Appendix A –Proposed Modifications IIA Standards

A majority of IIA Standards* are consistent with the need to ensure appropriate independence of the AG and alignment with the ASC's Terms of Reference; however, the following table outlines those Standards which should be modified in order to help reinforce the AG's independence and accountability to Council through the ASC:

Thematic Area	Related IIA Standards	Requirements of Standards	Recommended Modification
Purpose Authority and Responsibility	1000 - Purpose, Authority, and Responsibility	The Chief Audit Executive (CAE) must periodically review internal audit charter and present it to senior management and the board for approval.	The AG must periodically review the OAG's charter and present it to Council/ASC for approval.
Purpose Authority and Responsibility	1010 – Recognition of the Definition of Internal Auditing, the Code of Ethics, and the Standards in the Internal Audit Charter	The CAE should discuss the Definition of Internal Audit, the Code of Ethics, and the Standards with senior management and the board.	The AG should discuss the Code of Ethics and the Standards with Council/ASC.
Quality Assurance and Improvement	1320 – Reporting on the Quality Assurance and Improvement Program	The CAE must communicate the results of the quality assurance and improvement program to senior management and the board.	The AG must communicate the results of the quality assurance and improvement program to Council/ASC.
Quality Assurance and Improvement	1322 – Disclosure of Non-conformance	The CAE must disclose the nonconformance and the impact to senior management and the board.	The AG must disclose non-conformances and the impact to Council/ASC.
Annual Audit Planning Process	2010 - Planning	The CAE must identify and consider the expectations of senior management, the	The AG must identify and consider the expectations of Council (via ASC), and other

Thematic Area	Related IIA Standards	Requirements of Standards	Recommended Modification
		board, and other stakeholders for internal audit opinions and other conclusions.	stakeholders (as applicable), for audit opinions and other conclusions.
Annual Audit Planning Process	2020 – Communication and Approval	The CAE must communicate the internal audit activity's plans and resource requirements to senior management and the board for review and approval.	The AG must communicate the annual audit plan and resource requirements to the ASC for review and approval, and to senior City management for information purposes.
Annual Audit Planning Process	2060 – Reporting to Senior Management and the Board	The CAE must report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan.	The AG must report periodically to Council/ASC on the OAG's purpose, authority, responsibility, and performance relative its plan.
Engagement Planning	2210 – Engagement Objectives	Internal Auditors must ascertain the extent to which management has established adequate criteria to determine whether objectives and goals have been accomplished.	The AG must consider, as applicable, the input of City management in the development of the audit criteria.
Communicating Results	2410 – Criteria for Communicating	When issued, an opinion or conclusion must take account of the expectations of senior management, the board, and other	When issuing an opinion or conclusion, the AG must consider, as applicable, the expectations of other stakeholders.

Thematic Area	Related IIA Standards	Requirements of Standards	Recommended Modification
		stakeholders.	
Communicating Results	2450 – Overall Opinion	When an overall opinion is issued, it must take into account the expectations of senior management, the board, and other stakeholders.	When issuing an overall opinion, the AG must consider, as applicable, the expectations of other stakeholders.

* Given the AG's mandate, none of the IIA Standards pertaining to Consulting Services are considered relevant to the OAG.