



Code of Conduct

Questions and Answers

1. Why is the Institute of Internal Auditors–Australia developing a Code of Conduct?

The Board of IIA-Australia believes internal auditing needs to take the next step in its professional evolution. A Code of Conduct signals the profession's maturity and commitment to the highest standards of behaviour and professional conduct.

The Code consists of key statements which members and practitioners are expected to observe in meeting the public interest and in building and promoting confidence in the services provided by internal auditors and in the internal audit profession.

Simply, the purpose of the Code of Conduct is to improve governance standards within an organisation and enhance the practice of internal auditing.

2. What is in the Code?

The Code merges relevant sections of the International Standards for the Professional Practice of Internal Auditing with the IIA Code of Ethics. In five statements of ethical commitment, the Code identifies the principles of honesty, value creation, information integrity, competence and professionalism, and objectivity.

3. To whom will the Code apply?

The Code of Conduct sets out the minimum standards of conduct to be observed by all members of IIA-Australia. Non-members who practice as internal auditors may pledge to abide by the Code of Conduct.

Employer organisations will be encouraged to subscribe to the Code. Doing so will communicate their support for the statements contained in the Code.

4. How does the Code of Conduct differ from the Code of Ethics?

Both are separate but related documents. There are no inconsistencies between the Code of Conduct and Code of Ethics.

5. Will the Code apply to non-IIA-Australia members?

Non-members of IIA-Australia will be able to subscribe to the Code if they so choose, as will employer organisations.

6. Does it apply to all those undertaking internal auditing?

The Code of Conduct is applicable to anyone who delivers internal audit services, either as an employee or as co-sourced or outsourced provider.

The Code automatically applies to IIA-Australia members.

We will be inviting all internal audit practitioners, public and private sector organisations, and non-members of IIA-Australia to subscribe to the Code through an opt-in mechanism on the IIA-Australia website.

The Code combines mandatory requirements of the International Professional Practices Framework (IPPF) and incorporates recommendations from Implementation Guides published by IIA Inc.

By subscribing, it will signify organisations can have confidence that internal auditors are following the International Professional Practices Framework, which includes the International Standards for the Professional Practice of Internal Auditing.

7. Should the Code apply for similar functions that are not called ‘internal audit’?

The definition in the IPPF does not provide a complete description of internal audit and does not go that far. For example, it is expected internal auditors will report to those charged with governance rather than senior management.

8. What happens if an internal auditor does not follow the Code?

The IIA-Australia Code will be governed by the Professional Responsibility and Ethics Committee (PREC) of the Board. The Committee will uphold the integrity of the Code through governance oversight and consequence management. A complaint against an internal auditor, as a member of IIA-Australia or as a subscriber to the Code, who does not abide by the Code will be investigated by PREC. Disciplinary action may follow.

9. When is the Code being released?

The Code will be released for comment in late March 2022. Submissions and comments on the draft Code can be made by 31 May 2022 to DraftCode@iia.org.au. Once all comments have been reviewed, we expect the IIA-Board to ratify the final Code of Conduct in June, ahead of its formal release in July 2022.