



Chartered Institute of
Internal Auditors

Internal Audit Code of Practice

Principles on effective internal audit in the
financial services, private and third sectors



September 2024 (Effective from January 2025)

Foreword

We are excited to introduce the new Internal Audit Code of Practice, which sets out fundamental principles for running a strong and effective internal audit function. For the first time, we present a unified Code that encompasses the financial services, private, and third sectors.

The Code reflects the final recommendations of the Independent Internal Audit Code of Practice Review Committee and has received full endorsement by the Chartered IIA's Council. We urge boards and internal audit professionals across the financial, private and third sectors to adopt and implement the Code's principles, embarking on their path to full compliance. Embracing these principles will maximise the value of internal audit and unlock the full potential of our profession.

The release of the new Code is particularly timely as our profession navigates an increasingly more uncertain, risky and rapidly changing world. It provides a unique opportunity to strengthen the role of internal audit in assisting boards and senior management with identifying, managing and mitigating risks effectively in a dynamic landscape. A stronger internal audit profession is also essential in restoring trust in the broader audit and corporate governance ecosystem.

The Code aligns with the International Professional Practices Framework and the new Global Internal Audit Standards which constitutes the baseline for our profession. The Code serves as an industry benchmark to embed best practices and raise the bar of the internal audit profession across the UK and Ireland. We believe it is crucial to continually challenge internal audit functions to enhance their performance, given the significant role our nations play in the global economy and in championing world-leading corporate governance.

Effective from January 2025, the Code will be applicable to all internal audit functions in the financial services, private and third sectors, in alignment with the new Global Internal Audit Standards and the revised UK Corporate Governance Code. Although the Code remains principles-based and should be applied

proportionately, we recognise that some internal audit functions may be at different stages of their compliance journey. Nonetheless, all functions are expected to engage with the Code's principles. External Quality Assessment (EQA) providers will benchmark against the Code and assess progress towards best practices.

The Code's recommendations were developed by a diverse and experienced committee of senior internal audit professionals and audit committee chairs, with input from several UK and Ireland regulators who participated as observers. The Code underwent extensive public consultation, and the feedback received was thoroughly considered by both the Independent Internal Audit Code of Practice Review Committee and the Chartered IIA's Council. While modifications were made based on feedback, it is noteworthy that all the proposed changes were strongly supported by the majority of consultation participants.

Both the Chartered IIA's Council and the Committee are confident that the final Code equips the UK and Ireland internal audit profession to meet current challenges, remain relevant, and evolve as strategic advisors to the organisations we serve. Now, more than ever, our profession needs to be bold and courageous. The new Code ensures that internal audit continues to play a crucial role in protecting the assets, reputation, and sustainability of our organisations.

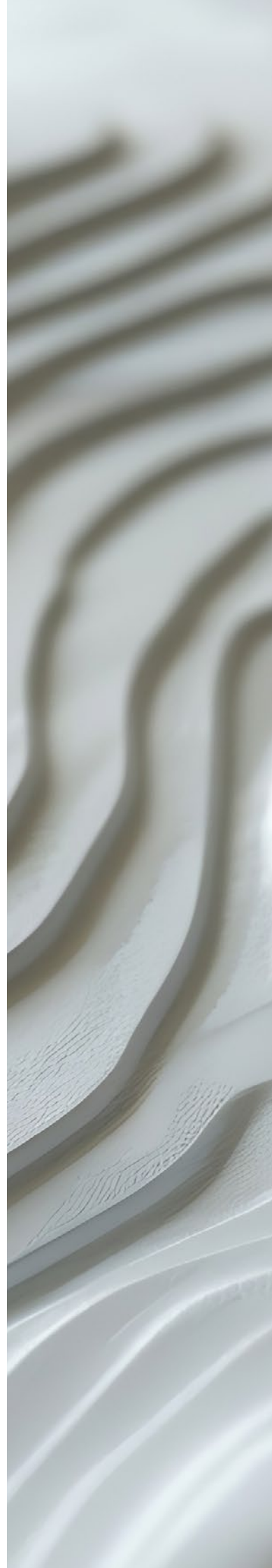
We believe this Code will be instrumental in moving our profession forward and enhancing corporate governance in the UK and Ireland.

