



— Practice Guide

DEVELOPING THE INTERNAL AUDIT STRATEGIC PLAN

JULY 2012



The Institute of
Internal Auditors

Global

Table of Contents

| | |
|--|----|
| Executive Summary..... | 1 |
| Introduction | 2 |
| Strategic Plan Definition and Development | 2 |
| Review of Strategic Plan | 10 |
| Appendix: Illustrative Example — SWOT Analysis..... | 11 |
| Appendix: Illustrative Example — Strategic Plan Summary..... | 12 |
| Authors and Reviewer | 14 |

Executive Summary

For internal audit to remain relevant, it should adapt to changing expectations and maintain alignment with the organization's objectives. The internal audit strategy is fundamental to remaining relevant — playing an important role in achieving the balance between cost and value, while making meaningful contributions to the organization's overall governance, risk management, and internal controls.

A systematic and structured process can be used to develop the internal audit strategic plan, helping to enable the internal audit activity to achieve its vision and mission. The following steps can be used to develop the internal audit strategic plan:

1. Understand the relevant industry(ies) and the organization's objectives.
2. Consider the International Professional Practices Framework (IPPF).
3. Understand stakeholder expectations.
4. Update the internal audit vision and mission.
5. Define the critical success factors.
6. Perform a strengths, weaknesses, opportunities, and threats (SWOT) analysis.
7. Identify key initiatives.

It is important for the chief audit executive (CAE) to vet the strategic plan with key stakeholders and obtain approval from the board¹, as this is part of the CAE's obligation for periodically reporting to senior management and the board on internal audit's purpose, authority, respon-

sibility, and performance (Standard 2060: Reporting to Senior Management and the Board). It will be necessary for the strategic plan to be periodically reviewed. Factors influencing the frequency of reviewing the strategic plan include:

- Changes in the organization's strategy.
- Degree of the organization's growth and assessment of organizational maturity.
- Degree to which the organization and its senior management rely upon the internal audit activity's independent assessment and/or support regarding the management of organizational risks.
- Significant change in the availability of the internal audit activity's resources.
- Significant change in laws and/or significant changes to organizational policies and procedures.
- Degree of change in the organization's control environment.
- Key changes in an organization's leadership team and board of director composition.
- Evaluation of how the internal audit activity has qualitatively or quantitatively delivered on its strategic plan.
- Results of internal/external assessments of the internal audit activity.

This Practice Guide was developed to provide the CAE with guidance on how to develop an internal audit strategic plan. It also highlights the IPPF's Practice Advisory 2120-2: Managing the Risk of the Internal Audit Activity; while there is no way to mitigate all of the risks, an internal audit activity can proactively manage its risks by developing a strategic plan.

¹ The term board is used in this guidance as defined in the *Standards* glossary: "A board is an organization's governing body, such as a board of directors, supervisory board, head of an agency or legislative body, board of governors or trustees of a nonprofit organization, or any other designated body of the organization, including the audit committee to whom the chief audit executive may functionally report."

This guidance will be particularly effective as a guide for first-time strategic plan preparation for an internal audit activity. It also provides a good review for a strategic plan that has been in place and might need to be refreshed.

Introduction

The International Professional Practices Framework (IPPF) is the conceptual framework that organizes authoritative guidance promulgated by The Institute of Internal Auditors (IIA). The IPPF includes the Definition of Internal Auditing, Code of Ethics, *International Standards for the Professional Practice of Internal Auditing (Standards)*, and strongly recommended guidance such as this Practice Guide.

According to The IIA's definition: "Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes."

In order to adhere to the IPPF, internal audit practitioners would benefit from applying a strategic approach toward developing a strategic plan for achieving their internal audit vision and mission statements, thereby positioning themselves to meet the expectations of stakeholders.

Strategic Plan Definition and Development

Definition of Strategy

Strategy is a means of establishing the organization's purpose and determining the nature of the contribution it intends to make while predefining choices that will shape decisions and actions. Strategy for the internal audit activity enables the allocation of financial and human resources to help achieve these objectives as defined in the activity's vision and mission statements (which contribute to the achievement of the organization's objectives). This benefits the internal audit activity through its unique configuration of resources aimed at meeting stakeholder expectations.

The strategy itself is part of the set of matters to be reported to senior management and the board. This responsibility falls under the scope of Standard 2060: Reporting to Senior Management and the Board, which establishes that "the chief audit executive must report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan."

