

Regulations and Implementing regulations for corporate members

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1 Content

These regulations define the implementing regulations and the quality criteria for the admission of corporate members in accordance with Art. 5 of the Statutes of 7 June 2018.

2 Corporate members

Corporate members are

- Companies with their own internal audit department in accordance with Art. 3, para. 4, lit. a of the statutes;
- companies as providers of internal auditing services within the meaning of Art. 3, para. 4, lit. b of the statutes.

The conditions set forth in Art. 3, para. 4, lit. a of the statutes must be cumulatively fulfilled.

The requirements for membership, the admission procedure, the rights and obligations as well as the resignation and exclusion of members are regulated in Art. 3, para. 1 and para. 6 as well as in Art. 4 to Art. 7 of the statutes.

3 Quality requirements

3.1 Organizational integration

Internal audit must be independent. In order to achieve a sufficient degree of independence for the effective performance of the audit tasks, the Head of Internal Audit has direct and unrestricted access to senior executives and management or supervisory bodies. The Head of Internal Audit must report to the level within the organisation that can ensure this. Depending on the organization, this may be the Board of Directors, one of its committees, a member of the Executive Board or a body responsible for organization/administration.

3.2 Structure and organization

The internal audit must correspond to the type and size of the organisation. It must be adequately organized and adequately staffed to

- to perform their duties;
- to ensure a high quality of auditing and
- comply with the International Standards of Professional Practice.

It must have at least **two** permanent employees as defined in point 3.4 who are sufficiently qualified in auditing matters (without procurement of auditing services by service providers).

If fewer than two employees with sufficient qualifications in auditing matters are employed on a permanent basis within the meaning of point 3.4 and if auditing services are obtained in whole or in part from a service provider, these must be sufficient in scope to ensure adequate coverage of the organization. Furthermore, the service provider must fully comply with the requirements according to points 3 and 4. The IIA Switzerland reserves the right to demand corresponding documentation.

The IIA Switzerland may - by means of an individual assessment procedure - grant corporate membership to companies that only partially meet the formal admission requirements regarding the number of employees (sur-dossier procedure).

For an internal audit with an audit team of up to and including 10 employees, the head of the internal audit must be professionally qualified within the meaning of point 3.4.

Their duties, competencies and responsibilities are described in a formal document/audit charter. The content and approval of this document must meet the requirements of the International Standards for Professional Practice.

3.3 Objectivity

The Head of Internal Audit takes appropriate measures to ensure that the requirements of objectivity in accordance with the International Standards for Professional Practice are met. He shall ensure that the Internal Auditors are not involved in any activities or maintain any relationships that might impair their impartial judgment.

3.4 Qualification

The professional qualifications of the internal audit function must be commensurate with the nature and size of the organisation and must ensure that international standards of professional practice are complied with.

The following diplomas/certificates, together with the relevant auditing experience, are the minimum requirements for a qualified Internal Auditor.

| Diplomas/Certificates (Swiss diplomas or equivalent foreign diplomas recognised in Switzerland ¹) | Audit experience ² (Internal or external audit) |
|---|--|
| Certified Internal Auditor (CIA) | 0 years |
| Certified Information Systems Auditor (CISA) | 0 years |
| Dipl. Certified Public Accountant | 0 years |
| Dipl. tax expert / Dipl. trust expert | 1 year |
| Master's degree in business administration, management, risk management, compliance, business informatics etc. | 3 years |
| Bachelor's degree in business administration, management, risk management, compliance, business informatics etc. | 5 years |
| Master's degree, bachelor's degree, degree from a university of applied sciences, degree from a higher technical college, technical certificate or federal diploma that correlates with the activity of the organisation, e.g. banking & finance, insurance specialist etc. | 5 years |
| Lack of higher vocational training | 10 years |

In principle, the corporate member is committed to ensuring that there is an appropriate relationship (span of control) between the management/the management team and the employees to guarantee that high audit quality can be achieved.

For an internal audit with an audit team of more than 10 employees, it is sufficient if the management team of the internal audit has the necessary professional qualifications.

The Head of Internal Audit is committed to providing the Secretariat of IIA Switzerland with an updated list of staffing levels with details of the function/functional level within the first two months of the annual financial statement.

¹ The recognition of the foreign diploma in Switzerland is assessed by the committee of the IIA Switzerland.

² Audit experience in addition to the experience required to obtain the diploma.

4 Members with partially outsourced internal audit

The bodies/agencies in the organisation responsible for internal audit shall ensure that the quality requirements for internal audit as defined in point 3 are fully complied with. This is subject to the condition that:

- they have a Head of Internal Audit who meets the qualifications set out in point 3.4;
- the company entrusted with the provision of auditing services knows and complies with the International Standards for Professional Practice;
- the company entrusted with the provision of auditing services is not the statutory auditor.

5 Members as providers of internal audit services

Companies that offer internal auditing services must fully comply with the quality requirements for an internal audit according to point 3.

The IIA Switzerland may - through an individual assessment procedure - grant corporate membership to providers of internal audit services who only partially meet the formal admission requirements regarding the number of employees (sur-dossier procedure).

6 Ensuring the quality requirements

The Head of Internal Audit ensures that the quality requirements for the work of Internal Audit comply with the International Standards for Professional Practice.

The IIA Switzerland assumes that regular quality assessments are carried out. It reserves the right to periodically review both the compliance with the implementation and the certified quality level.

7 Code of Ethics

The Head of Internal Audit ensures that the Code of Ethics is known and complied with in accordance with International Standards of Professional Practice, both at management and staff level.

8 Member data

By becoming a member, the corporate member agrees that IIA Switzerland may store, process, use and create profiles from the collected member data (including data from third party sources). These are used by IIA Switzerland to provide members with tailor-made offers and information and to use the data in consolidated form for market research purposes (no sale of data takes place). Furthermore, IIA Switzerland is authorized to exchange this data with IIA Global and within the ERFA groups. A liability for damages in case of a possible data leakage is limited to intentional and grossly negligent behaviour.

9 Come into force

These regulations were approved by the committee in a circular resolution dated November 11, 2021, replacing those dated April 1, 2020, and shall become effective December 1, 2021.

The Institute of Internal Auditors Switzerland



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