Public sector
  - vii. Sustainability

## 2.0 SIGNIFICANT IPPF CHANGES

### 2.1 Framework Structural Changes

- a. The new Standards combine into one all-inclusive document multiple guides that previously encompassed within the 2017 Standards the mandatory elements (Mission of Internal Audit, Definition of Internal Auditing, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics, and Standards) and implementation guidance sections. The sections will no longer exist as separate elements.
- b. The Standards are not divided into “attribute” and “performance” categories and do not contain “interpretations” as a separate section of the standard. The “A” (assurance) and “.C” (consulting) implementation standards have been incorporated into the main body of the proposed Standards.
- c. The numbering system and order of the Standards has changed completely. The new Standards are organized into five domains and 15 principles.

### 2.1 Essential conditions for the Board and Senior Management

- a. Domain III, “Governing the Internal Audit Function,” encompasses Standards 6.1 through 8.4, which specifies what the HIA must do to support/encourage the board and senior management to perform necessary oversight responsibilities for an effective internal audit (IA) function.
- b. The Standards also define “Essential Conditions” for the board and senior management that should be present for the IA function to be able to meet its mandate and fulfill the Purpose of Internal Auditing.
- c. The responsibility rests with the HIA to provide and discuss with the board and senior management the information necessary for oversight of the IA function.

### 2.3 Internal audit strategy

- a. Domain IV, “Managing the Internal Audit Function,” encompasses standards that underscore responsibilities for strategic planning, obtaining and deploying resources, building relationships, communicating with stakeholders, and ensuring and enhancing the performance of the function.
- b. Standard 9.2 requires the HIA to develop and implement a strategy for the IA function that supports the strategic objectives and success of the organization and aligns with the expectations of the board, senior management, and other key stakeholders.

## **2.4 Integrated assurance and the internal audit plan**

- a. Standard 9.5 requires the HIA to coordinate with internal and external providers of assurance services and consider relying on their work. While the 2017 Standards stated that the HIA 'should' coordinate with internal and external providers, the new Standards state that the HIA 'must'.
- b. Standard 9.5 also includes the new stipulation that the HIA must report to the Board and Senior Management when they are unable to achieve an appropriate level of coordination.
- c. Standard 9.4 requires that the internal audit plan must be based on a documented assessment of the organization's strategies, objectives, and risks. This assessment must be informed by the HIA's understanding of the organization's governance, risk management, and control processes and must be performed at least annually. The Considerations for Implementation state that the internal audit function should only rely on management's information about risks if internal audit has concluded that the organization's risk management processes are effective.

## **2.5 Technological Resources**

- a. Standard 10.3 requires that the HIA must strive to ensure that the internal audit function has technology to support the internal audit process. The HIA must regularly evaluate the technology used by the internal audit function and pursue opportunities to improve effectiveness and efficiency.
- b. When implementing new technology, the HIA must implement appropriate training for internal auditors in the effective use of technological resources.
- c. The Head of Internal Audit must collaborate with the organization's information technology and information security functions to implement technological resources properly.
- d. The HIA must communicate the impact of technology limitations on the effectiveness or efficiency of the internal audit function to the board and senior management.

## **2.6 Reports and findings rating**

- a. The 2017 Standards required that internal audit must communicate the findings and results of its work but did not require rankings and ratings. The new Standards do not require an overall report rating but Standard 14.5 requires an engagement conclusion that summarizes the engagement results relative to the engagement objectives and management's objectives.
- b. Standard 14.3 requires that individual engagement findings must be prioritized based on significance. Ratings/rankings are not required but are recommended in the Considerations for Implementation section as a better practice.



## **2.7 Enhanced requirements for external quality assessments**

Consistent with the 2017 Standards, the new Standards require an external quality assessment to be performed every five years, which can be accomplished via self-assessment with independent validation, if desired. The Standard 8.4 requires that at least one member of the assessment team be an active Certified Internal Auditor.

## **2.8 Building Relationships**

Standard 11.1 requires the HIA to develop an approach for the IAF to build relationships and trust with key stakeholders. Guidance suggests surveys, interviews, and workshops, as well as ongoing informal interactions with the organization's employees.

## **2.9 Performance Measurement**

Standard 12.2 requires that the HIA must establish objectives to evaluate the IA functions performance. The Consideration for Implementation section lists example Key Performance Indicators (KPIs) to be considered when implementing the Standard. The objectives/KPIs should form part of the HIAs performance measurement methodology which must also include development of an action plan to address issues and opportunities for improvements.



## 3.0 IMPLEMENTING 2024 IPPF ACROSS PUBLIC SECTOR

### 3.1 The GIAS Transition

Internal Audit functions operating in the public sector may have mandates that are subservient to jurisdictional laws and regulations, or in some cases, established by the laws and regulations or are the laws regulations themselves. Mandates and Charters influenced by laws and regulations and other dynamics of the public sector can affect:

- a. Reporting – specific processes may need to be in place to publicly disclose audit findings.
- b. Conversations between the HIA and the Board may not be private.
- c. Organizational Structure – HIA role may be an appointed position by a legislative body.
- d. Budget/funding of the IA function

In the above circumstances and where overriding laws and regulations render compliance with the Standards impossible, the noncompliance must be documented.

The influence of laws and regulations and other dynamics of the public sector imposes a higher responsibility on the HIA, as the HIA must not only be familiar with the Standards, but also the laws and regulations in the environment in which they operate. Hence, when applying the new Standards the HIA should:

- a. Review Domain III and assess the essential conditions against the requirements of the jurisdiction in which they operate.
- b. Also review the section after Domain V where applying the global standards to the public sector are discussed.
- c. Consider the nature of the current mandate and charter and what restrictions/protocols are in place relative to making changes.
- d. Consider engaging an external third party with expertise in the public sector to support the self-assessment process.

The transition process to conforming to the new standards requires careful planning and preparation. The following steps will be enablers to a seamless transition process.

**i. Create Awareness of the New Standards**

The public sector entities will be required to study and understand the domains, principles, specific standards and the implications therein. To facilitate this, internal audit functions in collaboration with other key players should organize for awareness forums on the standards and provide the necessary support.

