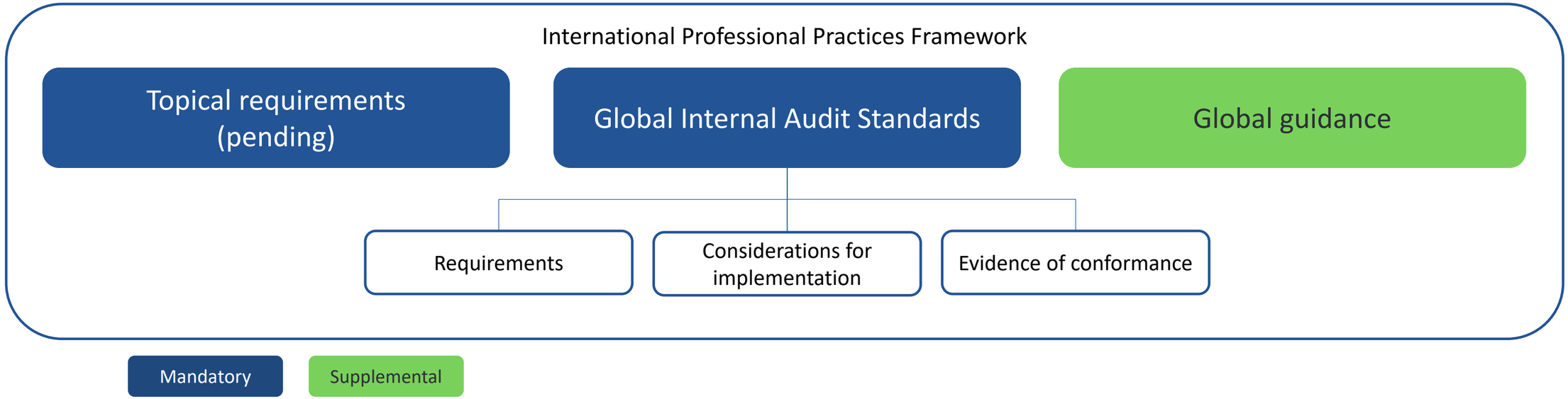
From Compliance to Confidence: Advancing Internal Audit Practices with IIA Standards

Wednesday, December 3 - Friday, December 5, 2025
Mystic Marriott Hotel, Groton, CT

International Professional Practices Framework (IPPF)

- The International Internal Audit Standards Board (IIASB) released the new Global Internal Audit Standards to **elevate the profession** of internal auditing.
- The International Professional Practices Framework (IPPF) organizes the authoritative body of knowledge, promulgated by The Institute of Internal Auditors, for the professional practice of internal auditing. The IPPF includes the **Global Internal Audit Standards, topical requirements, and global guidance.**
- The Global Internal Audit Standards are comprised of **52 standards** which are organized into **15 principles** and aligned to **5 domains**.
- The previous version, the International Standards for the Professional Practice of Internal Auditing, released in 2017, remains approved for use during a one-year transition period. The Standards will become **effective January 9, 2025**, but early adoption is encouraged.



Global Internal Audit Standards

The 52 Standards are mapped to 15 principles which are organized into 5 domains. The image below shows how the principles are aligned within the five domains.

Global Internal Audit Standards™

I. Purpose of Internal Auditing

II. Ethics and Professionalism

1. Demonstrate integrity (3); 2. Maintain objectivity (3); 3. Demonstrate competency (2); 4. Exercise due professional care (3); 5. Maintain confidentiality (2)

III. Governing the Internal Audit Function

6. Authorized by the Board (3)
7. Positioned independently (2)
8. Overseen by the Board (4)

IV. Managing the Internal Audit Function

9. Plans strategically (5)
10. Manages resources (3)
11. Communicates effectively (5)
12. Enhances quality (3)

V. Performing Internal Audit Services

13. Plan engagements effectively (6)
14. Conduct engagement work (6)
15. Communicate engagement conclusions & monitor action plans (2)

(x) = number of Standards within each Principle

The Institute of Internal Audit (2024, January 9). *Global Internal Audit Standards.* https://www.theiia.org/globalassets/site/standards/globalinternalauditstandards_2024january9_printable.pdf

Key updates

Summary of key updates

New structure

- Consolidating and streamlining six elements (Mission, Definition, Code of Ethics, Core Principles, Standards, and Implementation Guides) into the Standards
- Aligning the Standards with the Principals
- Adding considerations for the implementation and evidence of conformance for each standard