A systematic and structured process can be used in developing the strategic plan to enable the internal audit activity to achieve its vision and mission statements. The following steps are one approach for developing the internal audit strategic plan:



The starting point for developing the internal audit strategic plan should be obtaining a thorough understanding of the organization's objectives and the industry (or industries) in which it operates. For the internal audit activity to deliver value, it should contribute to the achievement of the organization's strategic, operational, reporting, and compliance objectives while providing assurance that the organization maintains an ethical environment and cul-

ture of accountability. Therefore, it is imperative that the internal audit activity have an in-depth understanding of the applicable industries (including the applicable regulations and laws) and the organization's objectives.

Review the organization's strategic plans prior to interviewing stakeholders.



The CAE should consider the IPPF when developing the internal audit strategic plan. The values the internal audit activity's personnel should adopt are contained within the framework's *Standards* and Code of Ethics (along with their organization's own values).

Attribute Standards:

- 1000: Purpose, Authority, and Responsibility
- 1110: Organizational Independence
- 1120: Individual Objectivity
- 1200: Proficiency and Due Professional Care
- 1210: Proficiency
- 1230: Continuing Professional Development
- 1300: Quality Assurance and Improvement Program
- 1311: Internal Assessments
- 1312: External Assessments

Performance Standards:

- 2000: Managing the Internal Audit Activity
- 2010: Planning

- 2020: Communication and Approval
- 2030: Resource Management
- 2040: Policies and Procedures
- 2050: Coordination
- 2060: Reporting to Senior Management and the Board
- 2110: Governance
- 2120: Risk Management
- 2201: Planning Considerations
- 2210: Engagement Objectives
- 2230: Engagement Resource Allocation
- 2300: Performing the Engagement
- 2310: Identifying Information
- 2320: Analysis and Evaluation
- 2410: Criteria for Communicating
- 2420: Quality of Communications
- 2500: Monitoring Progress
- 2600: Resolution of Senior Management's Acceptance of Risks

IPPF – Practice Guide

Developing the Internal Audit Strategic Plan



Understanding stakeholder expectations and needs is a critical step in developing the internal audit strategic plan. It is important to include the key internal and external stakeholders (e.g., board members, senior management, external auditors, and regulators).

The CAE should communicate directly with each key stakeholder to understand his or her expectations for the internal audit activity. Stakeholders have unique backgrounds, roles, and responsibilities that help to shape their expectations, as well as their understanding of internal audit. Therefore, it may be beneficial to provide the stakeholders with a general understanding of internal audit's role and purpose. Through discussions with stakeholders, the CAE can determine how internal audit can add value to the organization in both the short term and long term

based on the organization's objectives and goals. The expectations may vary in the short term versus the long term based on the level of maturity in the organization's control environment. The CAE will need to evaluate stakeholder expectations to ensure they do not conflict with one another and are supported by the internal audit charter. The weighting placed on each stakeholder's expectations will vary based on his or her role and responsibilities in the organization.

After communicating with each stakeholder, the CAE should document and confirm stakeholder expectations. Also, it can be beneficial to survey the stakeholders to help prioritize their expectations after compiling their individual perspectives. This will form a key input for developing the internal audit strategic plan.



The strategic plan is the means by which the internal audit activity's vision and mission will be pursued. The CAE should develop and update the vision and mission statements based on stakeholder expectations and IIA guidance. In writing these statements, it is important to recognize that internal audit cannot be all things to all people. Therefore, it is necessary for the CAE to make tough choices — recommending to the board what will be pursued and what will not be pursued.

Sharing with senior management and the board what will not be included is important to ensure full disclosure.

Vision Statement – The purpose of establishing a vision statement is to articulate the internal audit activity's phi-

losophy and what it hopes to contribute to the organization. A vision transcends objectives and goals; it expresses the desired future state and is, therefore, lofty in nature.

Mission Statement – The mission statement, constructed on the basis of the vision statement, outlines the internal audit activity's primary business purpose, what it plans to achieve in the future, its values, and how it integrates into the organization's strategic plan. The mission statement should resonate with all internal audit personnel, as well as the internal and external stakeholders. It is from the mission statement that the internal audit strategic plan will be developed, essentially determining how the mission will be achieved. The mission statement is commonly the first statement in the internal audit charter.



