

## Update on International Professional Practices Framework (IPPF)

The IIA Inc. Board of Directors is set to approve the NEW International Professional Practices Framework (IPPF) on July 12, 2008 during the IIA Global Board Meeting in San Francisco, USA. IPPF will replace the current “Professional Practices Framework” (PPF) effective January 2009.

What has changed in the PPF?

First, the new IPPF comes with revised Scope and Structure as summarized below:

Current PPF					New IPPF		
	Mandatory	Strongly Recommended and Endorsed	Endorsed or Developed by The IIA			Mandatory	Strongly Recommended
Definition	X			▶▶	Definition	X	
Code of Ethics	X			▶▶	Code of Ethics	X	
Standards	X			▶▶	<i>Standards and Interpretations</i>	X	
Practice Advisories		X		▶▶	Practice Advisories		X
Development and Practice Aids			X	▶▶	<i>Position Papers</i>		X
					<i>Practice Guides</i>		X

Source: Report from The IIA’s Vision for the Future Task Force

The IPPF’s scope has been narrowed to include only authoritative guidance developed by an IIA international technical committee following appropriate due process. Authoritative guidance to the internal audit profession consists of two categories:

- **Mandatory.** Compliance is required and the guidance is developed following the appropriate due process, which includes public exposure. Compliance with the principles set forth in mandatory guidance is essential for the professional practice of internal auditing.
- **Strongly Recommended.** Compliance is strongly recommended, and the guidance is endorsed by The IIA. It describes practices for the effective implementation of The IIA’s Code of Ethics and the *International Standards for the Professional Practice of Internal Auditing (Standards)*.

The main changes to specific elements of the new IPPF are summarized as follows:

1. **Standards.** The revised *Standards* will include Interpretations to provide further clarity to terms and phrases.

2. **Practice Advisories.** These have been narrowed in scope only to include the methodology and approach for implementing the Standards. Current content that addresses tools or techniques will be moved into the Practice Guides category.
3. **Position Papers.** This new element was added to the IPPF. Position Papers are IIA statements that assist a wide range of interested parties, including those not in the internal audit profession to understand significant governance, risk, or control issues, and delineate the related roles and responsibilities of the internal audit profession.
4. **Practice Guides.** This new element allows guidance to be issued at the tools and techniques level, and includes detailed processes and procedures, programs, and step-by-step approaches (e.g., examples of deliverables).

Finally, changes to the IPPF development and maintenance processes to improve the timeliness and coordination of the guidance-setting considering the demand for more clarity, transparency and rigor as well as effective governance.

There will be no changes in the definition of internal audit and the Code of Ethics.

The following are the key improvements in the development and maintenance process of IPPF:

- Established of Internal Audit Standards Oversight Board (IASOB), charged with reviewing the rigor and due process followed for the setting of standards.
- Designated approval bodies appropriate to each element of the IPPF.
- Clarified voting rules
- Defined maintenance cycles
- Publicly documented on The IIA Web site

Watch out for more updates. For complete details of the IPPF status, visit IIA website at "<http://www.theiia.org/guidance/standards-and-practices/professional-practices-framework/ippf-project/>".