



Implementation Guide

Standard 1220



Standard 1220 – Due Professional Care

Internal auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility.

Revised Standards Effective 1 January 2017

Getting Started

Obtaining appropriate education, experience, certifications, and training helps internal auditors develop the level of skill and expertise required to perform their duties with due professional care. Additionally, internal auditors should understand and apply the Mandatory Guidance of the International Professional Practices Framework (IPPF) and may find it helpful to become familiar with the core competencies described in The IIA's Global Internal Audit Competency Framework.

At the engagement level, applying due professional care involves comprehending the objectives and scope of the engagement, as well as the competencies that will be required to execute the audit work and any policies and procedures specific to the internal audit activity and the organization.

Considerations for Implementation

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

Along with the IPPF, the internal audit activity's policies and procedures provide a systematic and disciplined approach to planning, executing, and documenting internal audit work. By following this systematic and disciplined approach, internal auditors essentially apply due professional care. However, what constitutes due professional care partially depends upon the complexities of the engagement. Standards 1220.A1, 1220.A2, 1220.A3, and 1220.C1 describe the elements that internal auditors must consider in exercising due professional care. For example, internal auditors must consider the possibility of significant errors, fraud, and noncompliance and are expected to conduct examinations and verifications to the same extent as would a reasonably prudent and competent internal auditor in the same or similar circumstances.

Yet, Standard 1220 also specifies that due professional care does not imply infallibility. Therefore, internal auditors are not expected to give absolute assurance that noncompliance or irregularities do not exist.

To ensure due professional care at the engagement level, Standard 2340 – Engagement Supervision requires engagements to be properly supervised, which generally involves supervisory review of the engagement workpapers, results, and conclusions to be reported. After such reviews, supervisors usually provide feedback to the internal auditors who conducted the engagement, often through post-engagement meetings. Input about internal auditors' due professional care may be solicited through post-engagement surveys of audit clients.

In managing the internal audit activity (2000 series of standards) and implementing a quality assurance and improvement program (1300 series of standards), the chief audit executive (CAE) assumes overall responsibility for ensuring that due professional care is applied. Thus, the CAE typically develops measurement tools such as self-assessments, metrics such as key performance indicators, and a process to assess the performance of individual internal auditors and the internal audit activity as a whole. In addition to client surveys, tools to evaluate individual internal auditors could include peer and supervisory reviews. The internal audit activity as a whole may be evaluated through internal and external assessments, in accordance with standards 1310 through 1312, as well as client surveys or similar methods of feedback.

Considerations for Demonstrating Conformance

Internal auditors demonstrate conformance with Standard 1220 through proper application of the IPPF's Mandatory Guidance, which would be reflected in their engagement plans, work programs, and workpapers. Performance reviews of internal auditors may reference their application of due professional care. Appropriate supervisory reviews of engagements is likely to be documented in workpapers. Due professional care may also be evidenced when the engagement supervisor conducts post-engagement staff meetings and solicits feedback from audit clients through surveys or other tools. Additionally, evidence may include an annual declaration related to The IIA's Code of Ethics and organization's code of conduct. Finally, internal and external assessments performed as part of the internal audit activity's quality assurance and improvement program also may indicate that due professional care has been maintained.

