

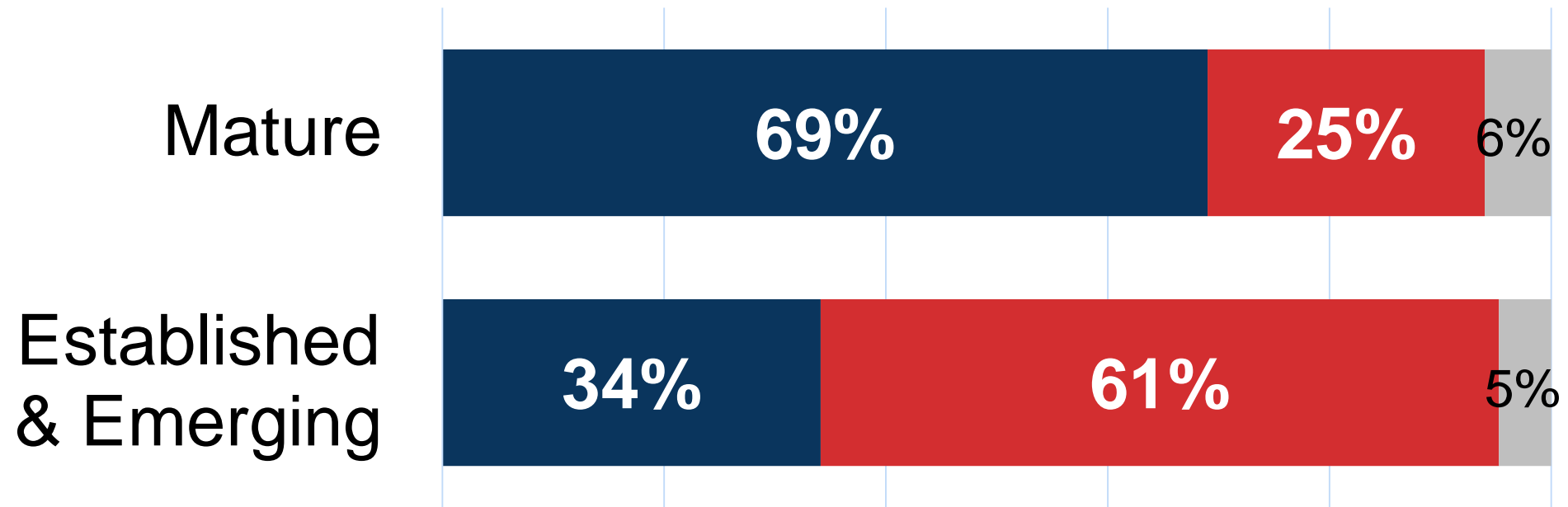


CBOK Stakeholder Study Meeting Stakeholder Expectations

Larry Harrington, CIA, QIAL, CRMA
Past Chairman of the Board

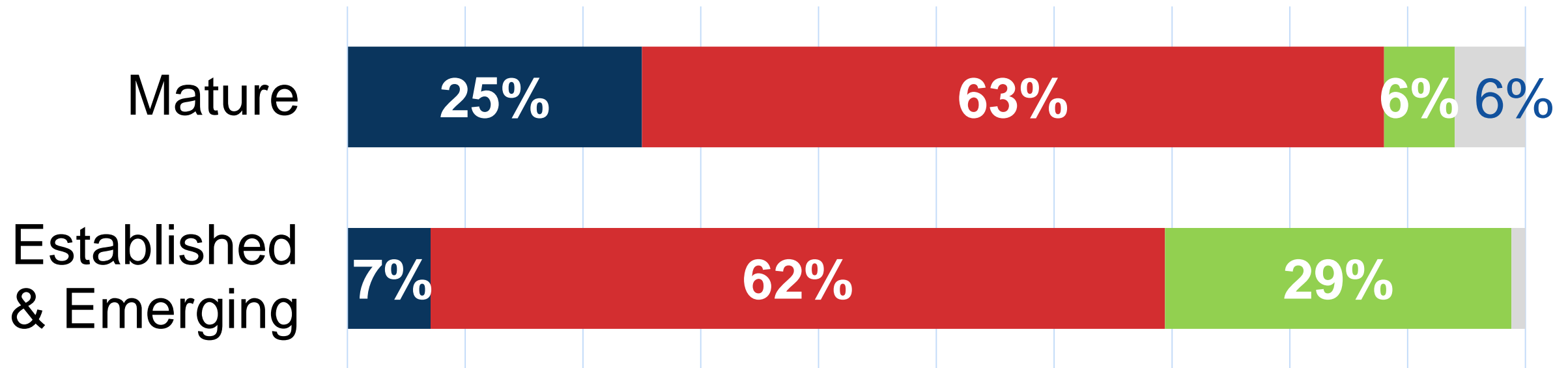
Focus on Strategic Risks

Do Stakeholders Expect internal Audit to be Increasingly Involved in Auditing Strategic Risks?



