



International Professional
Practices Framework

Implementation Guide 1200

Standard 1200 – Proficiency and Due Professional Care

Engagements must be performed with proficiency and due professional care.

Revised *Standards* Effective 1 January 2017

Getting Started

Performing engagements with proficiency and due professional care is the responsibility of every internal auditor. Achieving the two attributes begins with an understanding of the Mandatory Guidance of the International Professional Practices Framework (IPPF), especially The IIA's Code of Ethics.

Internal auditors usually develop proficiency via education, experience, professional development opportunities, and qualifications such as the internal audit profession's most relevant certification, the Certified Internal Auditor® (CIA®), granted by The IIA. Internal auditors who have attained professional certifications need to be aware of the continuing education requirements to keep their certifications current.

Due professional care requires understanding the IPPF's systematic and disciplined approach to internal auditing, which is supplemented by organization-specific policies and procedures established by the chief audit executive (CAE).

The CAE is responsible for ensuring conformance with this standard by the internal audit activity as a whole. As part of managing the internal audit activity, the CAE establishes policies

and procedures that enable internal auditors to perform engagements with proficiency and due professional care. This involves the CAE's recruitment and training of internal auditors, as well as the proper planning, staffing, and supervising of engagements. To start, the CAE may review the responsibilities established in the internal audit charter and internal audit plan and reflect on the knowledge, skills, and other competencies that the internal audit activity will need to possess to complete the planned audit engagements.

Considerations for Implementation

For internal auditors, due professional care requires conformance with The IIA's Code of Ethics and may entail compliance to the organization's code of conduct and any additional codes of conduct relevant to other professional designations attained. Internal audit activities may have a formal process requiring an internal auditor to sign an annual declaration related to The IIA's Code of Ethics or the organization's code of conduct.

Internal auditors generally develop individual proficiency throughout their careers by obtaining and maintaining appropriate certifications, experience, and professional education, which includes continuing professional development. The CAE may use The IIA's Global Internal Audit Competency Framework or a similar benchmark to establish the criteria by which to assess the proficiency of internal auditors. The criteria may be used to create job descriptions and an inventory of the competencies needed within the internal audit activity. Additionally, the CAE may develop a strategy for recruiting, assigning, training, and professionally developing staff in order to establish a proficient internal audit activity and ensure that its competencies remain current and sufficient.

In developing the internal audit plan, the CAE generally thinks about alignment between the knowledge, skills, and other competencies needed to complete the plan and the resources available among the internal audit activity and other providers of assurance and consulting services. The CAE and internal audit supervisors may compare the skills needed to accomplish each engagement's scope and objectives with the proficiency of each available internal auditor.

To ensure due professional care is applied, the CAE must establish policies and procedures (Standard 2040), which generally incorporate the Mandatory Guidance of the IPPF and provide a systematic and disciplined approach to the engagement process. The CAE may require individual auditors to sign forms acknowledging that they understand policies and procedures.

Internal auditors can use their knowledge to assess the engagement's scope and objectives and determine how to complete the engagement effectively. By following the Mandatory Guidance of the IPPF and the internal audit policies and procedures for planning, executing, and documenting audit engagements, internal auditors are essentially exercising due professional care. Standards 1220 through 1220.A3 identify fundamental elements that internal auditors must address to demonstrate due professional care.

After engagements are completed, the CAE or engagement supervisor generally reviews the engagement process, results, and conclusions. This may be followed by a meeting with the internal audit staff that conducted the engagement to discuss relevant observations and inform a supervisory assessment of how diligently the established procedures were followed.

Considerations for Demonstrating Conformance

Evidence demonstrating conformance with Standard 1200 could include any of the following:

- Competency assessments of the internal audit activity.
- Records of a recruitment and training strategy, job descriptions, and resumes.
- Internal audit policies and procedures and workpaper templates.
- Evidence that internal audit policies and procedures were communicated and signed acknowledgement that the internal audit staff understand them.
- Evidence supporting annual declaration related to The IIA's Code of Ethics and the organization's code of conduct.
- The internal audit plan and engagement plans, which demonstrate the sufficient and appropriate allocation of internal audit staff.

Internal auditors' due professional care may be evidenced in engagement workpapers or other documentation of the procedures and processes used during the audit engagement.

Documented supervisory reviews of engagements and post-engagement client surveys or other forms of feedback could indicate the proficiency and due professional care exhibited by individual internal auditors. Independent external assessments, performed as part of the quality assurance and improvement program, may provide additional assurance that engagements were performed with proficiency and due professional care.