Sandro Boeri, President, Chartered IIA & Sally Clark, Chair, Independent Internal Audit Code of Practice Review Committee

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The Principles

The purpose of the Code

The principles which follow are aimed at enhancing the overall impact and effectiveness of internal audit within organisations operating in the UK and Ireland. They are regarded as a benchmark of good practice against which organisations should assess their internal audit function.

Who is it for?

The intended audience for the Code of Practice (the 'Code') includes members of board audit and risk committees, chief audit executives, non-executive directors, senior management, and, where appropriate, regulatory bodies.

The Code is intended to be applied by all organisations in the financial services, private and third sectors with an internal audit function and a board audit committee of independent non-executive directors or their equivalent. This Code may prove useful for internal audit in the public sector, but it is not drafted with the public sector specifically in mind. Public sector internal audit functions should continue to follow the Public Sector Internal Audit Standards.

How should it be applied?

The Code should be applied in conjunction with the International Professional Practices Framework and the Global Internal Audit Standards. The Code builds on these Standards and seeks to increase the impact and effectiveness of internal audit.

The Code is principles-based. It is expected that the principles are applied proportionately, in line with the nature, scope and complexity of the organisation. Internal audit functions should apply the Code in the context of internal audit regulatory standards applicable to the organisation.

A. Purpose and mandate of internal audit

Outcome: Internal audit has a clear purpose and mandate. There is a strong tone at the top of the organisation, which enables internal audit to effectively discharge its mandate.

Principles:

1. The primary purpose of internal audit should be to help the board and senior management to protect the assets, reputation and sustainability of the organisation.

It does this by:

- Providing independent, risk-based and objective assurance, advice, insight and foresight.
- Assessing whether all significant risks are identified and appropriately reported by management to the board and senior management.
- Evaluating whether the organisation is adequately controlled.
- Challenging and influencing senior management to improve the effectiveness of governance, risk management and internal controls, including identifying efficiencies and removing duplicative and/or redundant controls.

The purpose and mandate of internal audit should be articulated in an internal audit charter, which should be publicly available.

2. The board, its committees and senior management should set the right 'tone at the top' to ensure support for, and acceptance of, internal audit at all levels of the organisation.
3. The chief audit executive should report annually to the board audit committee on how the principles in the Code have been applied.
4. The board audit committee report in the annual report and accounts should summarise the purpose and mandate of internal audit, the function's main activities and conclude on internal audit's impact and effectiveness.

B. Scope and priorities of internal audit

Outcome: Internal audit has an unrestricted scope and access to all areas of the organisation and information, including the scope areas outlined in principle 8. Internal audit has an effective process to determine internal audit coverage.

Principles:

5. Internal audit's scope should be unrestricted.

There should be no aspect of the organisation which internal audit should be restricted from looking at as it delivers on its mandate. Whilst it is not the role of internal audit to second guess the decisions made by the board and its committees, its scope should include information presented to the board and its committees as discussed further below.

6. Risk assessments and prioritisation of internal audit work.

In setting its scope, internal audit should form its own judgement on how best to determine internal audit coverage given the structure and risk profile of the organisation. It should take into account business strategy and should form an independent view of whether the key risks to the organisation have been identified, including emerging and systemic risks, and assess how effectively these risks are being managed. Internal audit's independent view should be informed, but not determined, by the views of stakeholders, including management, the risk function, other control functions, and regulators. In setting out its priorities and deciding where to carry out more detailed work, internal audit should focus on the areas where it considers risks to be higher.

Internal audit should make a risk-based decision as to which areas within its scope should be included in the internal audit plan. It does not necessarily have to cover all of the scope areas every year. Its judgement on which areas should be covered in the internal audit plan should be subject to approval by the board audit committee.

7. Internal audit coverage and planning.

Internal audit plans, including significant changes, should be approved by the board audit committee. Internal audit plans should be dynamic, updated timely, and have the flexibility to deal with unplanned events to allow internal audit to prioritise any work of importance and emerging risks. Changes to the internal audit plan should be considered in light of internal audit's ongoing assessment of risk.

8. Scope of internal audit.

The scope of internal audit's work should be regularly reviewed to take account of new and emerging risks. Where relevant, internal audit should assess not only the process followed by the organisation's first and second lines, but also the quality of their work. Internal audit should include within its scope the areas outlined below:

a. Purpose, strategy and business model.