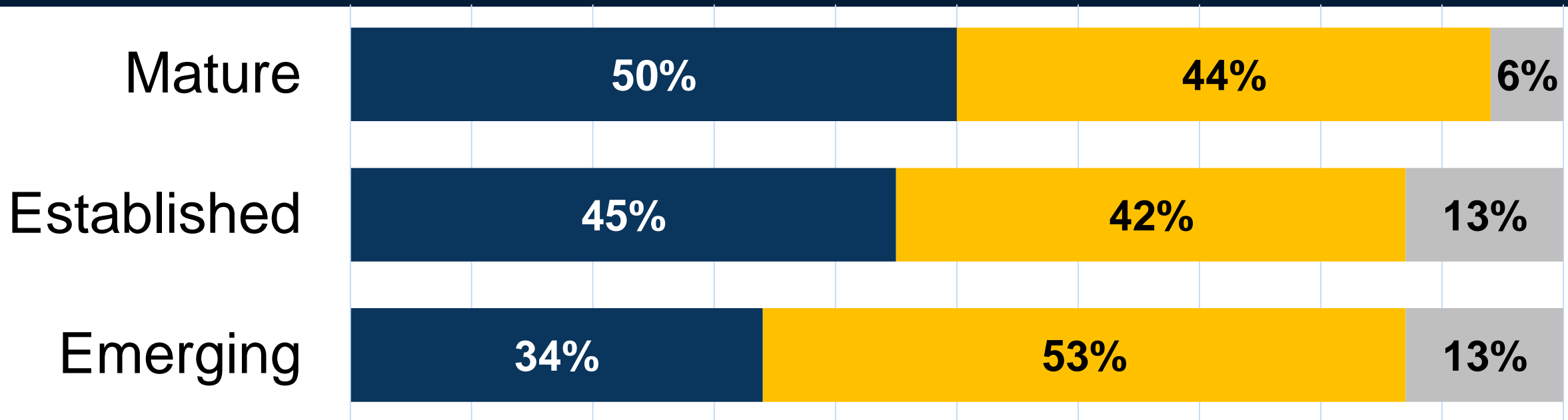
- Yes – much more involved
- Yes – slightly more involved
- No

Are Internal Auditors Giving **Sufficient Attention** to Strategic Risks?



- A high level of attention
- A moderate level of attention
- Little attention
- No attention

Is the **Scope** of Strategic Risks Different versus operating, reporting, or compliance risks?

