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Governance of Cryptocurrency

The proposed legislation comes on the heels of an IIA letter calling on Congress to strengthen corporate governance of cryptocurrency exchanges following the collapse of FTX.

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The Institute of Internal Auditors (IIA) – the internal audit profession’s leader in standards, certifications, education, research, and technical guidance worldwide – today shared a legislative proposal with Congress designed to promote stronger corporate governance, greater transparency and accountability, and enhanced investor protections at cryptocurrency exchanges operating in the United States.

The legislation was shared alongside a letter from Anthony Pugliese, CIA, CPA,

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organization and strengthens its credibility with stakeholders and consumers.”

The proposed legislation comes on the heels of [an IIA letter](#) calling on Congress to strengthen corporate governance of cryptocurrency exchanges following the collapse of FTX and subsequent outreach by the organization to help shape their policy recommendations.

“The IIA conducted numerous meetings with congressional staff and external stakeholders to determine the appropriate role that internal audit could serve in potential policy solutions that Congress might consider regarding the lack of sufficient investor protections and corporate governance safeguards at cryptocurrency exchanges,” Pugliese writes.

The result of that outreach is a series of policy recommendations which The IIA urges Congress to include in any future measure governing the operations of cryptocurrency exchanges, including four key recommendations:

- Insertion of a definition for a “Certified Internal Auditor;”
- Insertion of a definition for an “internal audit function;”
- Establishment of a new requirement that all cryptocurrency exchanges operating in the United States, as well as any legally affiliated organizations, must possess an independent internal audit function to provide objective assurance over their internal controls;
- Creation of an annual Internal Control and Evaluation Report in which senior management officials at a cryptocurrency exchange must certify the appropriateness and efficacy of the exchange’s internal controls.

For consideration and inclusion in any future policy solutions, The IIA included

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