Internal audit should assess whether appropriate activities have been established to embed the organisation's purpose. Internal audit is not responsible for setting the strategy but should include within its scope an assessment of the processes and controls supporting strategic and operational decision-making, and the delivery of strategic priorities. It should include whether the information presented to the board and senior management fairly represents the benefits, risks and assumptions associated with the viability of the strategy and business model.

b. Organisational culture.

Internal audit should undertake risk-based reviews of organisational culture, incorporating but not limited to risk and control culture assessments. This could include the evaluation of relevant processes, tone at the top, behaviours, and way in which the strategy, values, ethics, and risk policies are aligned and embedded.

c. Internal governance.

Internal audit should include within its scope the design and operating effectiveness of the

internal governance structures and processes of the organisation.

d. The setting of, and adherence to, the risks the entity is willing to accept (risk appetite).

Internal audit is not responsible for setting the board's risk appetite but should assess whether the risk appetite has been established and reviewed through the active involvement of the board and senior management. It should assess whether risk appetite is embedded within the activities, limits and reporting of the organisation.

e. Key corporate and external events.

Examples of key corporate events could include significant business process changes, introduction of new products and services, outsourcing decisions and acquisitions/divestments. Examples of key external events include macroeconomic and geopolitical uncertainties. Internal audit should decide on a timely basis if these events are sufficiently high risk to warrant involvement and attention. In doing so, internal audit will evaluate whether the key risks are being adequately addressed (including by other forms of assurance, e.g. due diligence) and reported. Internal audit should also assess whether the information being used in such key decision-making is fair, balanced and reasonable, and whether the related procedures and controls have been followed.

f. Capital and liquidity risks.

Internal audit should include within its scope the modelling and management of the organisation's capital and liquidity risks. This could include the process for establishing and maintaining scenario analysis (stress testing) in relation to major risk categories and recovery plans related to economic shocks.

g. Risks of poor customer treatment, giving rise to conduct or reputational risk.

Internal audit should evaluate whether the organisation is acting with integrity in its dealings with customers and in its interaction with relevant markets. Internal audit should evaluate whether business and risk management is adequately designing and controlling products, services and supporting

processes in line with customer interests, protection of customer data and applicable conduct regulation.

- h. Environmental sustainability, climate change risks and social issues.

Internal audit should include within its scope matters relating to environmental sustainability, climate change risks and social issues such as diversity, equity and inclusion. Internal audit could consider evaluating the processes to support, and the accuracy of, sustainability reporting and disclosures.

- i. Financial crime, economic crime and fraud.

Internal audit should include within its scope risks relating to financial crime, economic crime and fraud. Internal audit should assess the adequacy and effectiveness of controls to prevent, identify, monitor and report on illegal acts including money laundering, bribery and corruption, accounting fraud, and other forms of financial and economic crime. This includes an evaluation of the adequacy and effectiveness of fraud risk governance and management.

- j. Technology, cyber, digital and data risks.

Internal audit should include within its scope coverage of technology risks. This should include assessing the governance, risk management and control framework for managing IT general controls, cyber, cloud, digital and data risks including the use of emerging technology such as artificial intelligence.

- k. Risk management, compliance, finance and control functions.

Internal audit should assess the adequacy and effectiveness of risk management, compliance, finance and other control functions. This should include an evaluation of the functions' mandate, organisational design, activities and priorities, capabilities, resources, tools and technology and reporting.

- l. Outcomes of processes.

Internal audit should evaluate the design and operating effectiveness of the organisation's

policies and processes. In doing so, it should not adopt a 'tick box' approach based purely on the design of processes and controls and should always consider the actual outcomes which result from their application.

C. Reporting results

Outcome: Internal audit's reporting to the board audit committee, and any other board committees as appropriate (such as the board risk committee), is impactful and relevant. Overall opinions are provided to the board audit committee on the scope areas identified as higher risk.

Principles:

9. Internal audit should be present at, and issue consolidated reports, to key governance committees, including the board audit committee and any other board committees as appropriate. The nature of the reports will depend on the remit of the respective governing bodies. Internal audit should also issue relevant consolidated reports to the board risk committee and present as appropriate.
10. Internal audit's consolidated reporting to the board audit committee, and any other board committees as appropriate (such as the board risk committee), should provide:
 - Overall opinions on the scope areas selected and covered (refer to section 'B. Scope and Priorities', principle 8).
 - Insights on significant control weaknesses and breakdowns together with a robust root cause analysis.
 - Any thematic and systemic issues identified across the organisation including owners, accountabilities and timescales.
 - An independent view of management's reporting on the risk management of the organisation, including a view on management's remediation plans (which might include restricting further business until improvements have been implemented) highlighting areas where there are significant delays.

