

# Internal Audit

Standards Have Changed:  
Is Your Organization Ready?

Understanding the 2024 IIA Global  
Internal Audit Standards and What  
Organizations Need to Know



# Introduction to New IIA Internal Audit Standards

Internal auditing is a critical function for organizations worldwide, ensuring effective governance, risk management, and internal control. However, the role of internal audit is rapidly evolving.

In January 2025, the Institute of Internal Auditors (IIA) roll out updated Global Internal Audit Standards, which replaced the 2017 International Professional Practices Framework (IPPF). These new standards aim to adapt internal audit practices to the challenges posed by a dynamic business environment, including increased regulation, changing business models, and new technological advancements.

For organizations today, this is a crucial moment. As governance and regulatory frameworks continue to evolve, aligning with the new IIA standards will not only ensure compliance but also drive better performance and more effective risk management.

In this presentation, we will break down the key changes in the new IIA standards, explain why these changes are important for organizations, and discuss how your internal audit function can prepare for this significant shift.

The new standards reflect:

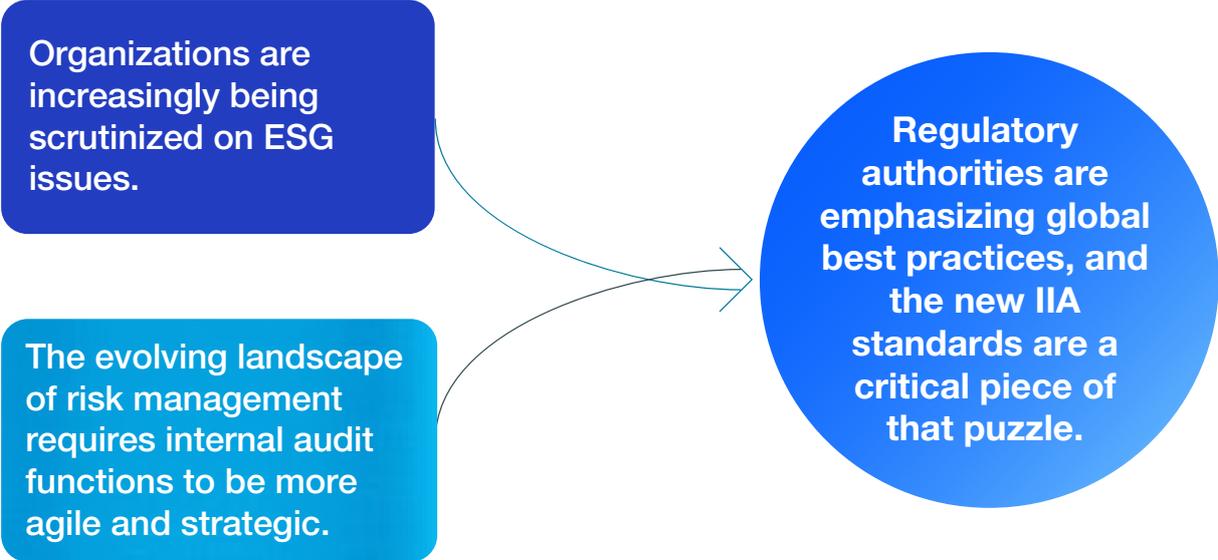
A shift towards a principles-based framework, giving organizations more flexibility to tailor their internal audit functions to their unique needs.

A greater focus on governance and strategic alignment, where internal audit no longer just evaluates financial controls but also provides strategic assurance to stakeholders.

Emerging trends like ESG (Environmental, Social, and Governance) risks, which are now a central part of internal audit considerations, especially with increasing regulatory pressure around sustainability and corporate responsibility.

# Why should you care?

The objective here is to equip you with the knowledge to prepare your internal audit function for the upcoming changes, ensuring compliance and improving internal audit effectiveness in your organization.



# Key Highlights of the New IIA Global Internal Audit Standards

The IIA Global Internal Audit Standards have been revamped for 2024 to address the evolving needs of businesses in an increasingly complex, dynamic, and interconnected world. The new standards will officially take effect in January 2025 and are designed to ensure that internal audit functions remain effective and relevant in the face of modern challenges.