New content

- Purpose of internal auditing
- 5 Domains, 15 Principles, 52 Standards
- Considerations for implementation and for evidence of conformance
- Considerations for public sector, small functions, and others

Changes and clarifications

- Emphasizing board's role in governing the internal audit function
- Clarifying the role of chief audit executives in managing the internal audit function
- Incorporating new performance requirements to ensure quality of internal audit services; quality = conformance + performance
- Adding detailed steps to performing engagements

Summary of key updates

Domain/Principle/ Standard	Detail	Requirement
Domain I	Purpose	• Intended to assist Internal auditors and IA stakeholders in understanding and articulating the value of internal auditing.
Standard 6.1	Collaboration with internal and external assurance providers	• The Chief Audit Executive (CAE) must collaborate with other internal and external assurance providers to help establish the IA mandate.
Standard 6.1, 7.1, 8.1, 8.4, 11.1, 11.3	Relationships with stakeholders	• The CAE must develop an approach to build relationships with key stakeholders and promote communication.
Standard 8.4	External quality reviews (EQRs)	• The board of directors must review EQR results, and the assessment team must include at least one individual with an active Certified Internal Auditor (CIA) designation.
Standard 9.2	Internal Audit strategy	• The internal audit strategy must include a vision, strategic objectives, and supporting initiatives for the internal audit function.
Standard 12.1, 12.2	Continuously improving performance	• The CAE is responsible for measuring the function's performance and ensuring the function continuously improves. The CAE must consider input and expectations from the board and senior management when developing performance objectives as well as solicit feedback when assessing the internal audit function's performance.
Standard 15.1	Final engagement communication	• The final engagement communication must include finding, significance, prioritization and conclusion regarding the effectiveness of the governance, risk management and control processes of the activity reviewed. If the engagement is not conducted in conformance with the Standards, the final engagement communication must disclose standard(s) with which conformance was not achieved, reason for nonconformance, and impact of nonconformance on the engagement.

Summary of key updates (technology)

Domain/Principle/ Standard	Detail	Requirement
Standard 4.2	Due professional care	• Internal auditors must exercise due professional care by assessing the nature, circumstances and requirements of the services including…use of appropriate tools and technology
Standard 8.2	Resources	• The chief audit executive's strategy should include providing a resource plan, which may include a budget request, and should take into account options for staffing the internal audit function as well as using technology to perform services.
Standard 9.2	Internal Audit strategy	• The introduction and application of technology when it improves the internal audit function's efficiency and effectiveness.
Standard 9.3	Methodologies	• The effectiveness of the internal audit methodologies should be reviewed during assessments of the internal audit function's quality. Changes that could require the chief audit executive to update the methodologies include significant changes in professional internal audit standards and guidance, legal and regulatory requirements, and technological innovations.
Standard 9.4	Internal Audit plan	• The internal audit plan must….identify the necessary financial, human, and technological resources to complete the plan (e.g., scheduling tool)
Standard 10.3	Technological resources management	• The CAE must regularly evaluate technology used by IA function and communicate the impact of technology limitations on the effectiveness or efficiency of the IA function to the board and senior management.
Standard 13.5	Engagement resources	• When planning engagement, internal auditors should consider the most efficient and effective application of available financial, human, and technological resources (e.g., resource allocation tool).
Standard 14.2	Analysis and potential engagement findings	• Internal auditors should understand and use technologies that improve the efficiency and effectiveness of analyses, such as software applications that enable testing of an entire population rather than just a sample.

Differences from proposed to final standards

Domain/Principle/ Standard	Detail	Difference
Domain III	Governing the Internal Audit function	• Introduction of “essential conditions” to establish a foundation for effective dialogue between the Board, Senior Management and the Chief Audit Executive.
Standard 6.1	Internal Audit mandate	• Initially proposed standard designated specific governance duties to the board; however, are now reallocated the responsibilities to the CAE. This Standard also includes further considerations for implementation (e.g., authority, roles, responsibilities, scope, and internal audit services).
Standards 13.1, 14.3, 14.4, 14.5	Enhanced and elevated engagement-level	• Typical engagement reporting elements will be formally required, including rating or ranking a finding, formulating recommendations, obtaining management’s action plans, and developing an engagement conclusion. • Change of “must” to “may include” recommendations in engagement communication

Actions IA functions should consider

hfma
ma-ri chapter

NEW ENGLAND HEALTHCARE INTERNAL AUDITORS INC.