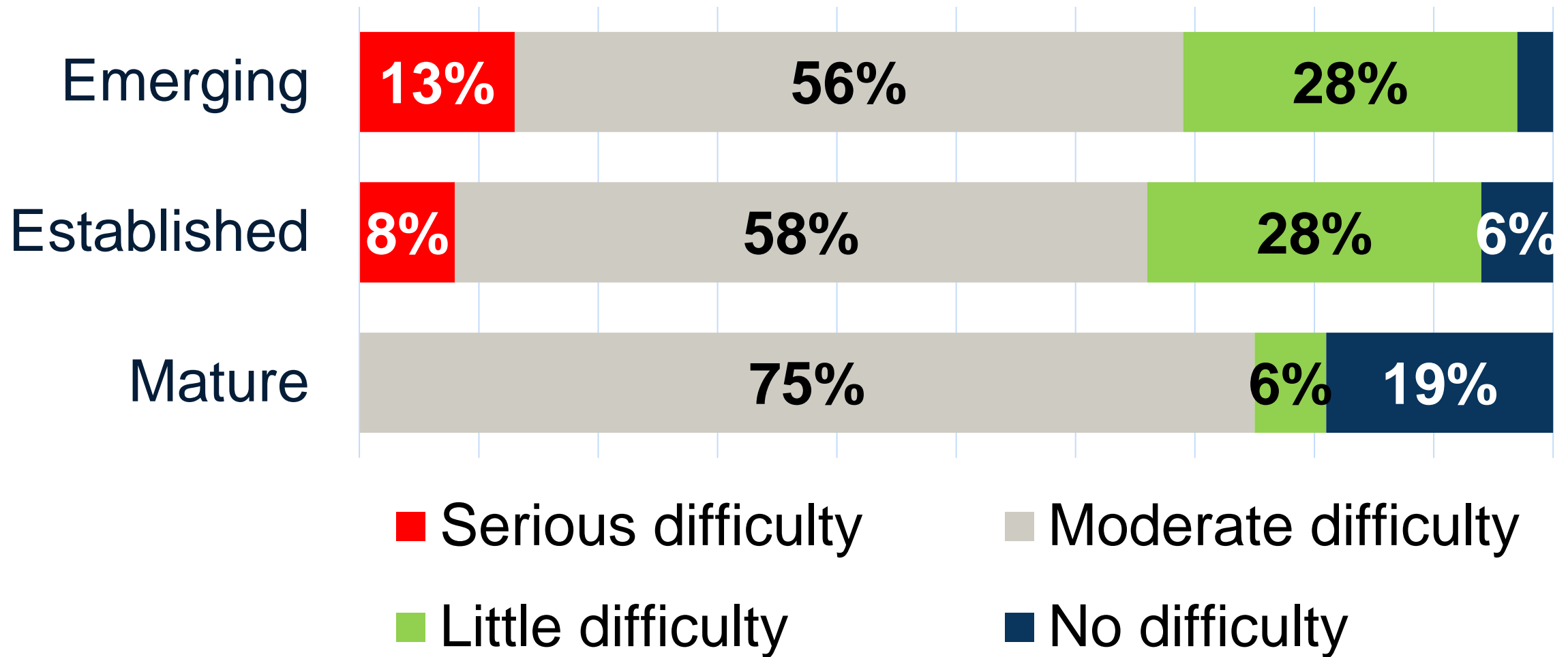


- Yes, the scope of strategic risks is substantially different
- Yes, but there is a lot of overlap
- No, the scope of strategic risks incorporates operating, reporting, or compliance risks.



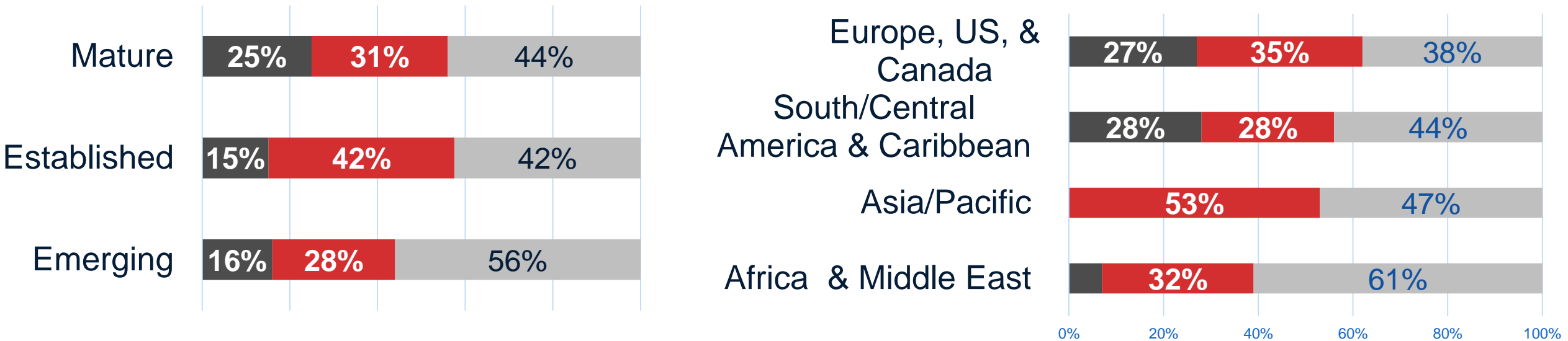
Balancing Assurance and Advisory Work

How much difficulty do internal auditors experience in **balancing** the level of assurance versus advisory work?