**ii. Perform a Gap Assessment**

Internal audit functions should perform a gap assessment by comparing the 2017 standards with the 2024 updates to identify changes in requirements and expectations which will inform the development of an action plan. Although the Standards are not intended to be prescriptive and allow for judgment of the HIA, it is still important to focus on the details when preparing for effective implementation of the Standards. In addition to the comparison, the results of past quality assessments should be used to evaluate, and remedy identified gaps in conformance.

**iii. Develop an Action Plan**

The internal audit function will be required to prepare a detailed action plan outlining all identified gaps, specific tasks, outcomes, timelines, responsibilities and resources for implementing the required changes. The HIA shall communicate the changes and the action plan to the internal audit stakeholders, expounding on their roles and responsibilities in the implementation process. The template below provides key information considered for communication to relevant parties.

**iv. Discuss with the Governing body and Management**

The HIA shall discuss the “essential conditions” and the action plan report with the Governing body and Management for necessary support, resources and oversight.

No.	Standard Requirement	Identified Gap	Task	Respon- sible Person	Re- sour- ces	Time- lines	Expect- ed Out- come

#### **v. Train the Internal Audit Team**

Targeted training programs should be developed to equip the internal audit team with the necessary skills and knowledge to adopt the new standards. The HIA shall provide training to the internal audit team to inform them on the changes in the standards and the impact of the changes in providing internal audit services.

#### **vi. Implement the Changes**

The actual implementation of the changes shall be rolled out as detailed in the action plan within the stipulated timelines to ensure that the internal audit activities are aligned to the new standards. Significant preliminary action points include the internal audit function development or review of the Internal audit Charter, Audit Committee Charter, Internal audit strategy, Annual risk-based work plan, and any other guidelines such as Internal audit policies and standards operating procedures in line with requirements of the new standards.

#### **vii. Monitor and Evaluate**

The internal audit function will be required to establish continuous monitoring and evaluation mechanisms such as ongoing monitoring, periodic self-assessments, regular progress reviews and stakeholder feedback surveys. The insights from monitoring should be used to make necessary adjustments and improvements to the implementation process, ensuring that any issues or challenges are promptly addressed.

### **3.3 Transition To 2024 GIAS Assessment Checklist**

The checklist below highlights the significant changes between 2017 and 2024 Standards requirements and provides a transition assessment checklist to guide internal audit function across public sector in implementing and preparing to conform with the new GIAS.

In addition to the checklist, the internal audit functions are required to make reference to the following information;

- a. [The Global Internal Audit Standards](https://psasb.go.ke) ([psasb.go.ke](https://psasb.go.ke))
- b. Model Internal Audit Manual Templates Internal Audit Standards – Public Sector Accounting Standards Board (PSASB)

Further enquiries and requests for technical assistance can be emailed to [info@psasb.go.ke](mailto:info@psasb.go.ke) or [auditstandards@psasb.go.ke](mailto:auditstandards@psasb.go.ke).

## TRANSITION TO 2024 GIAS ASSESSMENT CHECKLIST

Principle	No	Standard	Requirement	Consequence	Action Points
<b>Domain II: Ethics and Professionalism</b>					
Principle 1- Demonstrate Integrity	1.1	Honesty and Professional Courage	<p>Internal auditors must exhibit professional courage by communicating truthfully and taking appropriate action, even when confronted by dilemmas and difficult situations</p> <p>The HIA must maintain a work environment where internal auditors feel supported when expressing legitimate, evidence-based engagement results, whether favorable or unfavorable.</p>	This standard expands on concepts implied by the principle of integrity, which existed in the Code of Ethics in the 2017 IPPF. The new Standards emphasize that professional courage is a necessary part of internal auditors' integrity, and that the CAE must set an environment that supports integrity	<p>HIA to develop Policies and procedures which include:</p> <ul style="list-style-type: none"> <li>• Performance objectives demonstrating honesty and professional courage.</li> <li>• Obtaining feedback from key stakeholders regarding the honesty and courage of internal auditors</li> <li>• Providing guidance to auditors to address potential impairments to honesty and integrity as part of engagement supervision</li> </ul>
	1.2	Organization's Ethical Expectations	If internal auditors identify behavior within the organization that is inconsistent with the organization's ethical expectations, they must report the concern according to applicable policies and procedures.	The new Standards require internal auditors to report behavior considered inconsistent with the organization's ethical expectations. How and to whom the behavior is reported is to be determined according to applicable policies and procedures.	HIA to develop Policies and procedures which demonstrate that ethical issues are communicated to the board, senior management, and regulators in accordance with the organization's policies and relevant laws and/or regulations.
Principle 2 Maintain Objectivity	2.1	Legal and Ethical Behavior	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 or that may harm the organization or	The standards expect internal auditors to act in accordance with the legal and ethical requirements and disclose any violations to appropriate authorities.	<p>HIA is required to:</p> <ul style="list-style-type: none"> <li>• Document policies and procedures for handling illegal or discreditable behavior by internal auditors and legal or regulatory violations by individuals within the organization.</li> </ul>



Principle	No	Standard	Requirement	Consequence	Action Points
			its employees.		<ul style="list-style-type: none"> <li>• Document communication between internal auditors and their supervisors and/or legal counsel that address concerns about illegal or unprofessional actions.</li> <li>• Maintain records of internal auditors' participation in training on laws, regulations, ethical and professional behavior.</li> <li>• Record Internal auditors' acknowledgments of their understanding of and commitment to act in accordance with relevant legal and professional expectations.</li> </ul>
	2.2	Individual Objectivity	Internal auditors must maintain professional objectivity when performing all aspects of internal audit services.	The Standards require internal auditors perform their work without compromise or subordination of judgment to others.	<p>The HIA is expected to:</p> <ul style="list-style-type: none"> <li>• Document in the internal audit charter the internal auditors' responsibility for maintaining objectivity.</li> <li>• Develop/review Policies and procedures related to objectivity.</li> <li>• Maintain records of planned and completed objectivity training, including list of participants.</li> <li>• Develop attestation forms that confirm internal auditors' awareness of objectivity's importance and the obligation to disclose any potential impairments.</li> <li>• Maintain a record of disclosures of potential conflicts of interest or other impairments to objectivity.</li> </ul>