IA functions ‘call to action’

Several updates are expected to be conducted by IA functions to be in conformance of the Global Internal Audit Standards. Listed below are actions IA functions should prioritize to understand, conform, and practice the Standards.

1. Conduct gap assessment to understand magnitude of change for your organization
2. Review audit methodology and align to new Standards
3. Update P&P references to existing Standards for the new Standards
4. Train audit team members on the new Standards
5. Raise AC awareness of the new Standards and impact to your organization including AC reporting
6. Raise LOB awareness of the new Standards for any impact on how interaction with IA may change
7. Update QAIP programs to address new Standards and/or changes to methodology
8. Determine impact on self-assessment activities

Example of actions taken based on a IIA assessment

hfma
ma-ri chapter

Action Items Taken

5 Main Categories

FORMALIZATION OF PROTOCOLS

FOCUS ON DATA

DOCUMENTATION AND SOP UPDATES

TRAINING

INCREASED COMMUNICATION

Formalization of Protocols and Focus on Data

FORMALIZATION OF PROTOCOLS

- Reviewed current IA protocols
- Agreed on updates or changes
- Documented protocols

Example: Review of Risk Rankings and the criteria for each different level. Update risk ranking based on the review.

FOCUS ON DATA

- Evaluated current technologies in use.
- Identified different or updated technologies could aid IA.
- Determined if any new technologies would be adopted.

Example: Workday and Enterprise System output

Documentation and SOP Updates

- Reviewed IA documents, from IA Manual to Standard Operating Procedures (SOP)
- Identified potential updates to documents and areas that require new documentation
- Completed document updates and new SOPs.

- Example: IA Manual, IA Risk Ratings, Various SOPs

DOCUMENTATION AND SOP UPDATES

Training and Increased Communication

TRAINING

- Reviewed current training opportunities and requirements
- Identified potential subjects for future training
- Example: AI focused training

INCREASED COMMUNICATION

- Reviewed processes for how we communicate with auditees at various stages of the audit
- Evaluated opportunities for increased communication with the goal of transparency and efficiency in mind

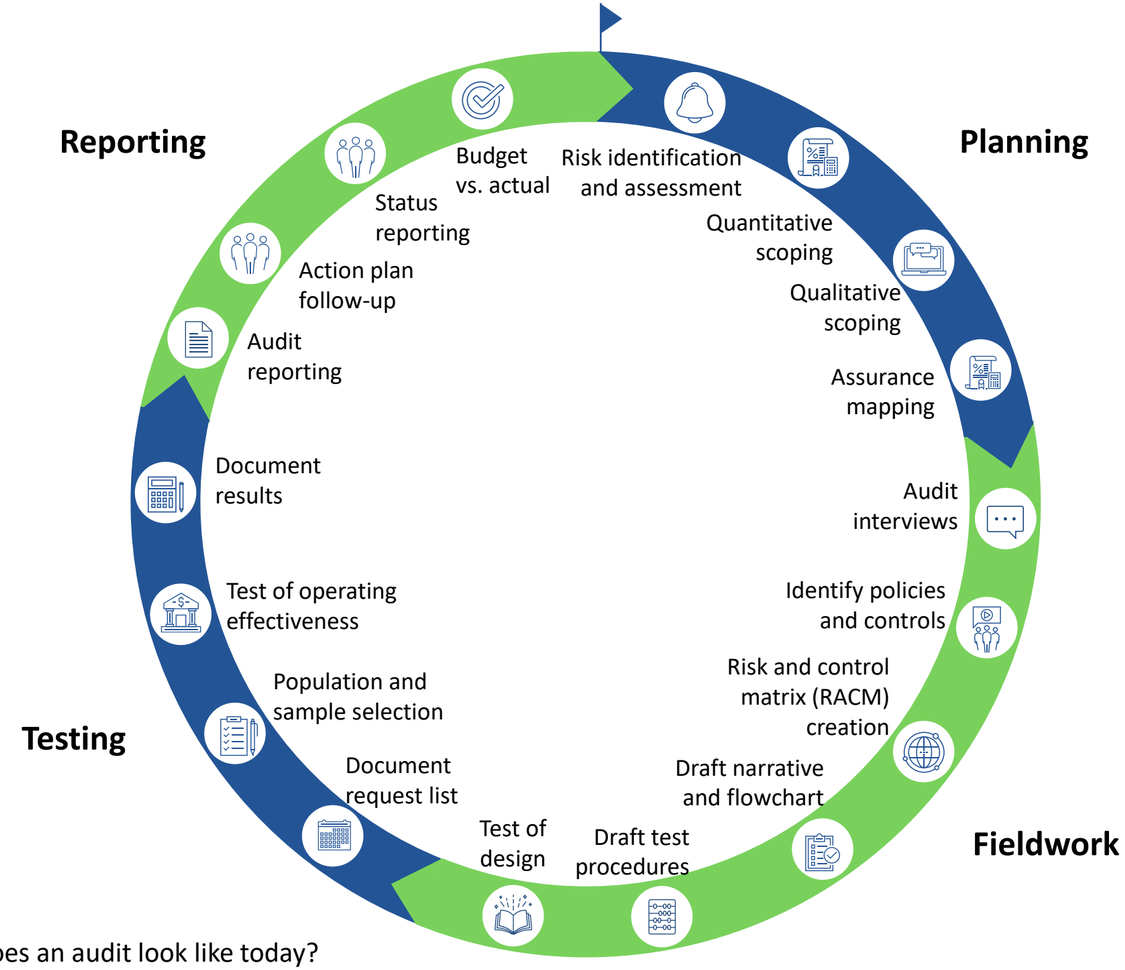
Example: Control/Testing exception discussions and and Recommendation follow up communications.

