



**MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN
THE PROFESSIONAL STANDARDS COMMITTEE (PSC) OF THE INTERNATIONAL
ORGANIZATION OF SUPREME AUDIT INSTITUTIONS (INTOSAI)
AND THE INSTITUTE OF INTERNAL AUDITORS (THE IIA)**

THE PARTIES

Taking into consideration that INTOSAI is the worldwide professional organization of supreme audit institutions (SAI) in 189 countries. Considering that SAIs play a major role in auditing government accounts and operations and in promoting sound financial management and overall accountability in their governments.

Taking into consideration that The IIA is the worldwide professional organization of internal auditors in the public and private sector with more than 160,000 members in 165 countries. Considering that The IIA is the global voice of the internal auditing profession. Considering that internal auditors play a major role in assuring an organization's governance, risk management, and internal control systems.

DESIRE TO COOPERATE

Recognizing that an independent and effective SAI is a necessary pre-condition for democracy. This implies that the mandate of an independent auditor in the public sector goes far beyond the traditional definition of external auditing because audit mandates in the public sector also addresses broader issues than audit of financial statements.

Recognizing that SAIs strive to make a difference in the lives of citizens by contributing to trust, efficiency, and effectiveness.

Recognizing that an effective internal audit function is a fundamental component of good governance in the public sector. That it can provide those charged with governance with assurance about the efficiency and effectiveness of key financial, operational, and administrative activities, as well as the organization's management practices.

Recognizing that internal auditors play a role in the government's accountability to the public as part of the check-and-balance process.

Recognizing that SAIs and internal auditors have differing and clearly defined roles, but their collective purpose is to promote good governance through contributions to transparency in, and accountability for, the use of public resources, as well as to promote efficient, effective, and economic public administration. That common areas of work performed by SAIs and internal auditors offer opportunities for coordination and cooperation.

Recognizing that through SAI and internal auditor cooperation, the efficiency and effectiveness of both parties' work can be improved.

Recognizing the importance for SAIs to rely on the work of internal auditing.

Recognizing that *The International Standards on Auditing for Supreme Audit Institutions (ISSAI's)* are recognized globally for the public sector auditing profession.

Recognizing that *The International Standards for the Professional Practice of Internal Auditing (The Standards)* are recognized globally for the internal auditing profession.