Principle	No	Standard	Requirement	Consequence	Action Points
	2.3	Safeguarding Objectivity	<p>Internal auditors must recognize and avoid or mitigate actual, potential, and perceived impairments to objectivity.</p> <p>Internal auditors must not accept any tangible or intangible item, such as a gift, reward, or favor, that may impair or be presumed to impair objectivity.</p>	The Standards require objectivity to be maintained and that situations, activities, or relationships that may influence internal auditors' judgments and decisions, either in fact or appearance do not alter internal audit findings and conclusions.	<p>The IAF should develop/review policies and procedures manual for internal auditors relating to:</p> <ul style="list-style-type: none"> <li>• Receiving gifts, favors, and rewards.</li> <li>• Identifying situations that may impair objectivity.</li> <li>• Prohibiting internal auditors from providing assurance for activities which they had responsibility within the previous 24 months.</li> <li>• Responding appropriately upon becoming aware of an impairment.</li> </ul>
	2.4	Disclosing Impairments to Objectivity	If objectivity is impaired in fact or appearance, the details of the impairment must be disclosed promptly to the appropriate parties.	The standards require an approach to disclosing and mitigating impairments to objectivity.	The IAF should develop policies and procedures manual for disclosing impairments to objectivity which describes the actions to be taken to address each impairment to objectivity.
Principle 3 Demonstrate Competency	3.1	Competency	<p>The required competencies include the knowledge, skills, and abilities suitable for one's job position and responsibilities commensurate with their level of experience.</p> <p>Internal auditors must possess or develop knowledge of The IIA's Global Internal Audit Standards.</p>	The 2024 Standards require that internal auditors' competencies must be suitable for their position and level of experience and all internal auditors must know the Standards	<p>HIA must develop/review policies and procedures manual that provides for:</p> <ul style="list-style-type: none"> <li>• Internal auditors' continuing professional education, certifications, education, experience, work history, and other qualifications.</li> <li>• Performance reviews of internal auditors and supervisory reviews of engagements.</li> <li>• Post-engagement surveys and other forms of feedback from internal audit stakeholders on competencies exhibited.</li> <li>• An assurance map that indicates competencies of other assurance/advisory services</li> </ul>

Principle	No	Standard	Requirement	Consequence	Action Points
					providers which the internal audit may rely on.
	3.2	Continuing Professional Development	Practicing internal auditors who have attained professional internal audit certifications must follow the continuing professional education policies and fulfill the requirements applicable to their certifications.	Internal auditors possessing internal audit certifications must follow the continuing education policies and fulfill other requirements relevant to their certifications.	HIA must develop/review policies and procedures that incorporates: <ul style="list-style-type: none"> <li>• Training plans, professional conferences and other continuing professional education.</li> <li>• Recording of internal auditors' completed continuing professional education and credentials obtained.</li> </ul>
Principle 4 Exercise Due Professional Care	4.1	Conformance with the Global Internal Audit Standards	The internal audit function's methodologies must be established, documented, and maintained in alignment with the Standards.	Alignment of internal audit policies and procedures with the Standards.  HIA can demonstrate conformance by taking alternative actions to meet the intent of the standard or still achieve a principle despite nonconformance with a standard.	The HIA must: <ul style="list-style-type: none"> <li>• Develop/review and implement the internal audit function's policies and procedures manual in alignment with the Standards.</li> <li>• Document citations and use of requirements issued by other authoritative bodies in conjunction with the standards.</li> <li>• Maintain documentation of the circumstance of nonconformance with the GIAS, alternative actions taken, the impact of the actions, and the rationale.</li> </ul>
	4.2	Due Professional Care	Internal auditors must exercise due professional care by assessing the nature, circumstances, and requirements of the services to be provided.	The internal auditors are expected to perform services with due professional care and that internal auditors consider and understand the Purpose of Internal Auditing and the nature of the internal audit services to be provided.	HIA should develop/review Policies and Procedures manual which include: <ul style="list-style-type: none"> <li>• Documenting planning notes relating to strategy objectives of the activity under review, stakeholder expectations, cost benefit analyses and potential exposure to underlying risks.</li> <li>• Documenting how assessments of governance, risk management,</li> </ul>

Principle	No	Standard	Requirement	Consequence	Action Points
					<p>and control processes are carried out.</p> <ul style="list-style-type: none"> <li>• Supervisory review of engagements.</li> <li>• Establishment and maintenance of quality assurance and improvement program.</li> </ul>
	4.3	Professional Skepticism	Internal auditors must exercise professional skepticism when planning and performing internal audit services.	Professional skepticism is a critical attribute for internal auditors in the new standards.	<p>The HIA must maintain:</p> <ul style="list-style-type: none"> <li>• Records of relevant training planned and completed workshops on applying professional skepticism</li> <li>• Workpapers identifying an internal auditor's approach to evaluate and validate information gathered during an engagement.</li> <li>• Procedures for obtaining additional evidence to make a judgment about information and statements that might be incomplete, inconsistent, false, or misleading.</li> </ul>
Principle 5 Maintain Confidentiality	5.1	Use of Information	Internal auditors must follow the relevant policies, procedures, laws, and regulations when using information. The information must not be used for personal gain or in a manner contrary or detrimental to the organization's legitimate and ethical objectives.	The 2024 standards require the HIA to discuss with internal auditors the policies, procedures, and expectations related to the appropriate use of information to which they have access.	<p>HIA must maintain and demonstrate compliance with policies and procedures including design and operating of controls over access and proper use of information.</p> <p>Internal auditors should undergo training on use of information.</p>
	5.2	Protection of Information	The CAE must ensure that the internal audit function and individuals assisting the internal audit function adhere	The 2024 Standards broaden the concept to the protection of all information/data to which	HIA must maintain and demonstrate implementation of policies and procedures that include:



Principle	No	Standard	Requirement	Consequence	Action Points
			to the same protection requirements. Internal auditors must manage the risk of exposing or disclosing information inadvertently.	the internal audit function has access, including requiring the CAE to be responsible for overseeing that the individuals assisting the internal audit function follow data protection requirements.	<ul style="list-style-type: none"> <li>• Performance reviews related to the protection and disclosure of information.</li> <li>• Documentation regarding the implementation of mechanisms that restrict information access and mitigate the risk of the failure of prevailing controls.</li> <li>• Non-disclosure of information and signing of agreements to confidentiality.</li> </ul>
<b>Domain III: Governing the Internal Audit Function</b>					
Principle 6 Authorized by the Board	6.1	Internal Audit Mandate	The HIA is expected to provide the board and senior management with the information necessary to establish the internal audit mandate	HIA to develop and or review internal audit charter	Document the Internal Audit Mandate in the internal Audit Charter focusing on: <ul style="list-style-type: none"> <li>• Authority</li> <li>• Role(s)</li> <li>• Responsibilities</li> <li>• Scope</li> <li>• Internal audit services</li> <li>• Compliance with the relevant laws and regulations governing Internal Audit mandate as provided by PFM Act, Regulations, and other laws.</li> </ul>

