



International Professional
Practices Framework

Implementation Guide 1111

Standard 1111 – Direct Interaction with the Board

The chief audit executive must communicate and interact directly with the board.

Revised Standards, Effective 1 January 2017

Getting Started

Generally, the chief audit executive (CAE), the board, and senior management have discussed and agreed on internal audit's responsibility, authority, and expectations as well as the necessary organizational placement of internal audit and CAE reporting relationships to enable internal audit to fulfill its duties. The reporting relationship typically includes a direct functional reporting relationship with the board. Refer to Implementation Guides 1100 – Independence and Objectivity and Implementation Guide 1110 – Organizational Independence for additional guidance.

Considerations for Implementation

If the CAE has a direct functional reporting relationship with the board, then the board assumes responsibility for approving the internal audit charter, internal audit plan, internal audit budget and resource plan, evaluation and compensation of the CAE, and appointment and removal of the CAE. Further, the board monitors the ability of internal audit to operate

independently and fulfill its charter.

With such a reporting relationship, the CAE will have many opportunities to communicate and interact directly with the board, as required by this standard. For example, the CAE will participate in audit committee and/or full board meetings, generally quarterly, to communicate such things as the proposed internal audit plan, budget, progress, and any challenges. Further, the CAE will have the ability to contact the chair or any member of the board to communicate sensitive matters or issues facing internal audit or the organization. Typically, and at least annually, a private meeting with the board or audit committee and the CAE (without senior management present) is formally conducted to discuss such matters or issues. It is also helpful for the CAE to participate in one-on-one meetings or phone calls periodically with the board or audit committee chair, either prior to scheduled meetings or routinely during the year, to ensure direct and open communication.

CAEs who find themselves without direct access to the board can share Standard 1111 (as well as standards 1100 and 1110), recommended governance practices, and board/audit committee best practice studies to pursue a stronger relationship and direct access. Further, CAEs in such a situation can consider written communications to the board until a direct line of communication, as required by this standard, is available.

Considerations for Demonstrating Conformance

Board meeting agendas and minutes are often sufficient to demonstrate whether the CAE has communicated and interacted directly with the board. The CAE's calendar may also demonstrate conformance. Further, a policy that requires the CAE to meet privately with the board periodically may be documented in board or audit committee charters.



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Implementation Guidance, as part of The IIA's International Professional Practices Framework® (IPPF®), provides recommended (non-mandatory) guidance for the internal audit profession. It is designed to assist both internal auditors and internal audit activities to enhance their ability to achieve conformance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*.

Implementation Guides assist internal auditors in applying the *Standards*. They collectively address internal audit's approach, methodologies, and consideration, but do not detail processes or procedures.

For other authoritative guidance materials provided by The IIA, please visit our website at www.globaliia.org/standards-guidance or www.theiia.org/guidance.

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