- A review of any post-mortem and ‘lessons learned’ analysis if a significant adverse event has occurred at an organisation. Any such review should assess both the role of the first and second lines and internal audit’s own role.
 - An analysis of themes and trends emerging from internal audit work and their impact on the organisation’s risk profile.
 - Insights on areas where governance, risk management and internal controls are effective, and where internal audit has identified efficiencies, including removal of duplicative and/or redundant controls.
11. At least annually, internal audit’s reporting to the board audit, board risk and any other board committees should include an overall opinion on the effectiveness of the governance, and risk and control framework of the organisation, and its overall opinion on whether the organisation’s risk appetite is being adhered to. This should support any board disclosure on the organisation’s risk management and material controls and should highlight any significant weaknesses identified.

D. Interaction with risk management, compliance, finance and control functions

Outcome: Internal audit has an organisation wide remit and mandate which includes assessing and interacting with risk management, compliance, finance and other control functions.

Principles:

12. *The following is applicable to organisations who operate in the financial services sector and is considered best practice for organisations who operate in the private and third sectors:*

Effective risk management, compliance, finance, and other control functions are an essential part of an organisation’s corporate governance structure. Internal audit should be independent of these functions and be neither responsible for, nor part of, them.

The following is applicable to organisations who operate in the private and third sectors:

In most organisations, there will be some functions (e.g. finance, HR, compliance, legal, health & safety and risk management) whose responsibilities include designing and/or operating controls over risks, which arise in other parts of the organisation. Functions with such control responsibilities have substantial potential to contribute to the effectiveness of governance, risk management and internal controls in an organisation. The objectivity of internal audit is strongest if it is neither responsible for, nor part of, the control functions and such separation is to be preferred.

In cases where the chief audit executive has been assigned some responsibility for other control functions, the board audit committee should ensure that the additional responsibilities of the chief audit executive:

- a. Do not undermine their ability to give appropriate attention to their internal audit responsibilities.
- b. Do not impair their independence from management and appropriate safeguards are put in place.
- c. Are appropriately documented in the internal audit charter.

The board audit committee should also recognise that the chief audit executive is not able to make an objective assessment of the effectiveness of the additional functions for which they have responsibility and that it may be desirable to commission an external assessment of those functions.

13. In no circumstances should internal audit rely exclusively on the work of risk management, compliance, finance or other control functions, in either its risk assessment or in the determination of the level of audit testing required for the activities under review.

Any judgement which results in less intensive internal audit scrutiny should only be made after an appropriate evaluation of the effectiveness of that specific function in relation to the area under review.

14. Internal audit should coordinate with assurance providers on the organisation's key risks. This should include understanding coverage and aligning on the timing of assurance.

E. Independence and authority of internal audit

Outcome: Internal audit is independent and objective. Internal audit has the appropriate standing, stature and access.

Principles:

15. The chief audit executive should be positioned at a senior management level (normally expected to be at executive committee or equivalent) within the organisation to give them the appropriate standing, status, access and authority to challenge senior management. Subsidiary, branch and divisional heads of internal audit should also be of a seniority comparable to the senior management whose activities they are responsible for auditing.
16. Internal audit should have the right to attend and observe all or part of executive committee meetings and any other key management decision-making fora e.g. board risk committee. This enables internal audit to understand better the strategy of the business, key business issues and decisions, and to adjust internal audit priorities where appropriate.
17. Internal audit should have unrestricted and timely access to key management information and a right of access to all of the organisation's data, records, information, personnel and physical properties necessary to discharge its responsibilities. This includes access to board and executive committee papers.
18. The primary reporting line for the chief audit executive should be to the chair of the board audit committee.
19. The chair of the board audit committee should be responsible for appointing the chief audit executive and for determining when they should be removed from post.
20. In organisations in which the internal audit function is outsourced this Code still applies and the accountability of the function must be retained by the organisation.
21. The chair of the board audit committee should be accountable for setting the objectives of the chief audit executive and appraising their performance at least annually. It would be expected that the objectives and appraisal would take into account the views of the chief executive/administrative reporting line manager. This appraisal should consider the independence, objectivity and tenure of the chief audit executive. Where the tenure of the chief audit executive exceeds seven years, the board audit committee should explicitly discuss annually the chair's assessment of the chief audit executive's independence and objectivity.
22. The chair of the board audit committee should be responsible for recommending the remuneration of the chief audit executive to the remuneration committee. The remuneration of the chief audit executive and internal audit staff should be structured in a manner such that it avoids conflicts of interest, does not impair their independence and objectivity and should not be directly or exclusively linked to the short-term performance of the organisation.
23. Subsidiary (including ring-fenced bank), branch and divisional heads of internal audit should report primarily to the group chief audit executive, while recognising local legislation or regulation as appropriate. This includes the responsibility for setting budgets and remuneration, conducting appraisals and reviewing the internal audit plan. The group chief audit executive should consider the independence, objectivity and tenure of the subsidiary, branch or divisional heads of internal audit when performing their appraisals.
24. *The following is applicable to organisations who operate in the financial services sector and is considered best practice for organisations who operate in the private and third sectors:*