Principle	No	Standard	Requirement	Consequence	Action Points
	6.2	Internal Audit Charter	The chief audit executive must develop and maintain an internal audit charter.	Development and or review internal audit charters	<p>-Develop and/or review your institution Internal Audit Charter to include:</p> <ul style="list-style-type: none"> <li>• Purpose of Internal auditing</li> <li>• Commitment To GIAS</li> <li>• Mandate including scopes and types of services to be offered</li> <li>• Organizational Position and reporting structure</li> </ul>
			The chief audit executive must discuss the proposed charter with the board and senior management to confirm that it accurately reflects their understanding and expectations of the internal audit function.	Discussions on Essential conditions with the Board and senior management.	<p>The HIA should hold discussions with the board and senior management should focusing on:</p> <ul style="list-style-type: none"> <li>• The Purpose of Internal Auditing</li> <li>• The essential conditions outlined under each of the standards in Domain III: Governing the Internal Audit Function.</li> </ul> <p>The potential impact on the effectiveness of the internal audit function if the board or senior management does not provide the support outlined in the essential conditions.</p>

Principle	No	Standard	Requirement	Consequence	Action Points
	6.3	Board and Senior Management Support	The CAE must coordinate the internal audit function's board communications with senior management to support the board's ability to fulfill its requirements including discussing Essential Conditions with Board and Senior Management.	The 2024 Standards provides specific details about the HIA facilitating communications between the board, senior management, and the internal audit function or about the importance of the board and senior management promoting the function's ability to achieve its purpose.	The HIA must maintain documented agenda items, presentations, notes, and/or minutes from board and senior management discussions concerning Domain III and in accordance with the agreed frequency.
Principle 7 Positioned Independently	7.1	Organizational Independence	The chief audit executive must document in the internal audit charter the reporting relationships and organizational positioning of the internal audit function, as determined by the board. The independence of the internal audit function should be confirmed at least annually.	The 2024 Standards require direct reporting relationship with the chief audit executive and the internal audit function to enable the internal audit function to fulfill its mandate.	<p>The HIA is required to:</p> <ul style="list-style-type: none"> <li>• Document in the internal audit charter, which documents the internal audit function's reporting relationships.</li> <li>• Discuss the essential conditions with the Board and senior management and Domain III (Governing the Internal Audit function)</li> <li>• Document roles beyond internal auditing, the responsibilities, nature of work, and established safeguards.</li> <li>• Discuss with the board and senior management any current or proposed roles and responsibilities that have the potential to impair the internal audit function's independence, either in fact or appearance.</li> <li>• Discuss with the senior management the internal audit function positioning within the</li> </ul>

Principle	No	Standard	Requirement	Consequence	Action Points
					organizational structure that enables it to perform its services and responsibilities without interference, as directed by the board.
	7.2	Chief Audit Executive Qualifications	The CAE must help the board understand the qualifications and competencies of a CAE that are necessary to manage the internal audit function by providing information and examples of common and leading qualifications and competencies.	The 2024 Standards introduces requirements and essential conditions aimed at helping the organization hire a CAE who is qualified to perform the responsibilities and fulfill the expected roles.	<p>The entity is required to:</p> <ul style="list-style-type: none"> <li>• Document board's approval of the CAE's job specifications/description and/ or appointment or other evidence that the board evaluated the qualifications and competencies required for the CAE's role.</li> <li>• The CAE's professional education plans and evidence of completion and participation in professional associations.</li> <li>• Documented succession-planning conversations with the board, senior management, and/or the organization's human resource function. Position the internal audit function at a level within the organization that enables it to perform its services and responsibilities without interference, as directed by the board.</li> </ul>



Principle	No	Standard	Requirement	Consequence	Action Points
Principle 8 Overseen by the Board	8.1	Board Interaction	The chief audit executive must provide the board with the information needed to conduct its oversight responsibilities. This information may be specifically requested by the board or may be, in the judgment of the chief audit executive, valuable for the board to exercise its oversight responsibilities.	The 2024 standards require the HIA to report to the Board and senior management information necessary for discharging their responsibilities.	<p>The HIA should discuss with the board that the frequency, nature, and content of communications which meets the board's expectations and help the board achieve its oversight responsibilities.</p> <p>The HIA should document the criteria for identifying issues to be brought to the attention of the board and a process for communicating or escalating such issues.</p> <p>The contents of the reports must include:</p> <ul style="list-style-type: none"> <li>• The internal audit plan and budget and subsequent significant revisions to them.</li> <li>• Changes potentially affecting the mandate or charter.</li> <li>• Potential impairments to independence.</li> <li>• Results of internal audit services, including conclusions, themes, assurance, advice, insights, and monitoring results.</li> <li>• Results from the quality assurance and improvement program.</li> </ul>

Principle	No	Standard	Requirement	Consequence	Action Points
	8.2	Resources	The chief audit executive must evaluate whether internal audit resources are sufficient to fulfill the internal audit mandate and achieve the internal audit plan.	The Standards require the HIA to develop a strategy to obtain sufficient resources and inform the board about the impact of insufficient resources and how any resource shortfalls will be addressed.	HIA should develop/review Policies and Procedures manual which include: <ul style="list-style-type: none"> <li>• Agendas, meeting minutes, and communications between the chief audit executive and the board and/or senior management, documenting discussions of the sufficiency of internal audit resources.</li> <li>• Internal audit resource plans indicating the sufficiency of resources needed to achieve the internal audit plan.</li> <li>• Budget requests pertaining to internal audit resources.</li> <li>• Gap analyses between the internal audit plan and available resources.</li> <li>• Cost-benefit analysis.</li> <li>• IAF resourcing strategy.</li> </ul>
	8.3	Quality	The Board is required to approve the internal audit function's performance objectives at least annually and consider input from the senior management and jointly undertake annual assessment of the CAE and internal audit function with the senior management.	2024 standards on the essential conditions ask for specific actions from the board and senior management, especially regarding advance input on performance objectives	The HIA should engage senior management in a discussion on the internal audit function's objectives and the annual assessment of the internal audit function's performance against these objectives and document the same through meeting attendance records and minutes.