Identifying the critical success factors (CSFs) will allow the internal audit activity to understand the limited number of elements that should go right for it to achieve its vision and mission. These factors will provide the department with the essential elements that all major initiatives should be vetted against to help ensure resources are focused on the most important activities. Three questions that may be helpful in identifying the CSFs are:

- **Positioning** – Is the internal audit activity strategically positioned and supported?
- **Processes** – Are the internal audit activity's processes enabling and dynamic in meeting business needs?
- **People** – Does the internal audit activity have the right people strategy to deliver its mission?

Monitoring the progress of the critical success factors will ensure management is giving them continuous attention.



Performing an assessment of the current state of the internal audit activity will help identify what should be incorporated into a strategic plan. One technique is to perform a strengths, weaknesses, opportunities, and threats (SWOT) analysis against the vision, mission, and critical success factors. The aim of any SWOT analysis is to identify the key internal and external factors that are important to achieving the strategy. This analysis groups information into two main categories:

- **Internal factors** – The strengths and weaknesses unique to the internal audit activity.
- **External factors** – The opportunities and threats presented by the external environment to the internal audit activity. The external environment includes forces inside the organization (but outside of the internal audit activity) and outside of the organization.

IPPF – Practice Guide

Developing the Internal Audit Strategic Plan

| THE FOLLOWING ARE DEFINITIONS OF A SWOT ANALYSIS' INDIVIDUAL COMPONENTS: | | |
|--|--|---|
| | STRENGTHS | WEAKNESSES |
| Internal Origin | Internal characteristics of the internal audit activity that can be considered facilitators of the audit strategy. | Internal characteristics of the internal audit activity that, in opposition, can prevent the achievement of the audit strategy, and can place the activity in an unfavorable position. |
| | OPPORTUNITIES | THREATS |
| External Origin | External elements apart from the internal audit activity that can increase the demand for more and better assurance and consulting audit services and contributions. | External elements apart from the internal audit activity that, in opposition, can decrease the demand of assurance and consulting services, prevent the achievement of the audit strategy, and place the activity in an unfavorable position. |

Topics to consider in performing the SWOT analysis include (but are not limited to):

Organizational Structure

The internal audit activity structure should be designed to ensure an appropriate level of supervision to deliver high quality while facilitating efficient delivery of services. Additionally, the internal audit activity should be free from conditions that threaten the ability to perform its responsibilities in an unbiased manner. To achieve the degree of independence necessary to carry out internal audit's responsibilities effectively, the CAE should have direct and unrestricted access to senior management and the board.

Resource Requirements

The skill set and knowledge of the internal audit team are critical to its ability to help the organization achieve its

objectives and strategy. The initial step in people planning is to perform a skill assessment to identify the skills and knowledge required to address items in the internal audit strategy. It is important to assess the degree to which the skills and knowledge identified will need to be relied upon, as this will influence the type of sourcing model selected. Additionally, consideration should be given regarding how to best leverage technology resources in conjunction with establishing the most appropriate sourcing model. These aspects of resource consideration will support priorities for the department as defined by the CAE.

An assessment of the necessary skills and knowledge can include: i) the scope of the internal audit activity's responsibilities as defined by the charter, ii) expected balance of assurance and consulting engagements, iii) stakeholders expectations and requirements, iv) results of the risk

assessment, v) the level of coordination with other risk management and assurance functions, and vi) the long-term strategic plan for the organization. The IIA's Common Body of Knowledge publication *Core Competencies for Today's Internal Auditor* may be valuable in identifying what internal auditors need to know to perform their jobs with due care while adding value to their respective organizations.

Technology & Tools

Reviewing the internal audit activity's technology and tools will help a CAE understand the activity's capabilities. The use of electronic workpapers may be helpful to improve productivity and facilitate quality control, especially in managing multiple components of single engagements with multiple staff and for multiple locations. Leveraging work flow tools within such applications to share files and consolidate findings may promote effective information sharing to allow for timely quality control of workpapers and reports. Additionally, these tools can enable the CAE to better monitor the progress of the audit plan and drill down to the engagement component of each plan. Such applications also provide a central repository for workpapers and reduce the risk of multiple file versions, which allows for effective file sharing. Return on investment analysis would be needed to support justification to implement such tools. Some applications primarily benefit the internal audit activity; however, many electronic workpaper applications also provide surveys and certification templates and accompanying work-flow technology to manage governance/control initiatives.

Using data analytics and leveraging continuous control monitoring (CCM) tools can be beneficial to a department's efficiency and effectiveness. Data analytics can better focus hours spent by resources relative to risk. CCM leveraged by the broader organization may serve to provide reliable evidence for the effective functioning of detective controls within an application. The presence of CCM may not be sufficient to permit reliance if data de-

livered by such tools is not reviewed by management in a timely and effective manner.