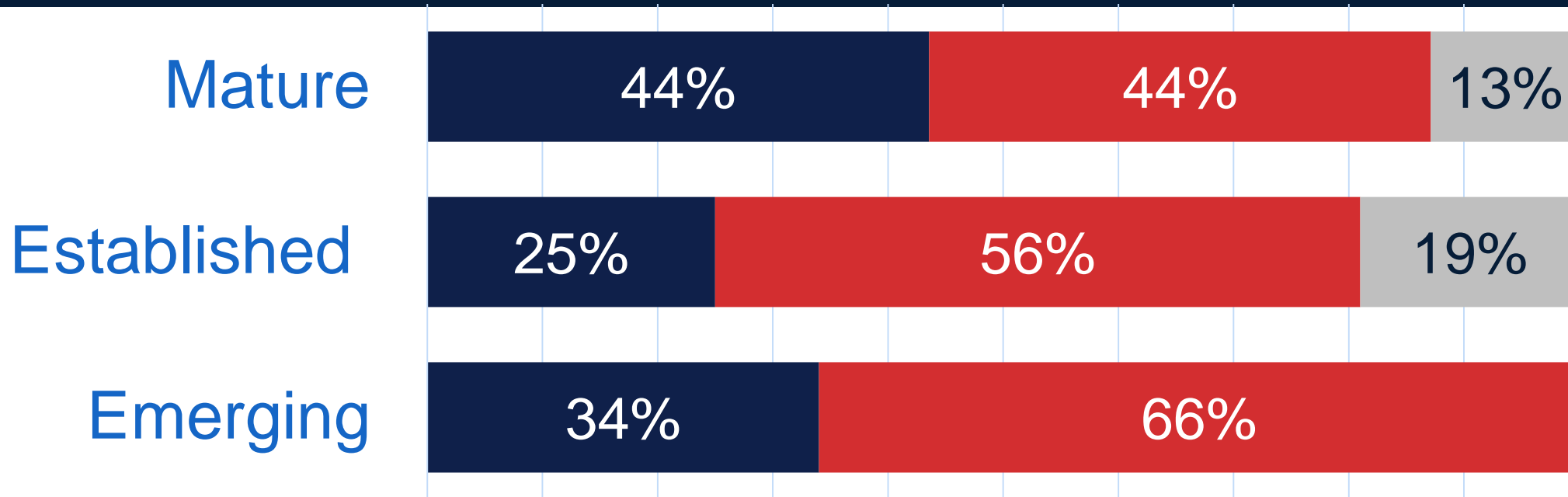
Non-Assurance Focus on Risk

Familiarity of Internal Auditors with the IIA Role in Risk Management Position Paper



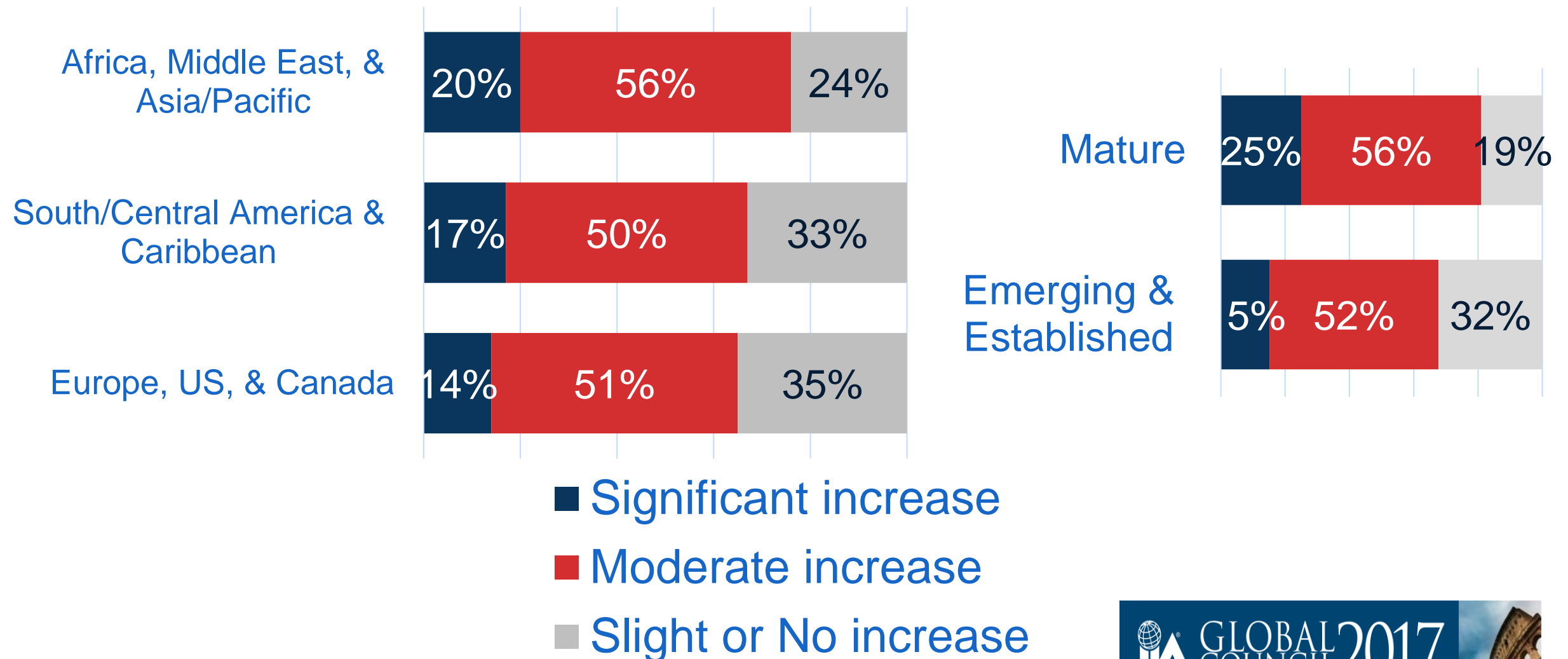
- Most internal auditors are familiar with the paper
- Many internal auditors are familiar with the paper
- Few internal auditors are familiar with the paper

Usefulness of IIA Position Paper in Defining Role in Risk Management?