Advancing technology to drive IA forward

hfma
ma-ri chapter

NEW ENGLAND HEALTHCARE INTERNAL AUDITORS INC.

To comply with the latest IIA standards, CAE's and IA functions should be assessing their use of technology to support the IA function meeting its objectives efficiently and effectively. IA functions are beginning to deploy AI in their journey to more efficiently conduct audits and achieve greater risk coverage.



What does an audit look like today?

What are the biggest constraints for internal auditors?

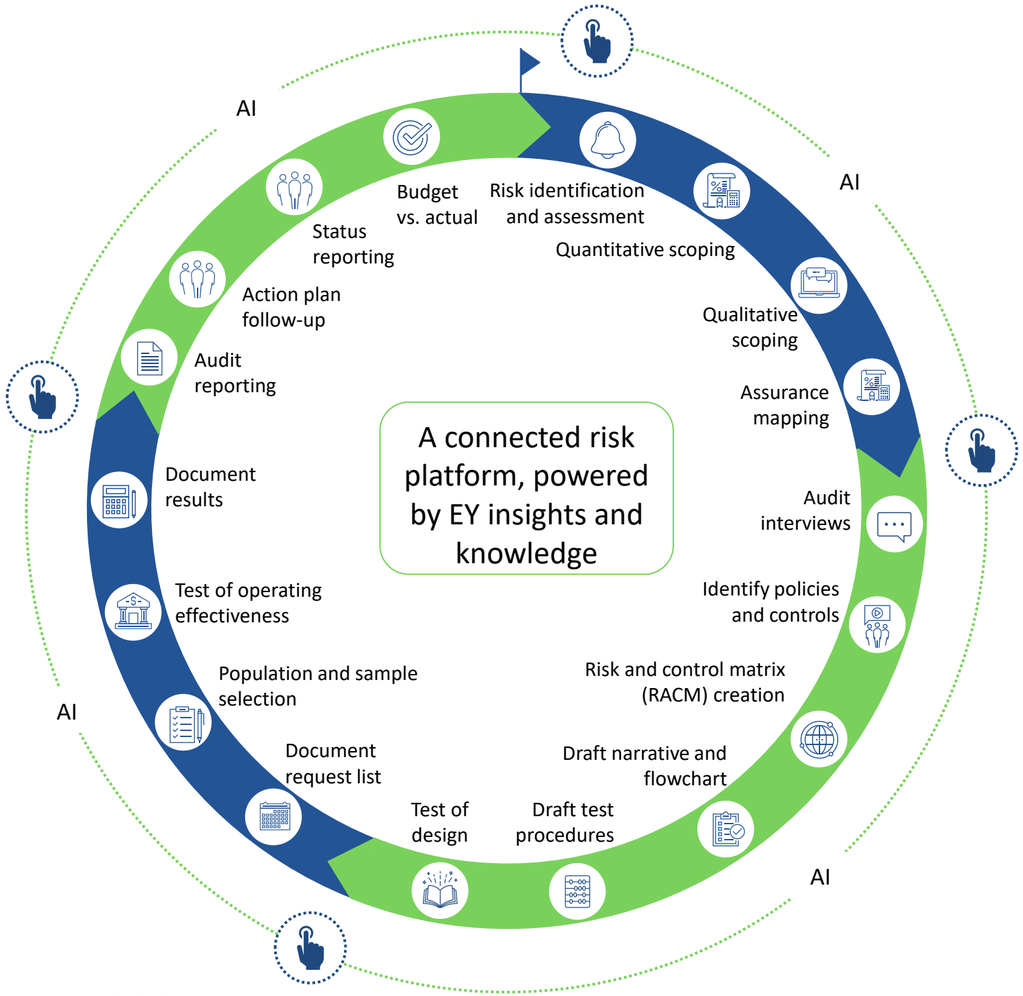
- Audits are manual and labor intensive
- Tools and systems are fragmented which create inefficiencies and errors
- Audits are reactive in nature, often after risks materialize
- A fraction of processes and controls are audited
- Long turnaround times to perform an audit