Sourcing Model

An assessment of sourcing models should be performed to determine the most cost effective structure for performing the expected services for auditable entities within the audit universe. The key variables to assess related to the sourcing model include:

- Required skills
- Specialized skills
- Level of centralization vs. decentralization in the organization
- Geographical footprint
- Language requirements
- Desired flexibility with staffing and cost structure
- Upcoming changes to laws and regulations
- Budget
- Desired level of talent sourcing for the organization

The sourcing options include:

- Full in-house staffing – only using internal resources
- Limited co-sourcing – internal resources perform majority of activity with outsourced resources providing specialized skills
- Significant co-sourcing – CAE is supported primarily by external resources
- Full outsourcing – external resources perform entire activity

It may be beneficial to perform benchmarking of organizations within the same industry that are similar in size and in geographical coverage to gauge the number of resources appropriate for the risk appetite of the organization. Con-

IPPF – Practice Guide

Developing the Internal Audit Strategic Plan

sider the following when determining the appropriateness and sufficiency of resources:

- Types of risks faced by the organization, and the risk appetite of its stakeholders.
- The internal audit staff's experience level — experienced staff may require fewer hours to complete engagements.
- Nature of engagements to be performed — engagements that are complex, new to scope, or require remediation testing based on risk will require more time to execute.
- Degree to which automated control evaluation is integrated into the audit plan — automated controls are generally more efficient to test.

Where the internal audit activity is viewed as a source of talent for the organization, it may be beneficial to consider a rotational staffing model. This model provides the organization with individuals who have an extensive understanding of governance, risk management, and controls. Rotational models provide benefits to the internal audit activity by introducing staff members (from outside the activity) with nonaudit backgrounds who may provide specialized skills along with an independent perspective on engagements and audit procedures. Disadvantages to such models include increased training and oversight of rotational staff, lack of engagement continuity, and a “cooling-off period” from auditing the area they most recently worked (Practice Advisory 1130.A1-1: Assessing Operations for Which Internal Auditors Were Previously Responsible).

Coordination With Other Risk Management and Assurance Functions

Based on stakeholder expectations, IIA guidance, and the audit charter, the CAE should align resources and priorities, determine how the internal audit activity will work, and coordinate with other risk management/assurance functions.

Organizations often have separate groups performing various risk management and assurance functions independently of one another. The internal audit activity should develop a clear understanding of the other groups' objectives and determine how the groups should best coordinate their efforts to minimize duplication and help to ensure key risks are being addressed. For further information on this topic, refer to The IIA's Practice Guide, *Reliance by Internal Audit on Other Assurance Providers*.

Methods to Deliver Services

The methodologies for performing internal audit assurance and consulting services should be defined and documented to help ensure there is consistency and high quality of services for planning, fieldwork, reporting, and follow-up. There should be both mandatory requirements and recommended protocols to allow for flexibility in performing the work, allowing for circumstances when requirements are not feasible. The methodology should conform to the IPPF.

Communication With Stakeholders

The CAE should have a communication plan in place that ensures senior management and the board are informed of the plan for the internal audit activity including resource requirements (and limitations) and progress against such plan. It is also valuable to include in this communication plan the results from internal audit's assurance and consulting engagements, including management's progress in remediating findings.

People Development

Building upon the skills identified in the previous section, “Resource Requirements,” it is vital to have a defined approach for how the audit team will be developed, trained, and managed. A people development plan should include clear expectations for each position, including the necessary competencies, knowledge, experience, and certifications. These expectations enable management to work toward an individual's readiness for his or her current position and future advancement.



Based on the results of the SWOT analysis, it is possible to identify and prioritize the key initiatives that will have a significant impact on achieving the internal audit activity's critical success factors and therefore its vision and mission statements. For each initiative, it is valuable to identify a timeline for implementation, the desired objectives, the performance measurements (qualitative and quantitative), and the associated SWOT elements.

Performance Monitoring

To ensure the strategic plan produces the desired results, it is critical to monitor its execution and impact. To help in this regard, it is beneficial to establish performance goals (qualitative and quantitative) to measure the progress and performance of each initiative against expectations. Feedback from key stakeholders on progress against the strategic plan may also provide a mechanism to support the assessment process. Additionally, the CAE and his or her management team can perform self-evaluations regarding the efficiency and effectiveness of strategic plan execution. These goals can be included in reporting provided to key stakeholders. For further information on this topic, refer to the Practice Guide, Measuring Internal Audit Effectiveness and Efficiency.

