



International Professional  
Practices Framework

# Implementation Guide 2421

## Standard 2421 – Errors and Omissions

If a final communication contains a significant error or omission, the chief audit executive must communicate corrected information to all parties who received the original communication.

Revised *Standards*, Effective 1 January 2017

## Getting Started

The chief audit executive (CAE) should understand the expectations of the board and senior management regarding which errors or omissions they would consider significant. Significance is defined in the glossary of the *International Standards for the Professional Practice of Internal Auditing* as “the relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors, such as magnitude, nature, effect, relevance, and impact. Professional judgment assists internal auditors when evaluating the significance of matters within the context of relevant objectives.”

## Considerations for Implementation

If the CAE becomes aware of an error or omission in the final engagement communication, he or she may consider the following questions to help determine its significance:

- Would the error or omission change the results of the engagement?

- Would the error or omission change someone’s mind about the severity of the findings?
- Would the error or omission change a conclusion?
- Would the error or omission change an opinion?
- Would the error or omission change a recommended action?

If the answer to any of the above questions is “yes,” the CAE may determine that the error or omission is significant. The CAE usually attempts to find the cause of the error or omission to prevent a similar situation from occurring in the future and to determine whether the cause needs to be included in the communication to senior management and the board. The CAE then determines the most appropriate method of communication to ensure the corrected information is received by all parties who received the original communication. Communicating effectively about errors and omissions and their causes serves to protect the integrity and status of the internal audit activity.

## Considerations for Demonstrating Conformance

Conformance with Standard 2421 may be demonstrated by the existence of internal audit policies and procedures for handling errors and omissions. Email correspondence and other records may document how the CAE determined the significance and cause of the error or omission.

Evidentiary materials — such as the CAE’s calendar, board or other meeting minutes where an error or omission was discussed, internal memos, and email correspondence — may show the specific information that was communicated as well as how and when the communication occurred. Finally, the original and corrected final communication documents evidence conformance.

## About The IIA

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## About Implementation Guidance

Implementation Guidance, as part of The IIA's International Professional Practices Framework® (IPPF®), provides recommended (non-mandatory) guidance for the internal audit profession. It is designed to assist both internal auditors and internal audit activities to enhance their ability to achieve conformance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*.

Implementation Guides assist internal auditors in applying the *Standards*. They collectively address internal audit's approach, methodologies, and consideration, but do not detail processes or procedures.

For other authoritative guidance materials provided by The IIA, please visit our website at [www.globaliia.org/standards-guidance](http://www.globaliia.org/standards-guidance) or [www.theiia.org/guidance](http://www.theiia.org/guidance).

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