

# President's Message

## Internal Audit's Role in Corporate Governance

The revised Singapore's Code of Corporate Governance ("CG Code") that was released on 6 August 2018 together with the consequential revisions in the Singapore Exchange (SGX) Listing Rules (LR) will help spur better corporate governance practices among companies with a greater emphasis on the Board's role in overseeing the adequacy and effectiveness of risk management and internal controls.

Principle 13 on Internal Audit (IA) in the 2012 CG Code has been shifted to the SGX LR, which becomes effective 1 January 2019. With the LR rule on IA, it will be mandatory for companies listed on the SGX to establish "... an effective IA function that is adequately resourced and independent of the activities it audits." The revised LR also requires the Board to comment on the adequacy and effectiveness of internal controls and the risk management system. The changes are reflective of the requirements in the current fast-paced business landscape. Prior to the revision, the Board is only required to give an opinion on the adequacy of internal controls.

The revised CG Code underscores the importance of IA in promoting good governance, risk management and internal control. For an IA function to be effective, the IIA advocates that its resource level, competence and structure must be well-aligned with organisational strategy, and the function adopts the IIA's Standards for the Professional Practice of Internal Auditing ("IIA standards").

Be in touch with IIA Singapore on the journey ahead. Our Global IA Leadership Summit and Annual Conference will be from 17 to 19 October 2018. Hear from the thought leaders and industry experts on "Changing the IA Business Model for the Future", "Audit's Role in Organisational Digitisation", "Robotics Process Automation" and "A Data-Driven Audit Function" and many other current topics and issues. Early bird registration closes on 14 September. Register [now](#).

**Yours sincerely**  
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**President**  
**The Institute of Internal Auditors Singapore**