Principle	No	Standard	Requirement	Consequence	Action Points
	8.4	External Quality Assessment	The HIA must ensure that an independent assessor or if its an assessment team at least one person, holds at least one person holds an active Certified Internal Auditor® designation.	The assessor or assessment team that performs the internal audit function's external quality assessment now must possess a specific credential: The IIA's Certified Internal Auditor®.	The HIA must document and or review the qualification of an external assessor to include Certified Internal Auditor®.

#### Domain IV: Managing the Internal Audit Function

Principle 9 Plan Strategically	9.1	Understanding Governance, Risk Management, and Control Processes	To develop an effective internal audit strategy and plan, the chief audit executive must understand the organization's governance, risk management, and control processes.	The Standards require the HIA to understand the organization's governance, risk management, and control processes by gathering information to help in developing an effective internal audit strategy and plan.	<p>The HIA should:</p> <ul style="list-style-type: none"> <li>• Develop an understanding of organization's governance processes by comparing them to leading governance principles, globally accepted governance frameworks and models, and professional guidance specific to the industry and sector within which the organization operates.</li> <li>• Develop an understanding of organization's risk management processes by comparing them to globally accepted risk management principles, frameworks, and models as well as professional guidance specific to the industry and sector within which the organization operates.</li> <li>• Gather information to assess the maturity of the organization's risk management processes, including</li> </ul>
-----------------------------------	-----	--	--	---	---

Principle	No	Standard	Requirement	Consequence	Action Points
					<p>identifying whether the organization has defined its risk appetite and implemented a risk management strategy and/or framework.</p> <ul style="list-style-type: none"> <li>Develop and maintain a broad understanding of the organization's control processes and their effectiveness.</li> </ul>
	9.2	Internal Audit Strategy	An internal audit strategy must include a vision, strategic objectives, and supporting initiatives for the internal audit function. This should be reviewed with the board and senior management periodically.	The 2024 Standards introduce a requirement for the CAE to develop a strategy for the internal audit function with specific features	<p>The HIA should document discussions, expectations, minutes or correspondence from meetings with the board, senior management, and/or other stakeholders when developing an IA strategy.</p> <p>The HIA must develop and or review an internal audit strategy to include:</p> <ul style="list-style-type: none"> <li>vision,</li> <li>strategic objectives, and</li> <li>supporting initiatives for the internal audit function</li> </ul>
	9.3	Methodologies	The CAE must evaluate the effectiveness of the methodologies and update them as necessary to improve the internal audit function and respond to significant changes that affect the function and provide internal auditors with training on the methodologies.	The new Standards require the CAE update and provide training on the methodologies and evaluate their effectiveness in addition to development of Policies & Procedures.	<p>The HIA should develop and or update the policies and procedures in line with GIAS and undertake trainings to the relevant stakeholders mainly Internal Auditors, Senior Management and the Board.</p> <p>The methodologies should include:</p> <ul style="list-style-type: none"> <li>Schedule of internal audit training on methodologies and attendance records.</li> <li>Results from self-assessment against the plan.</li> </ul>



Principle	No	Standard	Requirement	Consequence	Action Points
					<ul style="list-style-type: none"> <li>Results of quality assessments, which should include assessments of the effectiveness of methodologies.</li> <li>Documentation of updates to the methodologies.</li> </ul>
	9.4	Internal Audit Plan	The chief audit executive must create an internal audit plan that supports the achievement of the organization's objectives.	The Standards require an organization wide risk assessment to be completed at least annually as the basis for the internal audit plan and should consider organization's strategies, objectives, and risks.	<p>The HIA should consider the following in development of an internal plan:</p> <ul style="list-style-type: none"> <li>Engagements required by laws or regulations.</li> <li>Engagements critical to the organization's mission or strategy.</li> <li>Areas and activities with significant levels of risk.</li> <li>Whether all significant risks have sufficient coverage by assurance providers.</li> <li>Advisory and ad hoc requests.</li> <li>The time and resources required for each potential engagement.</li> <li>Each engagement's potential benefits to the organization, such as the engagement's potential to contribute to the improvement of the organization's governance, risk management, and control processes.</li> </ul>
	9.5	Coordination and reliance	If unable to achieve an appropriate level of coordination, the CAE must raise any concerns with senior management and, if necessary, the board.	<p>The 2024 Standards elevate the expectation for the CAE to coordinate with other assurance providers from a "should" to a "must." The reliance portion of the standard still uses "consider relying upon..."</p> <p>The new Standards also require an escalation</p>	<p>The HIA must:</p> <ul style="list-style-type: none"> <li>Maintain clear documentation on all assurance provider roles and performance against these roles.</li> <li>Minutes detailing discussions with senior management and the board regarding any coordination issues and how they have been rectified.</li> <li>Develop a methodology for evaluating other providers of assurance and advisory services</li> </ul>

Principle	No	Standard	Requirement	Consequence	Action Points
				methodology to be developed and used if coordination is not achieved.	that includes a basis for relying upon their work. <ul style="list-style-type: none"> <li>Develop an assurance map or a matrix of the organization's risks and the internal and external providers of assurance services that cover those risks</li> </ul>
Principle 10 Manage Resources	10.1	Financial Resource Management	<p>The CAE must develop a budget that enables the successful implementation of the internal audit strategy and achievement of the plan.</p> <p>The budget includes the resources necessary for the function's operation, including training and acquisition of technology and tools.</p>	The 2024 Standards require the development of a budget that includes training and technology.	<p>The HIA must maintain:</p> <ul style="list-style-type: none"> <li>Documentation of progress against the internal audit plan in comparison to actual expenses versus budget.</li> <li>Minutes of meetings in which the CAE discussed the internal audit budget with the board and senior management.</li> <li>Board meeting minutes discussing the internal audit function's budget and approval.</li> <li>Records to track spending and monitor the sufficiency of the financial resources deployed in the internal audit function.</li> </ul>
	10.2	Human Resource Management	The CAE must establish an approach to "develop and retain internal auditors who are qualified to successfully implement the internal audit strategy and achieve the internal audit plan." The CAE must collaborate with internal auditors to help them develop their individual competencies through training, supervisory feedback, and/or mentoring.	The 2024 Standards are specific about requiring an approach for developing and retaining qualified internal auditors	<p>The HIA should:</p> <ul style="list-style-type: none"> <li>Implement appropriate compensation, promotion, and recognition activities.</li> <li>Implement methodologies for training, evaluating performance and improving competencies.</li> <li>Consider the human resources objectives of the internal audit function and the organization.</li> <li>Cultivate an ethical, professional environment in which internal</li> </ul>

