



## **ETHICS CASE PROCEDURES**

### **Introduction**

The Institute of Internal Auditors (“The IIA”) has established the following procedures (“Procedures”) to process possible violations of the Code of Ethics (“Code”) promulgated by The IIA, and any other related rules or policies. These Procedures are applicable to:

- (1) All North American and At-Large Members of The IIA;
- (2) All individuals who hold a certification issued by The IIA; and
- (3) All individuals who apply for certification through The IIA.

The individuals to which these Procedures are applicable are referred to collectively as “Covered Individuals.”

These Procedures are not a formal legal process; therefore, some legal rules and practices are not observed, and the Procedures are designed to operate without the assistance of attorneys. Regardless, any individual may be represented by an attorney with respect to an ethics matter. If an individual has retained an attorney, that attorney may be directed to communicate with The IIA through The IIA’s legal counsel or retained outside counsel. Individuals are encouraged to communicate directly with The IIA’s designated Ethics Officer.

These Procedures are designed to encourage full Code compliance by Covered Individuals. These Procedures are also designed to protect Covered Individuals, through the use of reasonable due process procedures, against patently false, malicious, or groundless accusations that could result in serious harm if not properly handled.

### **Participants**

Ethics cases may be decided by The IIA’s designated Ethics Officer (“Ethics Officer”), Appeals Officer (“Appeals Officer”), and/or any authorized designee. The following individuals make up the remaining participants in ethics cases:

- (1) **Respondent**: A Covered Individual who is the subject of an ethics complaint or investigation.
- (2) **Complainant**: An individual or organization (in some cases The IIA) initiating an ethics complaint.
- (3) **Witness**: An individual who provides written or oral testimony in connection with an ethics complaint.

### **Procedures**

1. **Submission of a Complaint**. Each Complainant must submit a completed Ethics Complaint Form (Attachment A), including a detailed written description of the factual

allegations supporting the ethics complaint and an explanation of how the allegations set forth in the complaint may constitute a violation of the Code, or any other related rules or policies. Anonymous complaints where the Complainant is not identified are not permitted and will be rejected. The complaint must be signed, in writing, and emailed to ethics@theia.org or delivered via postal mail to the address provided on the Ethics Complaint Form.

2. **Initial Review.** The IIA's Office of General Counsel ("General Counsel") shall conduct the initial review of the complaint and may use discretion to reject the complaint on the following grounds:

- (1) Complaint is incomplete or contains factually unreliable or insufficient information;
- (2) Complaint is patently frivolous or trivial;
- (3) Complaint is the subject of civil or criminal litigation or other proceedings substantially related to the complaint before a court, a regulatory agency, other association, or other governmental body; and/or
- (4) Complaint is directed against an individual who is not a Covered Individual.

If the General Counsel determines that an allegation or charge should not constitute a formal ethics complaint, a designee will notify the Complainant of the rejection and its basis by written email correspondence. The General Counsel shall assign accepted complaints to an Ethics Officer. The General Counsel may appoint another Ethics Officer to perform the duties in sections 3 through 7 if it is determined that a conflict of interest prevents the acting Ethics Officer from performing the role, or upon discretion.

3. **Notice to Respondent through Opening Letter.** The Ethics Officer shall issue a formal opening letter ("Opening Letter") with the following information:

- (1) Each Code, rule, or policy violation alleged, and the supporting factual basis for the complaint;
- (2) Statement that the Respondent has an opportunity to be heard through a teleconference at Respondent's request ("Hearing");
- (3) Statement that the Respondent may submit a response within thirty (30) calendar days of the mailing date of the Opening Letter;
- (4) Statement that the Respondent may be represented by another person or consult other individuals of their choosing;
- (5) A copy of the complaint; and
- (6) A copy of these Procedures.

The Opening Letter may be sent by email or certified mail to the Respondent's last known address and shall be marked **Confidential**. The Ethics Officer may request additional information to supplement or explain an allegation.