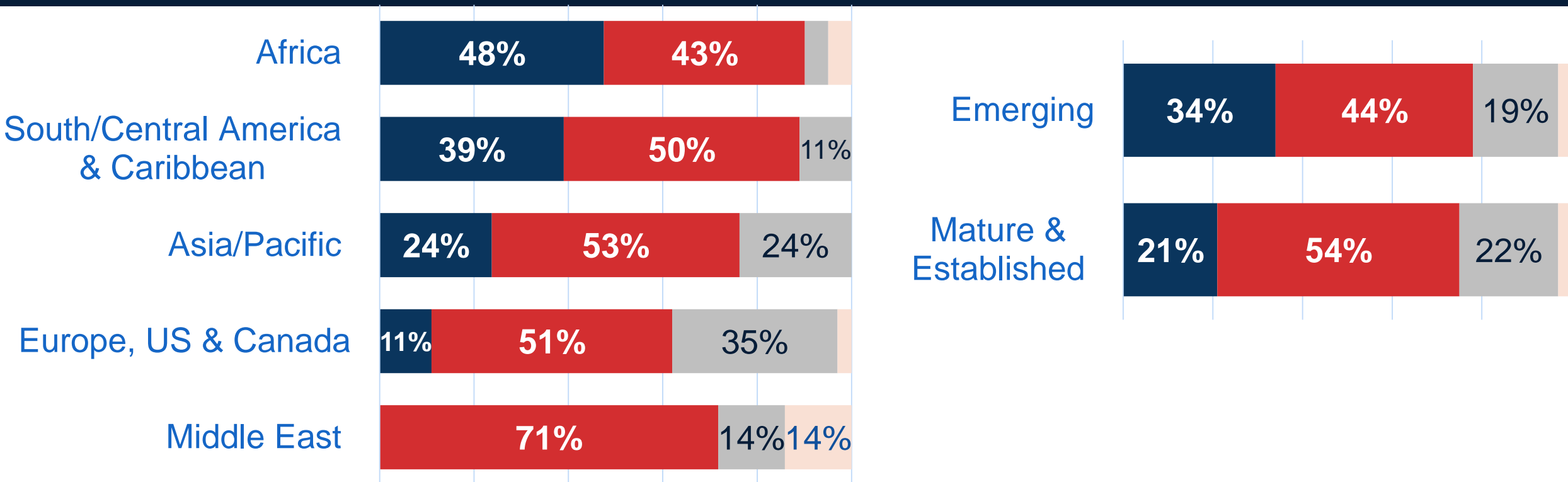
- Very useful in its current form
- Very useful but could be updated/revised
- Somewhat useful and must be rewritten

Change in Stakeholder Expectations in Internal Audit's Responsibility for Risk Management?