Principle	No	Standard	Requirement	Consequence	Action Points
					<p>auditors are trained adequately and collaborate effectively</p> <ul style="list-style-type: none"> <li>• Document training plans and evidence of completed training.</li> <li>• Assess performance of the internal audit function and individual internal auditors.</li> <li>• Document performance measures related to retention.</li> </ul>
	10.3	Technological Resources	The CAE must collaborate with the organization's information technology and information security functions to implement technological resources properly	The requirement for internal audit function's collaboration with the organization's information technology and security functions.	The HIA should document a technology implementation plan evidencing the involvement of information technology and security that ensures proper consideration is given to funding, organizational prioritization, key implementation processes and testing, firewalls, usage, reliability, and security of data.
Principle 11 Communicate Effectively	11.1	Building Relationships and Communicating with Stakeholders	The CAE must develop an approach for the internal audit function to build relationships and trust with key stakeholders, including the board, senior management, operational management, regulators, and internal and external assurance providers and other consultants	The new Standards require the CAE to develop or formalize a thoughtful, proactive approach while building relationships and trust with key stakeholders.	<p>The entity should include the HIA in the organization's communication channels and attend meetings with the board, key governance committees, senior management, and groups that report directly to senior management, such as compliance, risk management, and quality control.</p> <p>The HIA should meet independently with individual senior executives and board members.</p> <p>The HIA should document the internal audit function's plan for managing stakeholder relationships.</p>
	11.2	Effective	The chief audit executive must	The standards require	The HIA should develop/review policies

Principle	No	Standard	Requirement	Consequence	Action Points
		Communication	establish and implement methodologies to promote accurate, objective, clear, concise, constructive, complete, and timely internal audit communications.	establishment and implementation of policies and procedures on effective communication which consider relevant stakeholder expectations.	and procedure that may include criteria, style guides, and procedures to guide the internal audit function's communications and achieve consistency. This should consider the expectations of the board, senior management, and other relevant stakeholders. The HIA may provide communications training to internal auditors, such as training in writing or preparing presentations of final communications.
	11.3	Communicating Results	The findings and conclusions of multiple engagements, when viewed holistically, may reveal patterns or trends, such as root causes. When the CAE identifies themes related to the organization's governance, risk management, and control processes, the themes must be communicated timely, along with insights, advice, and/or conclusions, to the board and senior management	The 2024 Standards describes how CAEs form and communicate results to the board, including the concept of identifying themes among the findings of multiple engagements, which may point to the existence of a common root cause and significant aggregated risk exposure.	The HIA should develop procedures to ensure that: <ul style="list-style-type: none"> <li>Final engagement communications, include engagement findings, recommendations, and conclusions.</li> <li>Findings are tracked and conclusions of multiple engagements enable the identification of trends, such as the improvement or worsening of conditions compared to criteria, a root cause underlying the conditions, or an opportunity to share a practice that increases effectiveness or efficiency.</li> <li>Communications to the board and senior management include significant control weaknesses and robust root cause analysis, Thematic or systemic issues, actions, or progress across multiple engagements or business units and Insights obtained from other assurance providers.</li> </ul>



Principle	No	Standard	Requirement	Consequence	Action Points
	11.4	Errors and Omissions	If a final engagement communication contains a significant error or omission, the chief audit executive must communicate corrected information promptly to all parties who received the original communication.	The Standards require the HIA to determine appropriate ways of resolving and communication of corrections if final engagement contains a significant error or omission.	<p>The HIA should develop procedures to ensure that provide for:</p> <ul style="list-style-type: none"> <li>• Handling errors and omissions.</li> <li>• Criteria agreed upon with the board and used by the chief audit executive to determine the level of significance.</li> <li>• Correspondence and other records showing how the chief audit executive determined the significance and cause of the error or omission.</li> <li>• The chief audit executive's calendar, board or other meeting minutes, memos, and email correspondence where an error or omission was discussed.</li> <li>• The original and corrected final communication documents.</li> <li>• Documentation that relevant parties received the corrected communications.</li> </ul>
	11.5	Communicating the Acceptance of Risks	The chief audit executive must communicate unacceptable levels of risk.	The Standards require the HIA to gain an understanding of the organization's risks and risk tolerance through discussions with the board and senior management, relationships and ongoing communication with stakeholders, and the results of internal audit services to determine unacceptable levels of risks.	<p>The HIA should develop procedures to ensure that provide for:</p> <ul style="list-style-type: none"> <li>• Documentation of discussions and agreement with the board on methodologies for communicating risk concerns.</li> <li>• Documentation of discussions about the risk and actions recommended to operational management and senior management, including minutes of meetings.</li> <li>• Documentation explaining the risk concern and internal audit actions</li> </ul>

Principle	No	Standard	Requirement	Consequence	Action Points
					<p>taken to address the concern, including the process of escalating the discussion from operational management to senior management.</p> <ul style="list-style-type: none"> <li>• Documentation from meetings with the board, including private or closed sessions during which the concern was escalated to the board.</li> </ul>
Principle 12 Enhance Quality	12.1	Internal Quality Assessment	The chief audit executive must develop and conduct internal assessments of the internal audit function's conformance with the Global Internal Audit Standards and progress toward performance objectives.	The Standards require the HIA to develop and maintain internal quality assessments including Ongoing monitoring, Periodic self-assessments and Communication with the board and senior management about the results of internal assessments.	<p>The HIA should develop/review procedures to ensure that provide for:</p> <ul style="list-style-type: none"> <li>• Completed checklists that support workpaper reviews, survey results, and performance measures related to the efficiency and effectiveness of the internal audit function.</li> <li>• Documentation of completed periodic assessments including the plan, workpapers, and communications.</li> <li>• Presentations to the board and management and meeting minutes covering the results of internal assessments.</li> <li>• Documented results of ongoing monitoring and periodic self-assessments, including corrective action plans.</li> <li>• Actions taken to improve the internal audit function's efficiency, effectiveness, and conformance with the Standards.</li> </ul>
	12.2	Performance	The CAE must develop	The 2024 Standards	The HIA should identify a set of focused