If internal audit has an administrative reporting line, this should be to the chief executive in order to preserve independence from any particular business area or function and to establish the standing of internal audit alongside the executive committee members.

The following is applicable to organisations who operate in the private and third sectors:

In certain scenarios, the administrative reporting line can be to another member of senior management who promotes, supports and protects internal audit's independent and objective voice. This should be agreed with the chair of the board audit committee.

F. Resources

Outcome: Internal audit has the right skills, experience, resources and budget to fulfil its mandate.

Principles:

25. The chief audit executive should ensure that the audit team has the skills and experience, including technical subject matter expertise, commensurate with the scale of operations and risks of the organisation. This may entail training, recruitment, secondment from other parts of the organisation, or co-sourcing with external third parties.
26. The chief audit executive should provide the board audit committee with a regular assessment of the skills required to conduct the work needed, and whether the internal audit budget is sufficient to recruit and retain staff or procure other resources with the expertise, experience and objectivity necessary to provide effective challenge throughout the organisation and to senior management.
27. The internal audit team should comprise internal auditors with a mix of backgrounds, skills and experiences who bring diversity of thought. The chief audit executive should recruit, retain and promote talent in accordance with the organisation's diversity, equity and inclusion policies and applicable legislation.

28. The chief audit executive should ensure that internal audit has the appropriate tools and technology to support the function's impact and effectiveness e.g. use of data analytics and artificial intelligence. Tools and technology should be used in internal audit activities, including to help auditors, analyse the risk profile to support scoping decisions, test controls and enhance internal audit coverage and quality. The function should regularly evaluate how tools and technology can be used to improve its effectiveness and efficiency.
29. The board audit committee should be responsible for approving the internal audit budget and, as part of the board's overall governance responsibility, should disclose in the annual report and accounts whether it is satisfied that internal audit has the appropriate resources.

G. Quality Assurance and Improvement Programme (QAIP)

Outcome: The board audit committee and internal audit assess the quality, performance, impact and effectiveness of the function.

Principles:

30. The board audit committee is responsible for approving internal audit's performance objectives and evaluating the performance of the internal audit function on a regular basis. In doing so, it will need to identify appropriate criteria for defining the success of internal audit. This should include assessing internal audit's value, impact, effectiveness and efficiency. Delivery of the internal audit plan should not be the sole criteria in this evaluation.
31. Internal audit should maintain an up-to-date set of policies, procedures, methodology and performance and effectiveness measures for the internal audit function. Internal audit should continuously improve these in light of industry developments.
32. Internal audit functions should develop a QAIP, with the work performed by individuals who are independent of the delivery of

the audit. The individuals performing the assessments should have the standing and experience to meaningfully challenge internal audit performance and to ensure that internal audit judgements and opinions are adequately evidenced.

The scope of the QAIP review should include internal audit's understanding and identification of risk and control issues and adherence to audit methodology and procedures. This may require the use of resource from external parties. The quality assurance work should be risk-based to cover the higher risks of the organisation and of the audit process. The results of these assessments should be presented directly to the board audit committee at least annually.

Internal audit should conduct periodic self-assessments on conformance with this Code and the Global Internal Audit Standards.

