The Institute of
Internal Auditors
Australia

Factsheet: Internal Audit versus Auditing ISO Management Systems

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- The International Organization for Standardization (ISO) issues standards relating to management of a range of activities, for example ISO 9001 Quality management systems, ISO 45001 Occupational health and safety management systems, ISO 14001 Environmental management systems, and ISO 19600 Compliance management systems.
- ISO standards are adopted and re-issued as Australian and New Zealand standards by Standards Australia and Standards New Zealand. These bodies are appointed by each national government with aims to enhance 'economic efficiency, international competitiveness and contribute to community demand for a safe and sustainable environment'.
- Auditing against management system requirements serves to promote continuous improvement and assurance of conformance with ISO management system standards. The standards typically describe how to establish and operate a management system that will result in a consistent outcome for a particular activity.
- Organisations operating to ISO standards can be certified by an accredited certifying body. Certification is often sought or required by procurement processes. Once certified, implementation of the standards must be subjected to periodic procedure assurance reviews (often called internal audits), together with surveillance audits and re-certification audits performed by an external auditor from an accredited certifying body.
- These audits conform to ISO 19011 Guidelines for auditing management systems.
- Exemplar Global is accredited by JAS–ANZ to maintain the ISO 19011 Management Systems Auditor Scheme Register – www.exemplarglobal.org

Internal Audit		Auditing ISO Management Systems
3rd Line of Defence – assures risk is managed.	**Line of Defence**	2nd Line of Defence – monitors risk.
Employees of the organisation, or can be an independent entity through outsourced or co-sourced arrangement.	**Status**	Employees of the organisation appointed by line management, or can be an independent entity through outsourced or co-sourced arrangement.
Independent of activities audited and independent of management; truly independent.	**Independence**	Independent of line management activities audited but not the management structure; not truly independent.
Serves the needs of the organisation as a whole; in particular the audit committee, chief executive officer and senior management.	**Serving**	Line management and may be senior management; generally no reporting to the audit committee.
Audit committee functionally for operations and chief executive officer for administration.	**Reports to**	Line management and senior management.
Varies according to the audit; focus on evaluating controls designed to assure accomplishment of the organisation's goals and objectives.	**Objective**	Limited focus; whether the management system is operating as intended; looking for non-conformance with the management system.
Forward-looking.	**Focus**	Historical events as expressed in management system documentation.
Reviews governance, risk management, and control processes according to risk-based need.	**Coverage**	Periodically review records supporting the management system; can be risk-based coverage.
Helps organisation to enhance and protect organisation value and accomplish objectives.	**Outcome**	Statement of adherence to management system requirements.

Is directly concerned with prevention of fraud in any activity reviewed.	**Fraud**	Not concerned with prevention and detection of fraud.
Management and audit committee.	**Reports go to**	Management.
Internal audit standards (IPPF).	**Standards**	Guidelines for auditing management systems (ISO 19011).
Yes: • A theoretical body of knowledge. • Relative independence in decision-making in practice. • Specialised education. • A code of ethics for behaviour of its members.	**Profession**	No.
Specialised university courses, certifications and short course training available.	**Qualifications**	Diploma, certificate and short course training available; no certifications.

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