

Internal Audit Body of Knowledge (BoK) – 2024 Update

Evolution and Key Changes

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Introduction and Background

Internal Audit: Body of Knowledge (BoK)

- Definition: Encompasses the evolving knowledge and practices in internal auditing.
- First version in 2013 to guide public sector internal auditors: PEMPAL knowledge product
- Aimed at fostering the development of modern internal audit services.

Evolution of PEMPAL's BoK:

- First BoK in 2013: Based on older standards, focused on aligning internal audit practices with IPPF.
- 2024 Update: Incorporates Global Internal Audit Standards (GIAS), effective 2025.
- Update is part of a broader effort in making key PEMPAL knowledge products GIAS-proof

Key Influences for the 2024 Update

- GIAS 2025: Replaces IPPF, focuses on transparency, adaptability.
- IIA Competency Framework: Competency-based structure for internal auditors.
- IA Capability Model (IA-CM): Maturity assessment tool for internal audit.

Proposed structure of the 2024 BoK



Three sections:



1. Global Internal Audit Standards (GIAS):
Must-haves for auditors.



2. Competences and Skills: Critical for
effective internal audit functions.



3. Topical Requirements: Focus on emerging
risks such as cybersecurity, IT governance,
and ESG.

Global Internal Audit Standards (GIAS) – Key Highlights

Overview of GIAS

- 5 Domains, 15 Principles, and 52 Standards.
- Competency grading from awareness (1) to independent competency (4).
PROPOSAL: Maybe scale down to 3-point scale?
- Requirements as ‘must haves’
- BoK explores the relevancy of the ‘must haves’ for:
 - HIA,
 - Senior Staff/supervisor,
 - IA Staff,
 - Junior staff

INTERNAL AUDIT BODY OF KNOWLEDGE:

GLOBAL INTERNAL AUDIT STANDARDS

1 = Awareness only

2 = Basic competence and knowledge with support from others

3 = Independently competent in routine situations

4 = Independently competent in unique and complex situations

n/a = Not applicable

SAMPLE: GIAS

Domain / Principle	Standards and Requirements	HIA	Senior IA / Supervisor (e.g. team leader)	IA Staff (>1 year)	New Internal Auditor (<1 year)
Domain III: Governing the Internal Audit Function	Standard 8.2: Resources				
	Must ensure adequate financial, human, and technological resources for the internal audit function.	4	n/a	n/a	n/a
	Must align resource allocation with the complexity and risk of audit activities	4	2	n/a	n/a
	Standard 8.3: Quality				
	Must establish a <u>quality assurance and improvement program</u> for the internal audit function: Ongoing monitoring, periodic self-assessments or assessments by other persons within the organization with sufficient knowledge of internal audit practices to evaluate conformance with the Standards and communication with the board and senior management about the results of internal assessments	4	2	n/a	n/a
	Must ensure that internal and external quality assessments at regular intervals are conducted.	4	n/a	n/a	n/a
	Standard 8.4: External Quality Assessment				
	Must undergo an independent external quality assessment at least once every five years.	4			
	Must address and implement recommendations from the quality assessment.	4	3	1	1

Competences and Skills for Internal Auditors



Essential
Competences



- Key areas: Governance, risk and control, communication, persuasion, collaboration, critical thinking, and innovation.



Continuous
professional
development
(CPD) is essential.

INTERNAL AUDIT BODY OF KNOWLEDGE:

Competences and skills supportive to the GIAS

1 = Awareness only

2 = Basic competence and knowledge with support from others

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Competences and skills supportive to GIAS

Key competences	HIA	Senior IA / Supervisor (e.g. team leader)	IA Staff (>1 year)	New Internal Auditor (<1 year)
Educates senior management on best practices in governance, risk and control				
Evaluates the appropriateness of the organization's frameworks for governance, risk and control				
Contributes to the development of a risk-oriented culture within the organization				
Maintains a comprehensive insight into the organization's current and emerging risk profile				
Monitors future risk changes to the organization based on political, <u>economical</u> , social, environmental,				

Addressing Emerging Risks



Topical Requirements –
Key Risks. Only three for
now but will be updated



- Cybersecurity: Assessing
risks and response
frameworks.



- IT Governance: Aligning
IT with business
objectives.



- Sustainability and ESG:
Evaluating and reporting
on environmental, social,
and governance practices.

INTERNAL AUDIT BODY OF KNOWLEDGE:

Skills and competences related to the topical requirements

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Competences related to topical requirements

Cybersecurity

Key competences	HIA	Senior IA / Supervisor (e.g. team leader)	IA Staff (>1 year)	New Internal Auditor (<1 year)
Assesses cybersecurity risks related to data breaches, malware, and ransomware, ensuring they are effectively mitigated.				
Is able to evaluate and implement cybersecurity frameworks (e.g., NIST, ISO 27001) to strengthen organizational security posture.				
Audits incident response plans to ensure rapid detection and mitigation of cybersecurity threats and recovery strategies.				

TABLE ASSIGNMENT

Each table has a facilitator/lead responsible for keeping the group focused and give guidance during the task.

Each table discusses the following:

- Do we see added value in an updated Body of Knowledge for internal audit aligned with the 2025 GIAS? How could such a knowledge product be used?
- How do we value the current structure and set-up of the BoK? What could be suggestions for improvement (if any)?
- If we continue the refurbishment of the BoK: what would be a suitable approach? (working group, survey etc.)

Appoint per table a spokesperson who will present the results of the discussion.

Questions and Discussions

Open the floor for questions and further discussions.