Principle	No	Standard	Requirement	Consequence	Action Points
		Measurement	objectives to evaluate the internal audit function's performance. by considering the input and expectations of the board and senior management when developing the performance objectives	broaden the concept of performance objectives to consider value as perceived by key stakeholders and requires that objectives promote continuous improvement.	performance objectives that are reported to the board and senior management while maintaining a more comprehensive set of performance objectives for managing the internal audit function. This should advance desired outcomes and be balanced across outcome areas.  The HIA should document performance objectives, measures, targets, and action plans.
	12.3	Oversee and Improve Engagement Performance	The chief audit executive must establish and implement methodologies for engagement supervision, quality assurance, and the development of competencies.	The standards require the HIA or engagement supervisor to provide guidance throughout the engagement, assure quality and develop competencies.	The HIA should develop/review procedures to ensure that provide for: <ul style="list-style-type: none"> <li>• Engagement workpapers with documentation of supervision.</li> <li>• Completed checklists that support workpaper reviews.</li> <li>• Interview and survey results that include feedback about the engagement experience from internal auditors and other individuals directly involved with the engagement.</li> <li>• Documentation of communication between engagement supervisor and staff internal auditors regarding the engagement work.</li> </ul>
<b>Domain V: Performing Internal Audit Services</b>					
Principle 13 Plan Engagements Effectively	13.1	Engagement Communication	Internal auditors must communicate the objectives, scope, and timing of the engagement with management. Subsequent changes must be communicated with	The 2024 Standards emphasize the ongoing and collaborative nature of communication between the audit function and management when planning and conducting	The HIA should develop methodologies on how to : <ul style="list-style-type: none"> <li>• Communicate the objectives, scope, and timing of the engagement with management.</li> <li>• Consider disagreements if internal auditors and management do not</li> </ul>

Principle	No	Standard	Requirement	Consequence	Action Points
			management timely.	engagements.	<p>agree on the engagement results and how to resolve them</p> <ul style="list-style-type: none"> <li>• Allow both parties to express their positions regarding the content of the final engagement communication and the reasons for any differences of opinion regarding the engagement results.</li> <li>• Discuss the engagement results and feasibility of recommendations and/ or management's action plans before issuance of the final communication.</li> </ul>
	13.2	Engagement Risk Assessment	Internal auditors must develop an understanding of the activity under review to assess the relevant risks.	Internal auditors are required to have adequate understanding of activities under review by gathering information on organization's strategies, objectives and risks.	<p>The internal auditors in gathering information may:</p> <ul style="list-style-type: none"> <li>• Review risk assessments recently conducted by the internal audit function, management, or external service providers.</li> <li>• Review communications of engagements previously performed by the internal audit function and other assurance and advisory service providers, such as financial, environmental, social responsibility, and governance.</li> <li>• Review workpapers from previous engagements.</li> <li>• Review reference materials, including authoritative guidance from The IIA and other bodies, laws, and regulations relevant to the organization's sector, industry, and jurisdiction.</li> </ul>



Principle	No	Standard	Requirement	Consequence	Action Points
					<ul style="list-style-type: none"> <li>Consider the relevant risk categories of the organization, including strategic, operational, financial, and compliance.</li> <li>Consider the risk tolerance, if it has been defined.</li> <li>Use organizational charts and job descriptions to determine who is responsible for relevant information, processes, and other aspects of the activity under review.</li> <li>Inspect physical property of the activity under review.</li> <li>Examine documentation from the information owner or outside sources, including management's policies, procedures, flowcharts, and reports.</li> <li>Examine websites, databases, and systems.</li> <li>Inquire through interviews, discussions, or surveys.</li> <li>Observe a process in action.</li> <li>Meet with other assurance and advisory service providers.</li> <li></li> </ul>
	13.3	Engagement Objectives and Scope	Internal auditors should consider whether requests from the engagement stakeholders for items to be included in or excluded from the scope or restrictions on the length of the engagement constitute a scope limitation.	The 2024 Standards also require flexibility in managing engagement objectives to be responsive to risks and business needs.	<p>The HIA should develop/review procedures for documenting workpapers that to provide for:</p> <ul style="list-style-type: none"> <li>Alignment of objectives and the engagement risk assessment.</li> <li>Scope that achieves the engagement objectives.</li> </ul>

Principle	No	Standard	Requirement	Consequence	Action Points
					<ul style="list-style-type: none"> <li>• Approved engagement work program containing the engagement objectives and scope.</li> <li>• Minutes from meetings with stakeholders about the engagement objectives and scope.</li> <li>• Scope limitations and requests from engagement stakeholders for items to be included or excluded.</li> <li>• Final engagement communication.</li> </ul>
	13.4	Evaluation Criteria	Internal auditors must identify the most relevant criteria to be used to evaluate the aspects of the activity under review defined in the engagement objectives and scope	The 2024 standards require the auditor to evaluate the established criteria of the activity under review and discuss with the board and management in case they are inadequate.	<p>The HIA should develop/review procedures to provide for:</p> <ul style="list-style-type: none"> <li>• Workpapers documenting the sources of criteria considered and the process used to determine the adequacy of the criteria used.</li> <li>• Documentation, such as meeting minutes, a planning memorandum, or an email, indicating internal auditors' discussion of criteria with the management of the activity under review and/or the board.</li> </ul>
	13.5	Engagement Resources	When planning an engagement, internal auditors must identify the types and quantity of resources necessary to achieve the engagement objectives.	Internal auditors should consider the most efficient and effective application of available financial, human, and technological resources, the time frame and nature and complexity of the engagement.	<p>The HIA should develop/review procedures to provide for:</p> <ul style="list-style-type: none"> <li>• Approved engagement work program showing utilization of appropriate and sufficient resources.</li> <li>• Planning documentation analyzing the engagement's resourcing needs and assignment of resources.</li> <li>• Post-engagement survey of the management of the activity under</li> </ul>