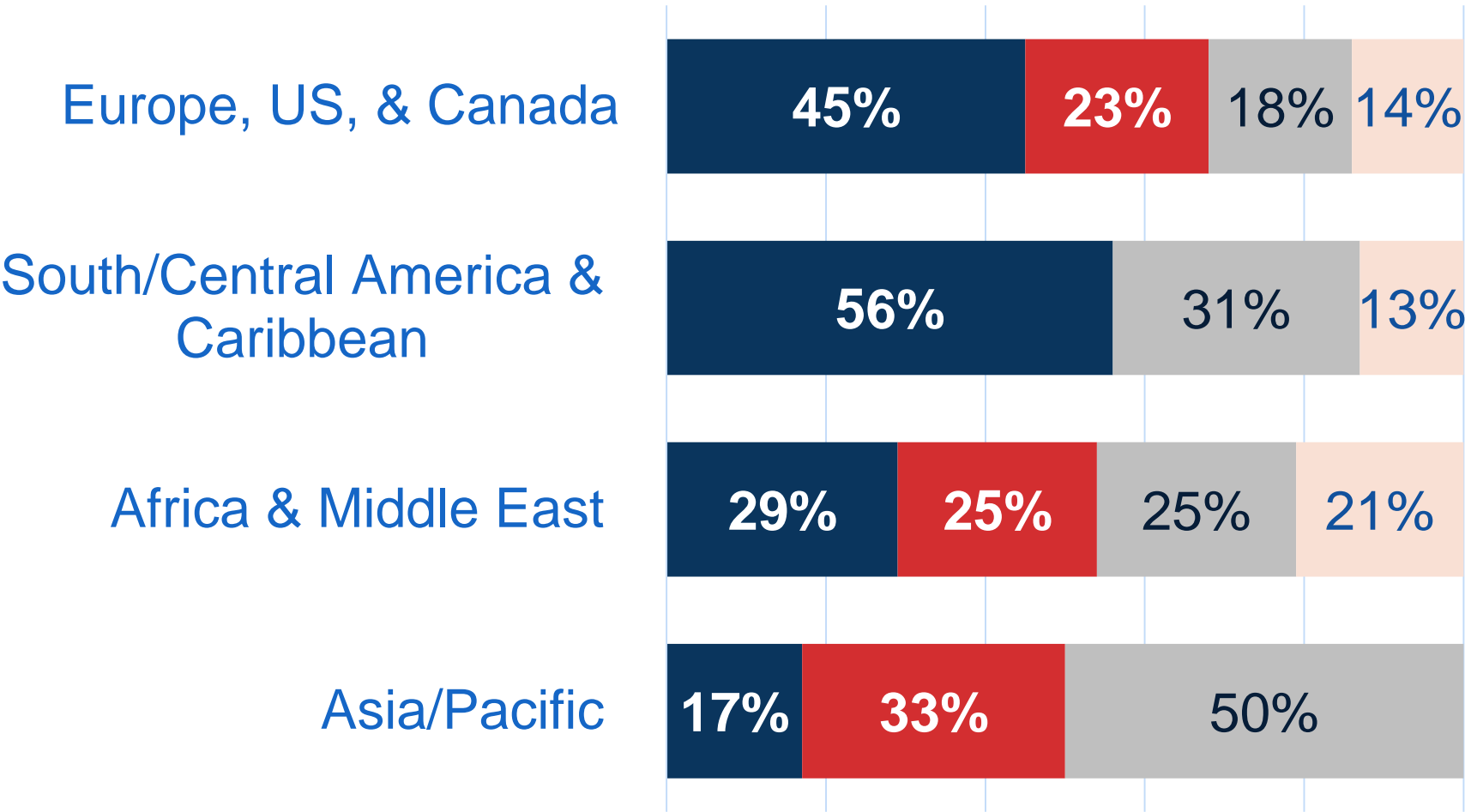
Structure and Relationships

Significant of Poor Reporting Lines for Internal Audit?



- A significant issue for many organizations
- A modest issue, impacting only some organizations significantly
- A small issue, isolated to a few organizations
- Not an issue requiring attention

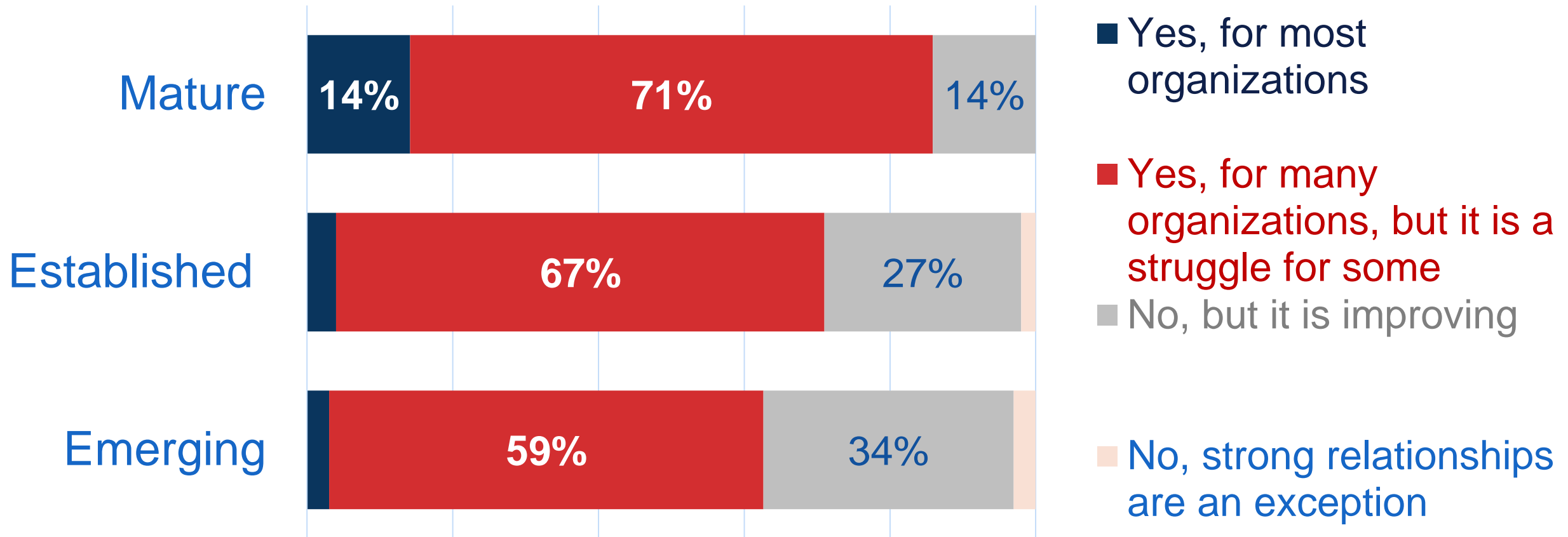
Main Obstacle to Internal Audit Having Optimal Reporting Lines?