4. **Answer.** Respondent may submit a response ("Answer") within thirty (30) calendar days of the mailing date of the Opening Letter. The Answer must include a full response to each allegation, and a copy of each document relevant to the resolution of the ethics complaint. The Ethics Officer may request additional information from the Respondent, the Complainant, or a Witness to supplement the Answer. If no Answer is provided within the prescribed time requirements the Ethics Officer may proceed with the uncontested information in the Complaint.

5. **Hearing Request.** The Respondent may request a teleconference with the Ethics Officer to present a defense to the complaint. ***The request for Hearing must be in writing and included in the Answer.*** The Respondent waives the Hearing if a request for Hearing is not submitted in writing and included in the Answer.

6. **Hearing Procedure.** If a Hearing is requested by the Respondent, the Ethics Officer shall consult with the Respondent to schedule the time and provide dial-in instructions for the Hearing. After introductions, the Ethics Officer shall summarize the complaint against the Respondent and present the supporting factual basis for the complaint. The Ethics Officer will then allow the Respondent to speak in defense of the complaint. Upon completion of the Respondent's testimony, the Ethics Officer may ask the Respondent questions or request additional information from the Respondent. The Ethics Officer shall document the Hearing in writing.

7. **Determination**. The Ethics Officer shall review the evidence and determine whether the Respondent violated the Code, or any other rules or policies. The Ethics Officer shall use a preponderance-of-evidence standard (i.e., whether it is more likely than not that Respondent violated one or more Code, rule, or policy provisions) for determining whether to find that a violation occurred. The Ethics Officer shall prepare a written determination (“Determination”), including the following:

- (1) A summary of the case, including the positions of the Complainant and Respondent;
- (2) A summary of relevant factual findings based on the record;
- (3) A final ruling on the Code, rule, or policy violations charged;
- (4) A statement of any corrective or disciplinary action(s); and
- (5) Other directives issued by the Ethics Officer.

The Ethics Officer may issue and order one or more of the following disciplinary or remedial actions:

- (1) The denial and rejection of any membership in The IIA and/or certification application;
- (2) Reprimand or censure, including any appropriate conditions or directives;
- (3) Membership, certification, and/or volunteer probation for a period up to five (5) years, including any appropriate restrictions or conditions concerning membership, certification, and/or volunteer rights and any other conditions or directives;
- (4) Suspension of membership, certification, and/or volunteer status for a specified period of time, including any appropriate conditions or directives;
- (5) Termination of membership and/or revocation of certification status.

8. **Submission of Appeal**. The Respondent may submit a written appeal (“Appeal”) of the Determination within fourteen (14) calendar days of the mailing date of an adverse Determination. The Appeal shall be submitted via email to [ethics@theiia.org](mailto:ethics@theiia.org) and directed to the attention of the “Appeals Officer.”

9. **Grounds for Appeal**. An adverse Determination may be affirmed or reversed by the Appeals Officer. The Appeals Officer will consider only evidence that was presented to the Ethics Officer prior to the conclusion of the Hearing (if a Hearing was conducted) – no new evidence may be considered. The grounds for appeal of an adverse Determination are strictly limited to the following:

- (1) **Procedural Error**. The Ethics Officer committed clear error in the application of a provision contained in these Procedures, and that misapplication prejudiced the Respondent.
- (2) **Arbitrary and Capricious**. The adverse Determination was arbitrary and capricious and the Ethics Officer had no reasonable basis for arriving at the conclusion it reached.

10. **Contents of Appeal**. The Appeal must contain the following information and material:

- (1) Ethics case number and date of the Determination;
- (2) A statement and complete explanation and basis for any request concerning reversal of the Determination; and
- (3) Copies of any material supporting the appeal.

