

May 5, 2016

Mr. Richard F. Chambers
President and Chief Executive Officer
Institute of Internal Auditors
247 Maitland Avenue
Altamonte Springs, FL 32701-4201

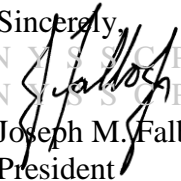
By e-mail: guidance@theiia.org

**Re: The International Internal Audit Standards Board's Proposed Changes to the
*International Standards for the Professional Practice of Internal Auditing (Standards)***

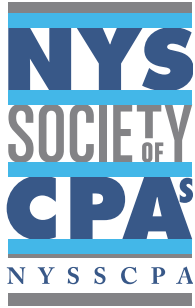
Dear Mr. Chambers:

The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 28,000 CPAs in public practice, business, government and education, welcomes the opportunity to comment on the above captioned exposure draft.

The NYSSCPA's Internal Audit Committee deliberated the proposed changes to the Standards and prepared the attached comments. If you would like additional discussion with us, please contact Mr. Peter Parillo, Chair of the Internal Audit Committee at (732) 433-4090, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,

Joseph M. Falbo, Jr.
President

Attachment



**NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS**

**COMMENTS ON
THE INTERNATIONAL INTERNAL AUDIT STANDARDS BOARD'S PROPOSED
CHANGES TO THE *INTERNATIONAL STANDARDS FOR THE PROFESSIONAL
PRACTICE OF INTERNAL AUDITING* (STANDARDS)**

May 5, 2016

Principal Drafters

**Anthony S. Chan
Peter Parillo
Leonardo Sabino**

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NYSSCPA Staff

Ernest J. Markezin
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New York State Society of Certified Public Accountants

Comments on

The International Internal Audit Standards Board's Proposed Changes to the *International Standards for the Professional Practice of Internal Auditing* (Standards)

General Comments

We appreciate the opportunity to provide the International Internal Audit Standards Board (IIASB) with our comments on the Proposed Changes to the *International Standards for the Professional Practice of Internal Auditing* (Standards) that may address concerns of many internal auditors who have adopted the Standards and have utilized them not only as a roadmap in conducting their work, but also as a foundation to support professional actions and conclusions.

Specific Comments

On balance, we agree with the proposed modifications to the existing Standards as they add clarity and credibility to the work of internal audit and are in the best interest of the internal auditing profession.

Regarding the addition of the following two new standards: 1112 Chief Audit Executive Roles Beyond Internal Auditing; and 1130 Impairment to Independence or Objectivity, subsection 1130.A3, we agree that these two additions provide clarity in avoiding potential impairments to independence or objectivity of either the chief audit executive or the internal audit function as a whole.

A topic that continues to be an area of concern for many chief audit executives is that many companies do not hold the chief audit executive position to the same high level of regard that the IIASB does. Additionally, the updating of the Standards, let alone their existence, is apparently considered a mere formality by some companies and they realize that non-compliance with the Standards does not result in penalties or disciplinary actions. This is of great concern for the many chief audit executives who adopt the Standards and use them as a guide and support for not only their actions, but the actions of the internal audit department that they lead, while some executives disregard the importance of the Standards. While the Standards do offer guidance, they do not offer protection.

Perhaps in the future the IIASB can either partner with or receive the support of a regulatory body for the implementation of and adherence to the Standards, or advocate that independent auditors formally document within a company's financial reports non-adherence to the Standards. This would demonstrate the importance of the Standards and allow them to receive the recognition they deserve.