- Lack of awareness by stakeholders of the importance of reporting lines
- Lack of acceptance by stakeholders of the importance of reporting lines
- Stakeholders' perception that internal audit isn't an important governance function
- Regulatory, legal reasons & Other

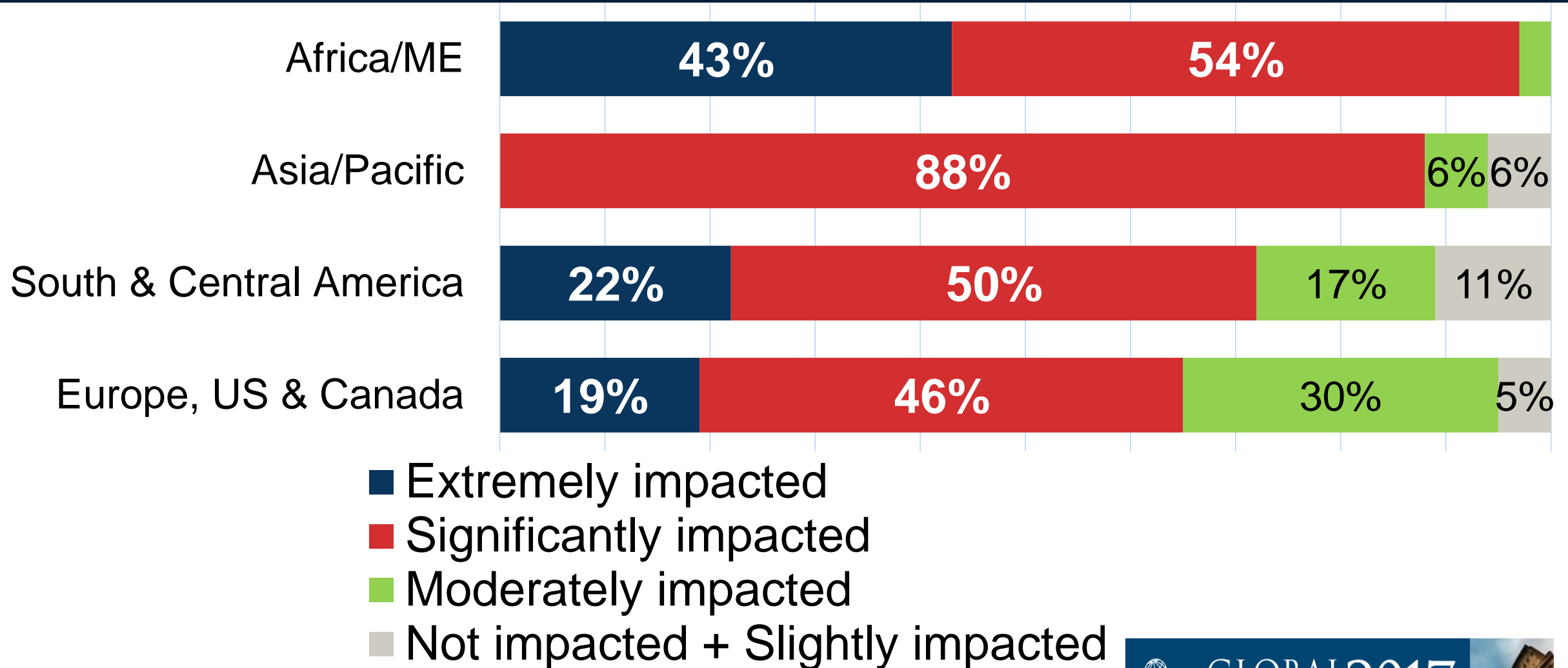


Does Internal Audit have a Reputation for Maintaining Strong Relationships with Stakeholders?

