



# Audits and Risk Management Committee

## Item number 7 – Open session

**Subject:** Education: Global Internal Audit Standards

**Presenter(s):** Cheryl Cervantes Dietz

**Item type:** Information

**Date and time:** November 6, 2024 – 20 minutes

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**Attachment(s):** Global Internal Audit Standards Overview

**PowerPoint presentation(s):** Global Internal Audit Standards

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### **Item purpose**

The purpose of this item is to provide the committee education on The Global Internal Audit Standards (Standards).

### **Recommendation**

This is an information item only.

### **Executive summary**

On January 9, 2024, the Institute of Internal Auditors (IIA) Standards Board released the updated Global Internal Audit Standards (Standards), the main component of the International Professional Practices Framework (IPPF). The new guidance replaces the 2017 Standards and is effective January 9, 2025.

The Standards guide the worldwide professional practice of internal audit and serve as the basis for evaluating and elevating the quality of the internal audit function. The Standards are comprised of five domains with 15 principles that enable effective internal auditing. Each principle is supported by standards that contain requirements, consideration for implementation, and examples of evidence of conformance.

While the 2017 Standards were robust, they needed to keep pace with the ever-evolving nature of business and accelerating pace of change. Therefore, the shift of the business landscape over the last few years required a more comprehensive change to the Standards. The recently released Standards:

- Are more prescriptive and enhances expectations around documentation and evidence

- Clarifies the expected support from the audit committee and senior management
- Requires internal audit function strategy and objectives
- Expands stakeholder communication to relationship management
- Focuses on performance of internal audit function beyond conformance and operational efficiency
- Adds topical requirements concerning auditing of certain topics (e.g., cyber)
- Includes a requirement to conform or provide explanation if current practices do not align with the Standards

The education item for the ARM Committee will include an overview of the Standards and focus on Domain III which addresses Governing the Internal Audit Function.

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Strategic Plan linkage: [Strategic Plan - CalSTRS](#)

Board Policy linkage: [Board Governance Manual \(calstrs.com\)](#)

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**Optional reference material:** [Global Internal Audit Standards \(theiia.org\)](#)