



Institute of Internal Auditors
UK AND IRELAND

*Forward***Chartered**

Our campaign for Chartered status

As the only specialist representative body for professional internal auditors in the UK and Ireland, The Institute of Internal Auditors - UK and Ireland is seeking Chartered status.

Informing. Inspiring. Assuring.

“...I am more convinced than ever of the need for internal audit and the significant contribution it can make to improving public confidence that companies are managing their risks effectively and therefore safeguarding their future.

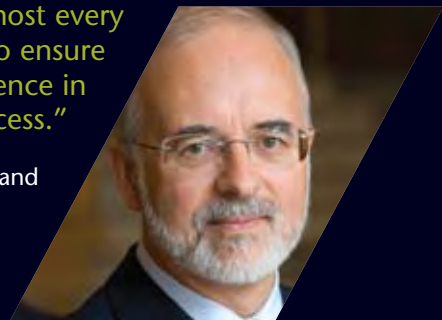
I am fully supportive of the IIAs strategy to raise the profile and standing of the internal audit profession, including its quest for Chartered status.”

Lord Robert Smith,
Author of the Financial Reporting Council (FRC) Guidance To Audit Committees,
Chairman of the Weir Group PLC and Scottish Energy PLC



“The disciplines of Internal audit are relevant to almost every area of modern society, we have a vital expertise to apply to ensure stakeholders and beneficiaries of organisations have confidence in their long term success.”

Philip Ratcliffe, President IIA – UK and Ireland



“Chartered status represents an important strand of our strategy to develop internal auditing for the benefit of all those with an interest in good governance and to harness the wide recognition it already has as a distinct profession.”

Dr Ian Peters, Chief Executive, IIA – UK and Ireland



“...Chartered status is our opportunity to stand tall... and be recognised for the value we give to society.”

Sarah Blackburn, Deputy President
and Chair of the *ForwardChartered*
Steering Group



The Institute of Internal Auditors - UK and Ireland

ForwardChartered - A strategic initiative

Raising Standards - ForwardChartered

The Institute, through its staff and member volunteers is working in a number of areas to achieve its strategic objectives to support and develop its individual members, the profession in the UK and Ireland and the Institute. Achieving Chartered status is an important part of the Institute's strategy in the UK and Ireland and the global drive to increase the recognition of the value of internal auditing.

The Institute's strategy is focused on raising awareness of the value and purpose of internal auditing, raising the aspirations of all those who work within the profession and raising standards at all levels. Seeking Chartered status is an important part of that strategy.

Our credentials

The Institute of Internal Auditors (IIA) has been leading the profession of internal audit in the UK and Ireland for more than 60 years.

Our 8,500 members are part of a global community of 160,000 internal auditors in over 165 countries. They are employed in organisations from all sectors of the economy, including central government departments, local authorities, the banking sector, voluntary organisations, professional firms and "FTSE" public companies.

The IIA offers the only specialist internal audit qualifications. Our diploma and advanced diploma

qualifications are widely recognised within the private sector and HM Government and have been accredited by the Open University at postgraduate level. Our membership is made up qualified members (41%), members studying for our qualifications (21%) and affiliate members (38%). Affiliate membership is for those working in internal audit who seek access to professional support and guidance, but who prefer not to study for a qualification. Many such affiliates are holders of other professional qualifications.

A distinct profession

Internal audit is a distinct profession, underpinned by a globally endorsed common body of knowledge and a competency framework which defines the skills, knowledge and behaviours required of best practice internal auditors.

The Institute imposes upon all members a code of professional conduct which includes a requirement to uphold the *International Standards* for the Professional Practice of Internal Auditing, to comply with the *Code of Ethics* and to continually improve their proficiency and the effectiveness and quality of their services by undergoing continuing professional development (CPD). There is a requirement on all voting members to plan, document and review their CPD.

The primary role of internal audit is to provide assurance to management that the organisation's key risks are being managed effectively. To do this, an internal auditor must review and evaluate the risk management processes, systems of internal control

and corporate governance processes, across all parts of the organisation and report their findings directly to the most senior level of management. The scope of internal audit work is therefore very wide as internal auditors are required to apply their specific skills across all functional areas of an organisation, giving them a uniquely independent and broad perspective. For example, internal audit departments might now provide assurance on controls relating to IT risks, reputational risks, fraud risks, supply chains, mergers and acquisitions.

Internal auditors come from a wide variety of professional backgrounds such as engineering, information systems, and the law, reflecting the broad scope of work required.

Helen Brand



"The professional skills of the internal auditor are increasingly in demand in organisations around the world and therefore the role is becoming more high-profile. It is already an important career path for ACCA members. The IIA's initiative to obtain Chartered status represents an important step in its drive to ensure high levels of competence and ethical working practices for its members."

Helen Brand,
Chief Executive, ACCA

Many internal auditors come from a finance background. However whilst financial skills are important, to do their job effectively, internal auditors also need to possess high level technical internal auditing skills as well as sound analytical and effective communication skills and strong project management capabilities.

The specialist nature of internal audit is recognised by regulators such as the Financial Reporting Council

through its Combined Code on Corporate Governance and the Financial Services Authority through its Corporate Governance Rules, which reflect European Union requirements relating to company statements on corporate governance and the make up of audit committees. The UK Government's own internal audit standards are based on the IIA's *International Standards* for the Professional Practice of Internal Auditing.

