Raising the profile of internal audit
Chartered Institute of Internal Auditors

The ever-changing business environment and, for some businesses, increasing regulation brings with it increased organisational risk. In turn this brings new demands, opportunities and challenges for organisations and thus the needs and expectations of internal audit stakeholders have changed.

Internal audit can support management and the board in achieving organisational objectives and adding value through providing assurance, insight and objectivity.

However, internal audit must have a ‘seat at top table’, or at the very least the ear of the audit committee, board and senior executives to ensure that it can do this effectively.

To do this, internal audit may need to raise their profile by:

- Educating stakeholders on the services internal audit can provide;
- Showing how internal audit can and has helped the organisation, e.g. through its risk based auditing, aligning internal audit assurance and advice to the organisation’s (and management’s) strategic risks and priorities;
- Demonstrating internal audits understanding of the culture of the organisation;
- Demonstrating internal audit’s understanding of the needs of key stakeholders and enabling internal audit to explain how they can address those needs;
- Encouraging stakeholders to use internal audit services.

Top tips on how to raise the profile of internal audit

1. Demonstrating in all work that internal audit understands the business for example balancing cost versus benefit when making recommendations, sharing practice from across the business.

2. Hold one-on-one conversations with key stakeholders.

3. Presentations and consultation with members of the audit committee and senior executives within the organisation when preparing the audit strategy and more detailed plans as well as to provide updates and relevant information.
4. Developing an induction programme for new audit committee members, senior managers and external stakeholders.

5. Attending business function team meetings or presenting to teams within the organisation to explain the purpose and value of internal audit.

6. Networking with people within the business articulating the internal audit mission, strategy, what the function is trying to accomplish and the plan to deliver.

7. Arranging/ensuring that the head of internal audit attends senior management meetings and periodically engages directly with the board, as well as with the audit committee.

8. Reporting the results of internal and external quality assurance reviews and feedback from customers (questionnaires, self-assessment, and other comments).

9. Secondments (guest audit programmes) into the internal audit activity - people seeing the value and role of internal audit from inside the function and spreading the word. For particularly strong internal audit functions, the value of education and business insight that a secondment to internal audit can bring to staff from other teams, including those on a management fast track route or equivalent, is significant and part of future proofing both internal audit and the business.

10. Secondments of auditors to other parts of the business - spreads the expertise and profile of auditors across the organisation. However need to be mindful that the auditor may not be able to audit in that particular area of the business for 12 months following a return to internal audit which may impact, for smaller teams on the delivery of the audit plan.

11. Professionalism and approachability of all staff within the team, and welcoming approaches for advice, consultancy or assurance from the business.

12. Having user-friendly intranet pages so that colleagues can quickly understand the team, its purpose, and what internal audit does. In particular this could also be used to help people understand the internal audit process and what it means to be involved in an audit, what will be expected of them.

Why promote and raise the profile of internal audit?

The reason for raising the profile of internal audit is to:

1. Encourage stakeholders to take certain actions, such as:
   • to play their roles in governance,
   • to play their role in internal audit engagements,
   • to protect internal audit’s independence and activity, and
   • to act to manage risks and to implement improvements.

   Ideally, stakeholders will move to the point where they will advocate the need for these actions to others around them as well.
2. Enable internal audit to:

• deliver the audit plan,
• better engage with management to understand the business and its challenges,
• focus on the areas of greatest priority for assurance, and
• play a more strategic role within the organisation.

It will also help the organisation be successful through improving risk, control and governance practices, etc.

A successful internal audit activity that is meeting its objectives and has multiple stakeholders advocating for it is more likely to be valued and respected. Being a part of such an activity should provide internal auditors with job and professional satisfaction.

The objectives of individual internal audit activities may differ but the Mission of Internal Audit to the IPPF which is:

“To enhance and protect organizational value by providing risk-based and objective assurance, advice and insight.”

provides a clear and succinct description of what internal audit aspires to achieve within organisations and could be used as a starting point to explain to people what internal audit is for. Similarly with the Core Principles, which describe what effective internal audit is, and the benefits of it.