Feedback and Approval

It is essential to vet the strategic plan with the key stakeholders prior to its finalization. Communication of the revised strategic plan will increase awareness and buy-in across the organization. Final approval should be obtained from the board.

Review of Strategic Plan

Similar to the strategic plan for the organization, the internal audit strategic plan should be periodically reviewed and appropriately updated. The frequency of review will be determined by the CAE in conjunction with discussions with the board. Factors influencing the frequency of reviews include (but are not limited to):

- Degree of the organization's growth and assessment of organizational maturity.
- Changes in the organization's strategy.
- Degree to which the organization and its senior management rely upon the internal audit activity's independent assessment or support regarding the management of organizational risks.
- Significant change in the availability of the internal audit activity's resources.
- Significant change in laws or the volume of changes to organizational policies and procedures.
- Degree of change in the organization's control environment.
- Key changes in an organization's leadership team and board of director composition.
- Evaluation of how the internal audit activity has qualitatively or quantitatively delivered on its strategic plan.
- Results of internal/external assessments of the internal audit activity.

Appendix: Illustrative Example — SWOT Analysis

| STRENGTHS | WEAKNESSES |
|--|--|
| <ol style="list-style-type: none"> 1. Defined internal audit vision, mission, values, and charter 2. Strong respect and credibility of CAE with senior management 3. Defined and validated audit universe 4. Formal risk-based planning process with management validation 5. Individual staff training/certification plans 6. Independent and objective organization-wide perspective 7. Staff adaptable to change; positive attitude 8. Diverse skills, backgrounds, and business knowledge of staff 9. Process focus vs. transactional focus 10. Increased partnering with the business 11. Formalized follow-up process | <ol style="list-style-type: none"> 1. Skill gaps – consulting and fraud knowledge 2. Undefined staff development model 3. Limited staff career opportunities – not a talent source for the business 4. Risk assessment not mapped to organization's strategy; limited identification of emerging risks 5. Audit plan limited to one year 6. Limited understanding of stakeholder expectations 7. Inconsistent communication with stakeholders 8. Emphasis on findings ("gotcha" and "policeman" mentality) 9. Limited involvement in organization's strategic decisions 10. Lack of formal knowledge-sharing program 11. Limited focus on operational efficiency vs. effectiveness 12. Limited use of data analytics and data mining 13. Performance evaluations only occur annually 14. Long audit cycle time 15. Not fully aligned with IIA <i>Standards</i> 16. Audit methodology does not address all types of engagements |
| OPPORTUNITIES | THREATS |
| <ol style="list-style-type: none"> 1. Improve perception of staff skill, knowledge, and capabilities 2. Confirm and clarify stakeholders' evolving expectations 3. Educate stakeholders on internal audit's role and capabilities 4. Become involved in new initiatives early to incorporate controls 5. Educate management on recurring/common issues 6. Collaborate with other assurance/risk management functions throughout the year and during risk assessment 7. Introduce risk and control self-assessments | <ol style="list-style-type: none"> 1. Predisposition of board to focus on financial and compliance exposures without balanced attention to operational risks 2. Implementation of findings constrained by budgets, staffing, and governance 3. Reduction in management cooperation 4. Emerging and changing risks increase skill gaps 5. Lack of awareness of business initiatives 6. Adapting to higher IIA <i>Standards</i> and stakeholder expectations |

Appendix: Illustrative Example — Strategic Plan Summary

Vision

To be a high-performing internal audit activity that meets the expectations of our stakeholders and adheres to The Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing (Standards)* and the attributes of high performance recognized by leading internal audit activities. This will enable us to be a business partner and a trusted advisor, recognized as a driving force behind a culture of governance, accountability, compliance, and execution that helps in the achievement of the organization's objectives.

Mission

Deliver an independent assessment of financial, regulatory, and operational risks and control effectiveness to the organization's management and the board. We will provide control expertise to minimize risks, improve process quality, and enhance operational effectiveness in furtherance of our business goals.

Critical Success Factors, Initiatives, Objectives, and Key Tasks

CSF 1: Focus on the Organization's Highest Risks

Initiative: Enhance the planning process to identify the highest priority strategic, operational, financial, and regulatory risks to the organization.