33. Where the internal audit function is outsourced to, or co-sourced with, an external provider, internal audit's work should be subject to the same QAIP work as an in-house function. The results of this QAIP work should be presented to the board audit committee at least annually for review. Chief audit executives should report regularly to the board audit committee on the actions or progress implementing the outcomes of the review.
34. The board audit committee should obtain an independent and objective external quality assessment at appropriate intervals, irrespective of the size of the organisation. This could take the form of periodic reviews of elements of the function, or a single review of the overall function. In any event, the internal audit function as a whole should as a minimum be subject to a review at least every five years, as set out in the Global Internal Audit Standards. The conformity of internal audit with this Code and the Global Internal Audit Standards should be explicitly included in this evaluation. The chair of the board audit committee should oversee and approve the appointment process for the independent assessor.

H. Relationship with regulators and external audit

Outcome: Internal audit has an open, constructive and cooperative relationship with regulators and external audit.

Principles:

35. The chief audit executive, and other senior managers within internal audit, should have an open, constructive and cooperative relationship with relevant regulators to support sharing of information relevant to carrying out their respective responsibilities.
36. The chief audit executive and the partner responsible for external audit should ensure appropriate and regular communication and sharing of information.

I. Wider considerations

Principles:

37. The Chartered Institute of Internal Auditors should commission further independent reviews of this guidance at least every five years, in the light of further experience, with a view to deciding whether any further changes are required.

Appendix I - Glossary of Terms

Activity under review

The subject of an internal audit engagement. Examples include an area, entity, operation, function, process, or system.

Annual report and accounts

The annual report and accounts provides investors and other stakeholders with clear and relevant information on the organisation's performance to support informed decision making and effective stewardship.

Board

Highest level body charged with governance, such as the board of directors.

Business model

An organisation's strategy and plan to operate and achieve business objectives. This includes the products and/or services offered.

Chief audit executive

The leadership role responsible for effectively managing all aspects of the internal audit function and ensuring the quality performance of internal audit services in accordance with the Global Internal Audit Standards and the Code of Practice. The specific job title and/or responsibilities may vary across organisations.

Consolidated reports

A report that summarises the outcomes from internal audit's work including engagement conclusions, themes identified from internal audit's work, overall opinions and functional performance.

Customer

A customer is an individual or entity that engages with a provider, such as a business, non-profit organisation, or charity to obtain goods, services, and/or information. This includes consumers, purchasers, donors, beneficiaries, and volunteers.

Diversity, equity and inclusion

Diversity is the presence and participation of individuals with varying backgrounds and perspectives. Equity refers to fair access to opportunities, and just and impartial treatment. Inclusion is a sense of belonging where people's differences are valued and used to enable everyone to thrive and make meaningful contributions.

Diversity of thought

Bringing together a range of different styles of thinking among members of a group.

Economic and financial crime

Illegal acts committed by an individual or a group to obtain a financial or professional advantage. The principal motive is economic gain. This includes offences such as bribery, corruption, financial fraud, terrorist financing, tax evasion and money laundering.

External event

Events refer to incidents or occurrences outside of an organisation's control that can significantly impact its operations, performance and/or strategy.

Fraud

Any intentional act characterised by deceit, concealment, dishonesty, misappropriation of assets or information, forgery, or violation of trust perpetrated by individuals or organisations to secure unjust or illegal personal or business advantage.

Governance

The combination of processes and structures implemented by the board to inform, direct, manage, and monitor the activities of the organisation toward the achievement of its objectives.

Independence

The freedom from conditions that may impair the ability of the internal audit function to carry out internal audit responsibilities in an unbiased manner.

Internal audit charter

A formal document that includes the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of services, and other specifications.

Internal audit mandate

The internal audit function's authority, role, and responsibilities, which may be granted by the board and/or laws and regulations.

Internal audit plan

A document, developed by the chief audit executive, which identifies the engagements and other internal audit services anticipated to be provided during a given period. The plan should be risk-based and dynamic, reflecting timely adjustments in response to changes affecting the organisation.

Key corporate events

Any major changes within an organisation that can influence the organisation's strategy, business model, structure, operations, reputation and financial position.

Material controls

Material controls are specific to an organisation and should be identified by management. These will differ depending on an organisation's size, business model, strategy and structure. Financial materiality should not be the sole criteria for identifying material controls.