**Getting started**

Effective communication is key to the success of any effective internal audit activity. The Head of Internal Audit (HIA) may need to devise a plan to raise the profile of internal audit. The plan should be properly resourced and link in to the overall organisation’s communication plan.

Before this can be produced the following work needs to be completed:

1. Consider the culture within internal audit and how this aligns with the organisations culture, its shared values and its mission statement and any actions you may need to take.

2. Identify the targets - different groups of internal audit stakeholders - and decide what actions you want them to take, e.g. HIA regular dialogue with the business, possibly monthly or quarterly, to help align with the needs of internal customers. In time this activity will become part of the normal culture.

3. Establish and document the current knowledge and perceptions held within the organisation of the internal audit activity. In particular, the organisation’s understanding of the role of internal audit and the value and benefits it brings. Similarly with external stakeholders ask them what they currently know or think about internal audit.

4. Set communications objectives around raising awareness or converting awareness into action and, ultimately, into advocacy. Try to make them ‘SMART’ (specific, measurable, agreed upon, realistic and time-based), e.g. taking opportunities during audits to provide additional value through the use of data analytics, bringing insight to the business with information they haven’t
had before or identifying emerging areas to focus on.

5. Create communications which are designed to address the different relationships with key individuals and groups. For example, discussing future challenges and risks that have been identified through constantly scanning the horizon for signs of potential problems. Consulting on particular projects to ensure risks are considered and controls built in or providing updates on new laws.

6. Establish a timetable for communicating with stakeholders that fits within the organisation's normal business calendar schedule. The timing of communication is very important. Take advantage of all interactions with stakeholders to explore their perceptions and deliver your communications.

7. Let members of your team know that raising the profile of internal audit is important, involve them in the process and set some objectives, e.g. encourage staff members to build relationships with other functions so that employees of other functions will feel comfortable calling internal audit for assistance. Impress upon them the importance of the quality of the product they deliver and the professionalism and credibility of internal audit.

8. Monitor the results and measure the effectiveness of your plan. Identify new actions and begin the cycle again.

**Internal audit's stakeholders?**

It is important that internal audit identify its stakeholders, both internal and external, to decide what action/support it is looking for from those stakeholders. The exact action required will vary, depending on the different stakeholders. They are likely to include:

<table>
<thead>
<tr>
<th>Stakeholder group</th>
<th>Example of desired actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff across the business or internal customers of the internal audit activity</td>
<td>To prepare for and participate in the audit engagement. To work with the internal auditors to search out improvements to systems and provide the best solutions for the management of risks.</td>
</tr>
<tr>
<td>The board or equivalent</td>
<td>To provide resources. To protect independence.</td>
</tr>
<tr>
<td>The audit committee</td>
<td>To rely on internal audit assurance. To protect independence. To hold management accountable for the mitigation of risk. To approve the internal audit charter.</td>
</tr>
</tbody>
</table>
**Directors and management**

- To approve the annual plan.
- To use the Core Principles to satisfy themselves as to the quality of internal audit.
- To prepare for and participate in the audit engagement.
- To work with the internal auditors to search out improvements to processes and internal controls.
- To provide the best solutions for the management of risks.

**External audit**

- May wish to rely on internal audit work if internal audit are covering an area of particular interest to the external auditor.

**Regulators**

- To rely on internal audit assurance.
- To hold management accountable for the mitigation of risk.

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### What are the key messages?

Raising the profile of the internal audit activity is about positioning internal audit as being relevant to every part of the organisation. It means explaining how it helps the organisation and every department within it to achieve their objectives - by providing insight so managers understand how well their risk mitigation is working and recommending control improvements.

It involves communicating with the key stakeholders identified above to produce a particular response: building understanding of internal audit; creating a desire to engage with internal audit and its activities; and finally turning them into advocates for internal audit.