In the case of an appeal for Procedural Error (section 9(1)), the Respondent must provide a specific reference to the procedure(s) involved and to the section(s) of the case documentation which supports the Respondent’s position. In the case of an appeal for Arbitrary and Capricious (section 9(2)), the Respondent must provide a written explanation explaining why the Ethics Officer had no reasonable basis for arriving at its conclusion and citing specific parts of the record which supports the Respondent’s position. ***Any appeal under either section will not be accepted without proper written documentation.***

If, in General Counsel's sole discretion, the Appeal fails to include all of the above contents or if it fails to provide on its face sufficient information and documentation to support an appeal under section 9, a designee shall reject the Respondent's appeal.

11. **Appeal Process.** If the Appeal meets the criteria for review, General Counsel shall assign the appeal to the Appeals Officer. The General Counsel may appoint another Appeals Officer to perform the appeal process if it is determined that a conflict of interest prevents the acting Appeals Officer from performing the role, or upon discretion. After considering the Appeal, Determination, and the evidence in the file, the Appeals Officer may:

- (1) Determine that sufficient information has been provided by the Respondent for the Appeals Officer to conclude the appeal and issue its decision ("Appeal Decision"); or
- (2) Determine that an appeal hearing ("Appeal Hearing") is necessary before the Appeals Officer is able to conclude the appeal. In the event that an Appeal Hearing is determined to be necessary, the Appeals Officer shall consult with the Respondent and schedule a time and provide dial-in instructions for the Appeal Hearing. The Appeal Hearing shall be conducted by teleconference and is intended to provide an opportunity for the Respondent to present the appeal argument to the Appeals Officer.

12. **Standard of Review for the Appeal Decision.**

- (1) In the case of an appeal under for Procedural Error (section 9(1)), the Appeals Officer shall give deference to the Ethics Officer's discretionary procedural decisions, such that a discretionary procedural decision made by the Ethics Officer may only be grounds for a successful appeal for Procedural Error (section 9(1)) if the decision was arbitrary or lacking in any reasonable basis.
- (2) In the case of an appeal for Arbitrary and Capricious (section 9(2)), the Appeals Officer shall give deference to the Ethics Officer's factual findings, such that a factual finding will be presumed reasonable unless the finding was lacking in any reasonable basis.

13. **Appeal Decision.** Following the Appeal Hearing conclusion or conclusion of an appeal without a hearing, the Appeals Officer will issue an Appeal Decision stating the final decision affirming or reversing the Determination.

14. **Final Decision.** A Determination issued by the Ethics Officer that is not appealed within the prescribed time requirements will be considered final. A dismissal or Appeals Decision issued by the Appeals Officer will be considered final. Determinations and Appeal Decisions are not publicized.

**Attachment A**

**Ethics Complaint Form**

This Ethics Complaint Form must include a detailed written description of the factual allegations supporting the ethics complaint and an explanation of how the allegations set forth in the complaint may constitute a violation of the Code, or any other related rules or policies. The complaint must be signed, in writing, and emailed to ethics@theiia.org or delivered via postal mail to the following address:

The Institute of Internal Auditors, Inc.  
1035 Greenwood Boulevard  
Suite 401  
Lake Mary, FL 32746  
Attention: Office of General Counsel

A copy of this complaint form and any attachments may be provided to the individual against whom the complaint is filed. Anonymous complaints where the Complainant is not identified are not permitted and will be rejected.

DATE: \_\_\_\_\_

COMPLAINANT (Individual or organization filing the complaint. For organization, please include a personal contact.)

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_  
Email : \_\_\_\_\_

RESPONDENT (Individual against whom this complaint is directed)

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_  
Email : \_\_\_\_\_

COMPLAINT DOCUMENTATION: Summarize in a written attachment the facts on which this complaint is based and enclose copies of all materials and other evidence that corroborate and support the allegations.

REPORTS TO OTHER ENTITIES: If you have filed a complaint about this same matter to another agency add an attachment showing to whom it was submitted, the approximate date(s), and whether/how the matter was resolved.

COMPLAINANT’S SIGNATURE: I affirm that the statements/information within this complaint are correct and truthful to the best of my knowledge.

\_\_\_\_\_  
Signature of Complainant

\_\_\_\_\_  
Date