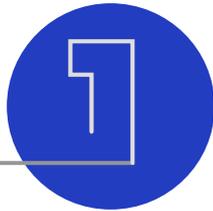
## The 2024 IIA Standards emphasize several key shifts:

<b>Principles-Based Framework</b>	<p>The new standards move from a rules-based to a principles-based approach. This allows for greater flexibility in how internal audit functions operate, enabling organizations to adapt their auditing processes to their unique circumstances while still meeting global best practices.</p> <p>This provides internal audit functions with more adaptability and freedom to align with specific business models, risks, and strategies.</p>
<b>Broader Strategic Role</b>	<p>Internal auditors are no longer just tasked with assessing compliance and financial controls. The new framework recognizes internal audit as a strategic partner in an organization's governance, risk management, and performance management processes.</p> <p>This promotes internal audit as a key contributor to achieving organizational goals, helping management identify strategic risks and opportunities early on.</p>
<b>Increased Focus on ESG Risks</b>	<p>The new standards place a significant emphasis on ESG considerations, reflecting the increasing demand for businesses to address sustainability issues, social responsibility, and ethical governance.</p> <p>This helps organizations mitigate ESG-related risks and align with global sustainability standards, while also enhancing their reputation in the marketplace.</p>
<b>Technology Integration</b>	<p>The 2024 standards highlight the importance of incorporating emerging technologies (like AI, data analytics, and blockchain) into internal audit methodologies.</p> <p>Internal auditors are expected to utilize these technologies to enhance the efficiency and accuracy of risk assessments, improve audit processes, and provide deeper insights into business operations enabling internal audit functions to perform more comprehensive audits, increase efficiency, and identify risks that might otherwise go unnoticed.</p>
<b>Global Alignment with Governance Frameworks</b>	<p>The 2024 standards are designed to align more closely with other global governance frameworks, ensuring that internal audits meet international standards.</p> <p>This global alignment is critical for companies operating in multiple jurisdictions, as it ensures consistency and compliance with regulatory requirements worldwide.</p> <p>This facilitates easier integration of internal audit functions in multinational environments, ensuring consistent practices and compliance across borders.</p>

# Key Highlights of the New IIA Global Internal Audit Standards

Organizations worldwide are operating in an increasingly complex and dynamic environment shaped by regulatory reforms, heightened stakeholder expectations, and rapid technological change. Governments, regulators, and investors across regions are placing stronger emphasis on transparency, sound corporate governance, and long-term sustainability. In response, organizations are aligning their practices with internationally recognized standards to enhance resilience, accountability, and global competitiveness. The updated IIA Global Internal Audit Standards play a critical role in supporting this shift by strengthening governance, risk management, and assurance practices across industries and geographies.

## ESG Considerations: Ensuring Compliance and Enhancing Global Competitiveness



ESG considerations are now central to organizational strategy and risk management. The new IIA Global Internal Audit Standards require auditors to assess governance and risk management related to environmental and social factors, reflecting increased scrutiny from investors, regulators, and stakeholders. Integrating ESG-focused audit practices enhances compliance, transparency, sustainable value creation, organizational reputation, stakeholder trust, and access to global capital markets.

## Global Alignment: Strengthening International Positioning



The updated IIA Standards align internal audit practices with globally recognized governance and risk management frameworks, promoting consistency and international best practices for organizations operating across jurisdictions. Adoption of the standards supports global regulatory compliance, cross-border operations, and stronger investor and stakeholder confidence, while enhancing governance maturity, resilience, and competitiveness.



## Technological Advancements: Improving Audit Efficiency

The 2024 IIA Global Internal Audit Standards emphasize integrating technologies such as data analytics, automation, and artificial intelligence into internal audit. As organizations undergo digital transformation, these tools improve efficiency, expand coverage, and enable more proactive risk identification. Leveraging technology allows internal audit to deliver deeper insights and timely assurance, strengthening decision-making, risk management, and its role as a strategic partner.

The new IIA Global Internal Audit Standards align with these evolving demands.