SWOT Mapping: Weaknesses - 4, 5, 9
Opportunities - 6

Objectives:

- A sustainable process that identifies the most significant internal and external risks that could impede

the achievement of the organization's objectives and strategy.

- Collaboration with other control and risk management functions to coordinate coverage of the risks.

Key Tasks:

- Benchmark the current risk assessment process against other organizations of comparable size.
- Inventory current processes and sources used to identify emerging risks (which have never occurred or not occurred for an extended period).
- Understand the scope of other control and risk management groups' responsibilities and their approach for identifying risks.
- Develop a methodology that links the organization's strategy to the auditable risks.
- Validate the methodology with key stakeholders.

Time frame: August – November 201X

CSF 2: Provide Impactful Reporting to Stakeholders

Initiative: Increase the transparency of internal audit's activities through providing timely and impactful communications to key stakeholders regarding the global collection of risks, audit findings, and issue-remediation efforts.

SWOT Mapping: Weaknesses – 6, 7, 8
Opportunities – 3, 5

Objectives:

- A relationship map and communication plan for key stakeholders.
- Standardized reports for regular communications.

Key Tasks:

- Identify key stakeholders.

- Obtain feedback from key stakeholders on performance and expectations.
- Agree on improvement opportunities.
- Design and implement “to-be” state.

Time frame: March – April 201X

CSF 3: Maintain Efficient and Effective Audit Processes

Initiative: Develop a manual that defines the methodology for performing all internal audit assurance and consulting engagements.

SWOT Mapping: Weaknesses – 1, 11, 15, 16
Opportunities – 7

Objectives:

- Identification of the required and recommended practices for all engagement types, helping to ensure a consistent approach that adheres to the *Standards*.

Key Tasks:

- Assess current processes for planning, fieldwork, reporting, and follow-up of assurance and consulting engagements against the IPPF.
- Refine processes to align with the IPPF, identifying those that are required vs. recommended.
- Develop control self-assessments tools.
- Validate the internal audit manual with all staff.

Time frame: June – August 201X

CSF 4: Adequately Skilled and Knowledgeable Staff

Initiative: Identify the critical skills, create development plans, and develop a sourcing strategy to deliver on the mission statement.

SWOT Mapping: Weaknesses – 1, 2, 3, 10, 11, 15, 12
Opportunities – 3

Objectives:

- Understand the necessary skills to deliver on the mission statement for all areas within the audit universe.
- Develop a formalized training and development program for all staff levels.

Key Tasks:

- Perform skills assessment.
- Identify internal and external staffing and training solutions.
- Develop continual learning and development program.

Time frame: July – October 201X

Note: A work plan would need to be developed to identify the detailed steps, the necessary timing, and the necessary resources to complete each initiative.

Authors:

Brian Reed, CIA

Erich Schumann, CIA

Princy Jain, CIA, CCSA, CRMA

Rita Thakkar, CIA

Reviewer:

Steven Jameson, CIA, CBA, CCSA, CFE, CFSA, CGMA,
CPA, CRMA

About the Institute

Established in 1941, The Institute of Internal Auditors (IIA) is an international professional association with global headquarters in Altamonte Springs, Fla., USA. The IIA is the internal audit profession's global voice, recognized authority, acknowledged leader, chief advocate, and principal educator.

About Practice Guides

Practice Guides provide detailed guidance for conducting internal audit activities. They include detailed processes and procedures, such as tools and techniques, programs, and step-by-step approaches, as well as examples of deliverables. Practice Guides are part of The IIA's IPPF. As part of the Strongly Recommended category of guidance, compliance is not mandatory, but it is strongly recommended, and the guidance is endorsed by The IIA through formal review and approval processes. For other authoritative guidance materials provided by The IIA, please visit our website at <https://globaliia.org/standards-guidance>.

Disclaimer

The IIA publishes this document for informational and educational purposes. This guidance material is not intended to provide definitive answers to specific individual circumstances and as such is only intended to be used as a guide. The IIA recommends that you always seek independent expert advice relating directly to any specific situation. The IIA accepts no responsibility for anyone placing sole reliance on this guidance.

Copyright

Copyright © 2012 The Institute of Internal Auditors. For permission to reproduce, please contact The IIA at guidance@theiia.org.



**The Institute of
Internal Auditors**

Global

GLOBAL HEADQUARTERS

247 Maitland Ave.

Altamonte Springs, FL 32701 USA

T: +1-407-937-1111

F: +1-407-937-1101

W: www.globaliia.org