Principle	No	Standard	Requirement	Consequence	Action Points
					<p>review inquiring about timeliness and resource adequacy.</p> <ul style="list-style-type: none"> <li>Contracts and/or relationships with external service providers.</li> </ul>
	13.6	Work Program	Internal auditors must develop and document an engagement work program to achieve the engagement objectives.	internal auditors collect and organize information to create a work program which builds on the information gathered and developed during engagement planning and specifies how to achieve engagement objectives.	<p>The HIA should develop/review workpapers to support the development of the work program, such as:</p> <ul style="list-style-type: none"> <li>Risk and control matrix with testing approach.</li> <li>Maps or descriptions of control processes.</li> <li>Notes on evaluation of the adequacy of the control design.</li> <li>Plan for additional testing.</li> <li>Minutes, notes, or documentation from planning meetings during which tasks and procedures were determined.</li> <li>Complete engagement work program with documented approval.</li> <li>Documented approval of changes to the work program.</li> </ul>
Principle 14 Conduct Engagement Work	14.1	Gathering Information for and Evaluation	If relevant evidence cannot be obtained, internal auditors must determine whether to identify that as a finding.	The 2024 Standards identify the lack of such information as a potential finding	<p>The HIA should develop/review procedures to provide for:</p> <ul style="list-style-type: none"> <li>Engagement work program, including procedures for gathering data relevant to the engagement objectives.</li> <li>Description of information gathered, including its source, the</li> </ul>

Principle	No	Standard	Requirement	Consequence	Action Points
					<p>date it was gathered, and the period to which it pertains.</p> <ul style="list-style-type: none"> <li>Documented explanation of how the internal auditor determined that the information gathered was sufficient to perform an analysis.</li> </ul>
	14.2	Analyses and Potential Engagement Findings	Internal auditors must analyze information to determine whether there is a difference between the evaluation criteria and the existing state of the activity under review.	The 2024 Standards expand requirements and considerations for gathering and analyzing information for potential findings and then evaluating those findings for significance, essentially estimating the residual risk exposure.	<p>The HIA should develop policies and procedures to:</p> <ul style="list-style-type: none"> <li>Analyze a meaningful comparison between the evaluation criteria and the condition.</li> <li>Evaluate differences with subsequent engagement procedures to determine the cause and effect of the difference and significance of the potential findings.</li> <li>Determining the extent and type of additional procedures that should be used to evaluate the potential findings.</li> </ul>
	14.3	Evaluation of Findings	Internal auditors must evaluate each potential engagement finding to determine its significance.		<p>The HIA should develop policies and procedures to:</p> <ul style="list-style-type: none"> <li>document in the workpapers the criteria used to evaluate the findings, or other documentation explaining the materiality, risk tolerance, and elements of any cost-benefit analysis used as the basis of the finding(s) analysis.</li> <li>guide internal auditors in relevant internal audit methodologies.</li> <li>Identify root causes of the difference in collaboration with the management.</li> </ul>



Principle	No	Standard	Requirement	Consequence	Action Points
					<ul style="list-style-type: none"> <li>determine the significance of a finding by identifying and evaluating existing controls for design adequacy and effectiveness.</li> </ul>
	14.4	Recommendations and Action Plans	If internal auditors and management disagree about the engagement recommendations and/or action plans, internal auditors must follow an established methodology to allow both parties to express their positions and rationale and to determine a resolution	The 2024 Standards require the CAE to have anticipated such a scenario and developed a methodology for resolving disputes.	The HIA should develop policies and procedures on documentation of discussions with management regarding the findings and feasibility of recommendations and/ or action plans including disagreements, clarity on positions, rationale, and resolution.
	14.5	Engagement Conclusions	Internal auditors must develop an engagement conclusion that summarizes the engagement results relative to the engagement objectives and management's objectives.	The 2024 standards require the internal audit function to provide an engagement conclusion that summarize the internal auditors' professional judgment about the overall significance of the aggregated engagement findings.	<p>The HIA should develop/review procedures to provide for:</p> <ul style="list-style-type: none"> <li>A workpaper showing the basis for the overall engagement conclusion.</li> <li>A conclusion statement in the final communication.</li> </ul>
	14.6	Engagement Documentation	Internal auditors must document information and evidence to support the engagement results.	The standards require engagement documentation which provides the basis for supervising individual internal auditors and allows the HIA and others to evaluate the quality of the internal audit function's work and serves to demonstrate the internal audit function's	<p>The HIA should develop/review procedures to provide for:</p> <ul style="list-style-type: none"> <li>Workpapers documenting the work performed.</li> <li>Results of internal quality assessment reviews validating conformance with workpaper and supervision policies.</li> </ul>

Principle	No	Standard	Requirement	Consequence	Action Points
				conformance with the Standards.	
Principle 15 Communicate Engagement Results and Monitor Action Plans	15.1	Final Engagement Communication	The final communication must specify the individuals responsible for addressing the findings and the planned date by which the actions should be completed.	The 2024 Standards have requirements around corrective actions, including identifying specific owners and target completion dates, as well as acknowledgement in the report of actions initiated or completed during the engagement.	The HIA should develop policies and procedures on: <ul style="list-style-type: none"> <li>• Contents of final communication including owners and target completion dates for corrective actions and any actions taken prior to the report's issuance.</li> <li>• Tailoring final communication adapted for specific audiences</li> </ul>
	15.2	Confirming the Implementation of Recommendations or Action Plans	Internal auditors must confirm that management has implemented internal auditors' recommendations or management's action plans.	The Standards require HIA to confirm the implementation of management's action plans including criteria for determining when to perform follow-up assessments to confirm that management's action plans have effectively addressed findings	The HIA should develop/review procedures to provide for: <ul style="list-style-type: none"> <li>• A routinely updated tracking system (for example, a spreadsheet, database, or other tool) that contains the finding, associated corrective action plan, status, and internal audit's confirmation.</li> <li>• Corrective action status reports prepared for the board and senior management.</li> </ul>



**CONTACT ADDRESS:**

Public Sector Accounting Standards Board (PSASB)

P.O Box 38831-00100

Nairobi - Kenya

Tel: 020 251 1557

[www.psasb.go.ke](http://www.psasb.go.ke)

Email : [auditstandards@psasb.go.ke](mailto:auditstandards@psasb.go.ke)

CPA Centre, 8th Floor, along Thika Road