The exact messages that you will use will depend on your organisation both in terms of the exact role that internal audit plays and in terms of stakeholder awareness. Some of the core messages for you to consider are:

1. Internal audit helps the organisation to achieve its objectives by providing assurance that risks are being managed effectively. Internal audit may also provide consulting services, offering best practice advice where possible. As a result there may be a need to communicate with the board in one way, and for more detailed information to be provided to staff across the business in another manner.

2. Applying working methods in a consistent fashion and in accordance with best practice set out within the International Standards for the Professional Practice of Internal Auditing (The Standards) provides confidence to customers that internal audit relies upon the independent and
objective collection of evidence to support conclusions and recommendations for the management of risks.

3. The difference in roles, responsibilities and approaches between internal audit and external audit - and what that means to the benefits for stakeholders

It is therefore important for internal audit activity to clearly articulate what it is aiming to achieve.

How do we promote internal audit?

There are many opportunities to communicate with stakeholders. The most efficient way to raise the profile of internal audit is to exploit all of these opportunities as much as possible.

The Standards state that the internal audit activity should have a charter, approved by the audit committee or equivalent. This is not a marketing tool, but does set out the role and remit of the internal audit activity.

Furthermore, the discussion with the audit committee provides the head of internal audit with an opportunity to explore awareness and to stimulate them to move towards action and advocacy.

The Standards also require that the head of internal audit puts in place a quality assurance and improvement programme. This includes ongoing monitoring, periodic internal assessments against the Standards and an external quality assessment at least once every five years.

This process allows the internal audit activity to report that their work is "conducted in conformance with the International Standards". The quality assurance exercise itself can help to raise the profile of internal audit, providing another opportunity to talk to stakeholders.

Other opportunities to promote internal audit include:

- Establishing or reorganising an internal audit service.
- When there are structural changes within the organisation.
- Upon the publication of the organisation's business plan.
- Update of the internal audit plans.
- Publication of new or revised professional standards.
- Publication of annual reports.
- Regular updates on the organisation’s intranet.
- Reporting in accordance with legislation e.g. before statements/reports are published on the organisation's website.

Who should promote internal auditing?

The head of internal audit will have a key role in promoting the internal audit activity. However, all members of the internal audit team should be strong advocates for the function as part of the work they do each and every day.

It is important to remember that any communication related to internal audit received by stakeholders may change their awareness, interest or desire in the internal audit function. Therefore, even routine parts of an internal audit engagement may be an opportunity for raising the
Managing expectations

There can be drawbacks to raising the profile of internal audit, such as:

1. Raising expectations - as a minimum, the quality of the service offered every day must meet the picture presented in any communications.
2. Extra demand for internal audit services - whereby the demand greatly exceeds the resources available or threatens the ability to complete the internal audit plan and priorities. If this is handled badly, the audit committee or the managers requesting additional input will be left unimpressed - and will be less likely to repeat their actions in future years.
3. Skills mix - managers may request input relating to specialist areas, about which the internal audit team does not have specific knowledge. It may be necessary to decline to provide input in such circumstances, unless the head of internal audit can buy in or source appropriate expertise. Although, it may be possible to give some general advice on control and thus add some value.
4. Awareness of the risks associated with providing a positive assurance in an area where they have limited knowledge, skills or experience.

The quality and professionalism of the internal audit service will say more than any marketing activity. Ultimately, the internal audit activity needs to be seen as having business acumen, being professional, approachable and adding value. The team must have a basis of quality, integrity and objectivity as well as consistency of message to ensure that the internal audit activity is seen as a credible team that provides value to the business. It is vital that internal auditors keep themselves up to date with business trends and current affairs which impact on, or are impacted by, their organisation.

In summary

Target your communications to move your stakeholders from awareness through the action you want them to take, to advocacy.

Further reading

Mission statement
Core principles
Standard
1120 Individual objectivity
Implementation guide
1120 Individual objectivity