# Key Changes from 2017 IPPF to 2024 Standards

The transition from the 2017 International Professional Practices Framework (IPPF) to the 2024 IIA Global Internal Audit Standards introduces several important changes that will impact how internal audits are performed. Below are some of the most significant changes:

## Shift to a Principles-Based Framework

The 2024 standards move from a rules-based approach to a more principles-based one. This shift provides more flexibility, allowing organizations to tailor internal audit practices to their unique needs, while still meeting global best practices.

Internal auditors now have the flexibility to adapt their audit processes according to the organization's specific context and risk profile.

## Expansion of Internal Audit's Role:

The new standards elevate the role of internal audit from a focus on compliance and risk management to a strategic partner in governance and performance management. Internal audit is expected to contribute to organizational strategy and help manage broader risks, including ESG factors.

Internal auditors will play a more active role in strategic decision-making, offering insights on the effectiveness of business operations and governance structures.

## Focus on ESG Audits

Environmental, Social, and Governance (ESG) factors are now a core part of the IIA standards, emphasizing the need for internal auditors to assess how businesses address sustainability risks and governance-related concerns.

Companies will need to integrate ESG factors into their internal audit practices, helping them meet regulatory requirements and respond to stakeholder expectations.

## Technological Integration

The 2024 standards strongly encourage the use of technology in internal audits, including tools such as AI, data analytics, and blockchain to enhance audit efficiency and effectiveness.

Internal auditors are expected to leverage technology to analyze large data sets, automate routine tasks, and provide deeper, real-time insights into organizational risks.

## Alignment with Global Standards

The new IIA standards are more aligned with international governance and risk management frameworks, ensuring consistency in internal audit practices across different regions and jurisdictions.

This alignment facilitates easier global compliance and enhances the ability of multinational organizations to operate seamlessly across borders.

# Five Domains and Fifteen Principles

The new IIA Global Internal Audit Standards are structured around five key domains, each containing guiding principles that shape internal audit processes. These domains and principles help internal auditors focus on critical areas of governance, risk management, and organizational performance.

01

## Domain I: Purpose of Internal Auditing

This domain defines the role of internal auditing in enhancing organizational value by providing independent, risk-based, and objective assurance, advice, insight, and foresight. It supports governance, risk management, and decision-making processes.

02

## Domain II: Ethics and Professionalism

This domain outlines the ethical standards and professionalism expected from internal auditors. The principles under this domain are:

- **Principle 1:** Demonstrate Integrity Act with honesty and professional courage, building trust.
- **Principle 2:** Maintain Objectivity Stay impartial and unbiased in all audit decisions.
- **Principle 3:** Demonstrate Competency Apply the necessary knowledge and skills, and develop professionally.
- **Principle 4:** Exercise Due Professional Care Use judgment and skepticism to provide high-quality services.
- **Principle 5:** Maintain Confidentiality Protect sensitive information and use it only for professional purposes.

03

## Domain III: Governing the Internal Audit Function

This domain addresses the governance structures that ensure internal audit functions are independent, resourced, and empowered to carry out their duties effectively. The principles under this domain are:

- **Principle 6:** Authorized by the Board Be formally authorized with clear mandates from the board.
- **Principle 7:** Positioned Independently Maintain independence from the areas being audited.
- **Principle 8:** Overseen by the Board Ensure the board oversees and supports the audit function.

04

## Domain IV: Managing the Internal Audit Function

This domain focuses on effectively managing the internal audit function, ensuring proper planning, resourcing, and evaluation. The principles under this domain are:

- **Principle 9:** Plan Strategically Align audits with the organization's objectives and risks.
- **Principle 10:** Manage Resources Efficiently manage financial, human, and technological resources.
- **Principle 11:** Communicate Effectively Share audit results clearly with stakeholders.
- **Principle 12:** Enhance Quality Continuously improve audit services through feedback and best practices.