Objectivity

An unbiased mental attitude that allows internal auditors to make professional judgments, fulfil their responsibilities, and achieve the purpose of internal auditing without compromise.

Organisational culture

An organisation's values, attitudes, standards and beliefs.

Outcomes

Statements outlining the intended outcome of a section in the Code of Practice.

Overall opinions

An opinion provided based on a comprehensive assessment and judgement made considering all relevant findings, engagements, information and/or evidence. Overall opinions should reflect the professional judgement of the chief audit executive and be supported by relevant, reliable and sufficient information. Internal audit should consider a variety of inputs from across the organisation when providing overall opinions.

Principles

Broad principles to adhere to within the Code of Practice that should be applied in the context of an organisation's size, risk profile, nature, scope and complexity of their operations.

Purpose

An organisation's primary goal and fundamental reason for existence.

Quality Assurance and Improvement Programme

A programme established by the chief audit executive to evaluate and ensure the internal audit function conforms with the Global Internal Audit Standards and the Code of Practice, achieves performance objectives, and pursues continuous improvement. The programme includes internal and external assessments.

Risk appetite

The types and amount of risk that an organisation is willing to accept in the pursuit of its strategies and objectives.

Risk assessment

The identification and analysis of risks relevant to the achievement of an organisation's objectives. The significance of risks is typically assessed in terms of impact and likelihood.

Risk and control culture

An organisation's/management's values, beliefs, knowledge, attitudes and understanding about risk and control.

Root cause

Core issue or underlying reason for the difference between the criteria and the condition of an activity under review.

Senior management

The highest level of management of an organisation that is ultimately accountable to the board for the organisation strategic decisions. Typically this is a group of persons that includes the chief executive officer or head of the organisation.

Technology

The digital tools, systems and technology used within an organisation. This includes audit software and tools, data analytics, process mining and advanced technologies such as artificial intelligence.

Thematic issue

An issue which is pervasive across several areas of the organisation. This may include the findings and conclusions of multiple engagements, which when viewed holistically may reveal patterns or trends, such as root causes.

Appendix II – The Independent Internal Audit Code of Practice Review Committee



Sally Clark
Audit Committee Chair,
Citigroup Global Markets
& Non-Executive Director,
AIB (UK) and Bupa
(Committee Chair)



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Group Head of Internal
Audit, HSBC



Carolyn Clarke
Deputy President,
Chartered IIA (and Audit
Risk and Sustainability
Committee Chair, Elcogen)



Gordon Craig
Director of Internal
Audit, 3i



Jeremy Eagles
Chief Audit Officer, Bupa



Bernice Gaffney
Head of Internal Audit,
Bord na Mona (and
Member, Audit, Risk and
Governance Committee,
Health Information and
Quality Authority)



Byron Grote
Audit Committee
Chair, Tesco &
Intercontinental Hotels



Paul Kaczmar
Head of Audit and Risk,
Page Group



Veesh Sharma
Chief Assurance Officer
and Chief Risk Officer,
Save the Children



Paul Skinnider
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Taylor Wimpey



Janette Taylor
Head of Professional
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Sara Yorke
Head of Internal Audit
- Legal, Regulatory,
Internal/External
Affairs, Vodafone

Observers to the Committee



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Executive Director
Regulatory Standards,
Financial Reporting
Council



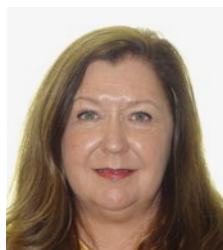
Peter Elam
Group Head of Risk
and Assurance, Anglo
American (Member,
International Internal
Audit Standards Board
and former President,
Chartered IIA)



Robin Jones
Director of Internal
Audit, Financial
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Anne Kiem OBE
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Sarah Sodeau
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About Chartered IIA

The Chartered Institute of Internal Auditors is the only professional body dedicated exclusively to training, supporting and representing internal auditors in the UK and Ireland.

We have over 10,000 members in all sectors of the economy. First established in 1948, we obtained our Royal Charter in 2010.

Over 2,000 members are Chartered Internal Auditors and have earned the designation CMIIA. About 1,000 of our members hold the position of head of internal audit and the majority of FTSE 100 companies are represented among our membership.

Members are part of a global network of over 245,000 members in 170 countries, all working to the same International Standards and Code of Ethics.

To learn more, visit:

www.iaa.org.uk

Stay connected



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