hfma ma-ri chapter

New England Healthcare Internal Auditors Inc.

How do we transform Internal Audit leveraging AI?

EY.ai for Risk: Internal Audit is an example of a tool being deployed in the market and leverages AI to accelerate delivery across each phase of the IA lifecycle.



Audits powered by AI with human touchpoints along the way

- Automated and efficient, powered by intelligent workflows
- Tools and systems are integrated, enabling accuracy and consistency
- Proactive, identifying risks before they emerge
- Risk coverage is increased through actionable insights at your fingertips
- Audits are completed more efficiently
- Humans in the loop, empowered by technology

AI Human touchpoints

hfma ma-ri chapter

New England Healthcare Internal Auditors Inc.

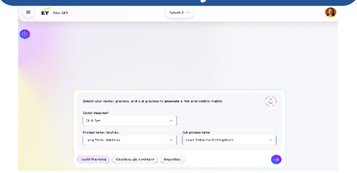
EY.ai for Risk: Internal Audit; example AI tool

Methods and technology capabilities sit on a frictionless AI powered platform to integrate with your existing processes and technology to deploy specialized knowledge at speed to achieve the IA program's strategic objectives.

Establish Mandate

Team with 2nd line (e.g., Compliance, ERM) to maintain alignment on top risk area

Business objectives

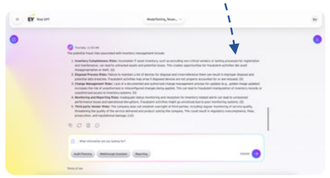


Sector Intelligence

Risk identification

Incorporate process-specific, sector-relevant frameworks to enhance audit scoping, execution, and gap analysis

Assess Risk



Dynamic Risk Assessment

Transform risk assessment with diverse qualitative and quantitative data inputs to continually monitor changing risk landscape

Risk Assessment

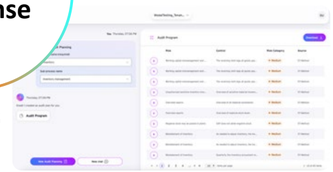
Risk Chat

Continuous risk monitoring

Leverage internal data and EY's AI-powered risk chat capability to streamline research and build a high impact audit plan tailored to our client business environment

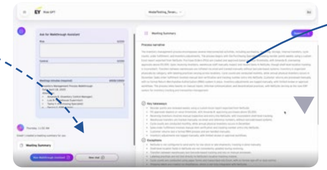
Coordinate Response

Augment sector frameworks with experienced subject-matter resources (SMRs) to refine the audit approach and deliver exceptional value



Audit Planning

Tailored approach for each audit response, focusing on stakeholder value integrated with native AuditBoard functionality



Walkthrough Assistant

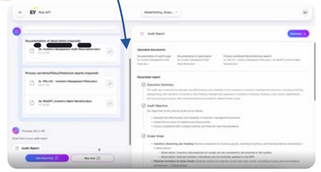
Technology-enabled execution

Accelerate the audit execution process with AI to summarize meeting minutes, takeaways, and generate follow-up requests

Optimize use of client's technology architecture and data landscape for enhanced coverage and efficient execution

AuditBoard

Demonstrate Value



Report Generator

Risk Response Planning

- Tailor reporting within the AuditBoard platform through NextGen dashboards
- Improve efficiency and quality of report writing, root cause analysis, and leading practice recommendations with GenAI

hfma ma-ri chapter

New England Healthcare Internal Auditors Inc.

EY.ai for Risk: Internal Audit Demo

Transforms internal auditing into a proactive, autonomous workflow that delivers end-to-end audits on demand