05

## Domain V: Performing Internal Audit Services

This domain focuses on how internal audits should be carried out, from planning through execution to reporting. The principles under this domain are:

- **Principle 13:** Plan Engagements Effectively Set clear objectives, scope, and resources for each engagement.
- **Principle 14:** Conduct Engagement Work Gather and assess information thoroughly with skepticism.
- **Principle 15:** Communicate Results and Monitor Action Plans Effectively communicate results and ensure follow-up on recommendations.

# Why Internal Audit Functions Need a Readiness Assessment NOW

With the new IIA standards now in effect, organizations must act swiftly to assess their internal audit readiness or risk falling behind.

01

The New Standards Are Already in Effect

The IIA's 2024 Global Internal Audit Standards took effect in January 2025. Organizations operating under outdated frameworks risk immediate non-compliance.

02

Regulatory Shifts Are Accelerating

Regulators worldwide are increasingly enforcing international best practices in governance, risk management, and ESG. Internal audit functions must now meet these elevated expectations.

03

Legacy Audit Frameworks Are No Longer Sufficient

Most internal audit departments were built around the 2017 IPPF, which emphasized control and compliance. The new standards demand:

- Strategic alignment
- Real-time risk insights
- Enhanced board engagement

04

Non-Compliance Has Consequences

Failure to act now may lead to:

- Audit findings flagged by regulators or external reviewers
- Erosion of stakeholder trust
- Missed opportunities to demonstrate strategic value at the board level

05

A Readiness Assessment Is the First Step

Organizations need a structured review to determine:

- Where they stand today
- What gaps exist
- How urgently they need to act

# Realigning Internal Audit Charter, Methodologies, and Reporting

To meet the demands of the 2024 IIA Standards, internal audit functions must transform from traditional compliance roles to strategic advisory partners.

## 1. The Charter Must Reflect Expanded Purpose

The internal audit charter is no longer just a formality, it must now:

- Emphasize assurance, insight, and objectivity
- Reflect alignment with organizational strategy and risk appetite
- Explicitly incorporate areas like ESG, digital risk, and governance

## 2. Methodologies Must Enable Agility and Depth

Legacy, checklist-driven audits won't suffice. Updated methodologies should:

- Be risk-based and forward-looking
- Leverage data analytics and AI for deeper, faster insights
- Integrate continuous auditing techniques where possible

## 3. Reporting Must Drive Strategic Dialogue

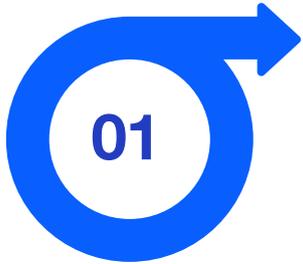
Internal audit reporting needs to evolve beyond compliance findings. It should:

- Offer actionable insights that support executive and board decisions
- Highlight emerging risks, trends, and operational blind spots
- Include clear ESG and technology audit outcomes



# Offering Gap Assessment Services for Compliance Readiness

Knowing what needs to change starts with knowing where you stand.



## What Is a Gap Assessment?

A gap assessment is a structured evaluation of your current internal audit function against the 2024 IIA Global Standards, helping identify misalignments in:

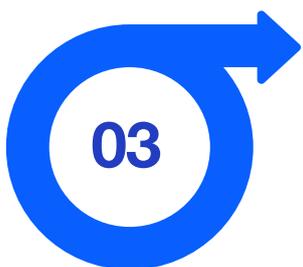
- Governance structure and charter
- Audit planning and execution
- Technology adoption
- ESG integration
- Reporting quality



## Why It's Critical for Organizations

In the face of increased scrutiny under Vision 2030 and the urgency of post-January 2025 compliance, a gap assessment:

- Pinpoints areas of non-conformance or weakness
- Clarifies your readiness status
- Guides strategic upgrades to audit structure and processes



## What Insights Offers

At Insights, our gap assessment service provides:

- A comprehensive diagnostic aligned with the five domains and fifteen principles
- Customized recommendations and a compliance roadmap
- Support in updating charters, methodologies, and reporting templates
- Tools and training to build future-ready audit capabilities



## The Outcome?

- Compliance achieved
- Risks mitigated
- Audit elevated to a trusted strategic function

# Contacts Us

For further information, clarification and discussion concerning the contents, please contact

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