Serving the public interest

The internal audit profession has grown in stature over the last 10 years and few would dispute its vital role as a cornerstone of effective corporate governance.

The recent issues around data security, the ongoing financial crisis and the current economic conditions have brought debates about governance, boardroom behaviour, risk management and internal control very much to the fore.

Critical to any organisation's success or failure is its ability to manage its risks effectively and deliver value to its customers, shareholders and stakeholders. Internal auditors have a unique role and position within an organisation. By providing assurance to the board and

senior executives that key risks are being managed effectively, internal audit helps organisations achieve their objectives. Through constructive challenge to management internal auditors provide a catalyst for improvement, champion excellence and promote better risk taking. The infrastructure created by the Institute for the profession makes a significant contribution to improving public confidence that organisations are managing their risks effectively and safeguarding their assets and their future.

The benefits of chartered internal audit professionals

Achieving Chartered status will set the seal of public approval on the Institute, the profession and its practitioners.

It will add to the growing profile and reputation of the profession, attracting an ever widening pool of talented individuals aspiring to ever higher standards of expertise. Internal audit already benefits from the breadth of business knowledge and experience it draws from practitioners who enter the profession from other business functions. Chartered status will help to increase the flow of organisational knowledge

and skills, providing a rewarding, specialist career path for other qualified professionals. Organisations employing Chartered internal audit professionals will also benefit from being able to demonstrate their commitment to strong governance, thereby enhancing their corporate reputations and public confidence in their stewardship.

Sir Ian Andrews



"Professional internal audit, based on internationally developed standards is essential to assuring effective risk management and control frameworks within central government. The IIA's drive to raise standards and develop the profession, including its campaign to attain Chartered status, is an important initiative that will greatly benefit government auditors."

Sir Ian Andrews,
Chair of Government Internal Audit Standards (GIAS) Oversight Board

Lend your support – write now

Our campaign is attracting widespread support from influential business figures, academic institutions, other professional bodies, audit committee chairs and heads of internal audit, reflecting the breadth of interest and engagement in internal auditing.



Demonstrating the level of support which the internal audit profession attracts is a key part of our campaign.

We invite written letters of support to the chief executive of the IIA - UK and Ireland from heads of internal audit, finance directors, audit committee members, other non-executives, chief executives and accounting officers. All those who have an interest in governance, risk management and internal control can help our petition for Chartered status.

If you have an interest in the development of internal audit as a profession and the role it should play in protecting organisations through better risk management, internal control and good governance, then support our campaign in writing.

Letters should be addressed to the Chief Executive, The IIA – UK and Ireland, 13 Abbeville Mews, 88 Clapham Park Road, London, SW7 4BX.

Further information about our campaign and guidance on letters of support can be found on our website at www.iaa.org.uk (follow the link through *ForwardChartered*). Alternatively contact our campaign team on email forwardchartered@iaa.org.uk or telephone 020 7498 0101.

The IIA defines internal audit as:

“An independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes.”

The timing and process for achieving Chartered status

January - June 2009

- ▲ Consultation with members
- ▲ Engagement with supporters/receipt of letters of support
- ▲ Development of criteria for individual chartered status

July 2009

- ▲ Council approves member proposal document, draft Charter and Byelaws

September 2009

- ▲ Members vote at AGM

November 2009

- ▲ (Positive vote) - Formal application to Privy Council

Spring / Summer 2010

- ▲ Privy Council Decision

Miles Templeman



“The IIA is gaining credence on the international stage and it is endeavouring to build a professional body to oversee internal auditors, thereby strengthening governance of both internal auditors and of audit committees.”

Miles Templeman,
Director General, The Institute of Directors

The Institute of Internal Auditors - UK and Ireland

Find out more

To find out more about what Chartered status means for you, your organisation and the internal audit profession, visit our website at www.iaa.org.uk.

The Institute of Internal Auditors - UK and Ireland

The IIA is the only body focused exclusively on internal auditing and we are passionate about supporting, promoting and training the professionals who work in it. We have been leading the profession of internal auditing for over 60 years.

The IIA plays an active role in the public arena, building awareness of internal auditing, promoting members' interests and challenging organisations to reach the highest standards of corporate governance.

Our *International Standards* and *Code of Ethics* unite a global community of 160,000 internal auditors in 165 countries.

We are committed to enhancing the recognition and professionalism of internal audit in the UK and Ireland, through:

- ▲ dynamic leadership of the profession which maximises the reputation and influence of our members, both individually and collectively
- ▲ setting performance benchmarks and promoting professional integrity through our *International standards* and *Code of Ethics*
- ▲ continually developing our qualifications so that their high quality and reputation is maintained
- ▲ providing technical resources, networking opportunities and support to our members throughout their careers
- ▲ maintaining our position as the market leader in internal audit training

Informing. Inspiring. Assuring.

www.iaa.org.uk

The Institute of Internal Auditors - UK and Ireland Ltd
13 Abbeville Mews, 88 Clapham Park Road, London SW4 7BX
tel 020 7498 0101 fax 020 7978 2492 email info@iaa.org.uk
Registered in England and Wales, no. 1474735 © June 2009