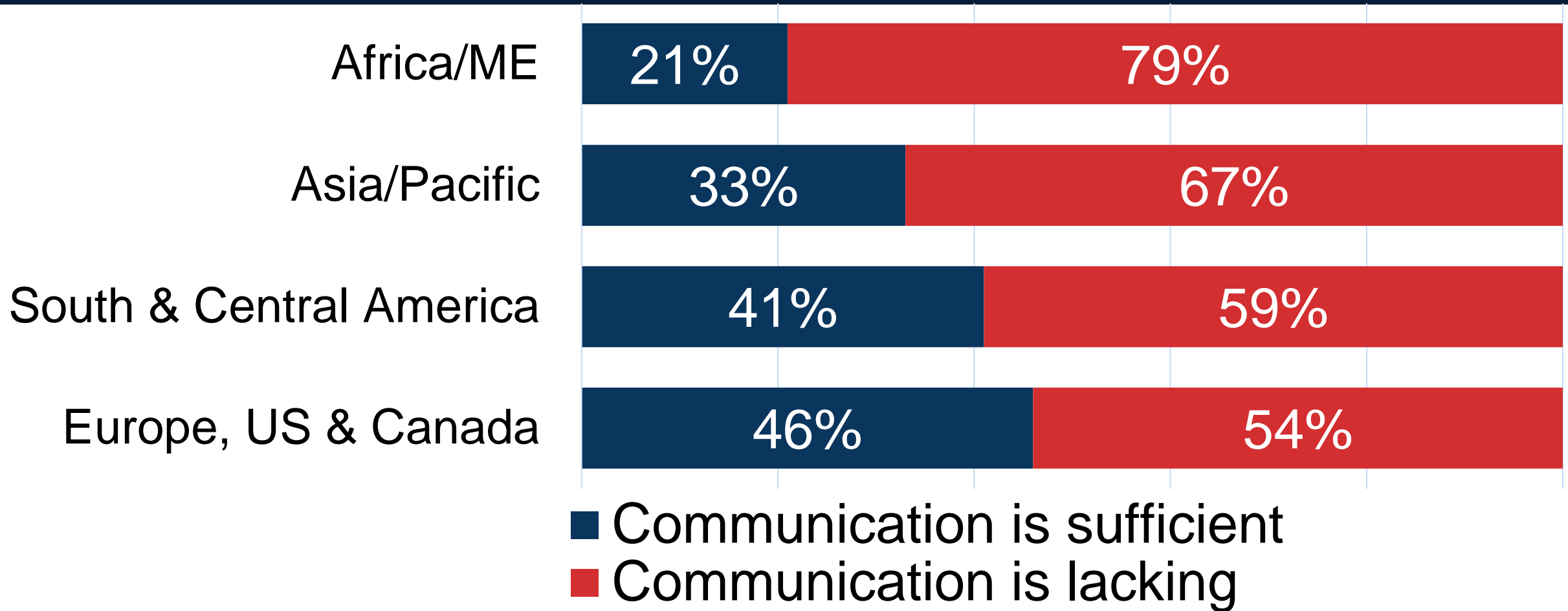


Quality of Audit Work

Can Conformance with the Standards be Impacted by Communication with Stakeholders?

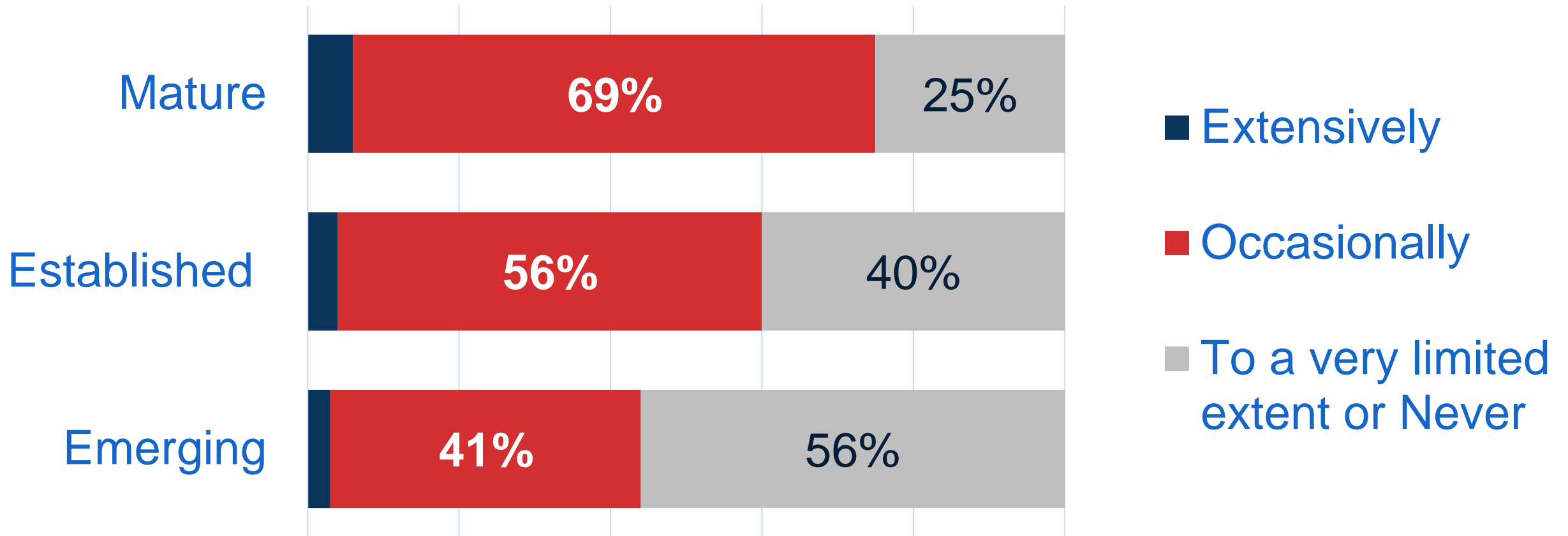


Rate the Level of Communication to Stakeholders on the Importance of the IIA Standards?

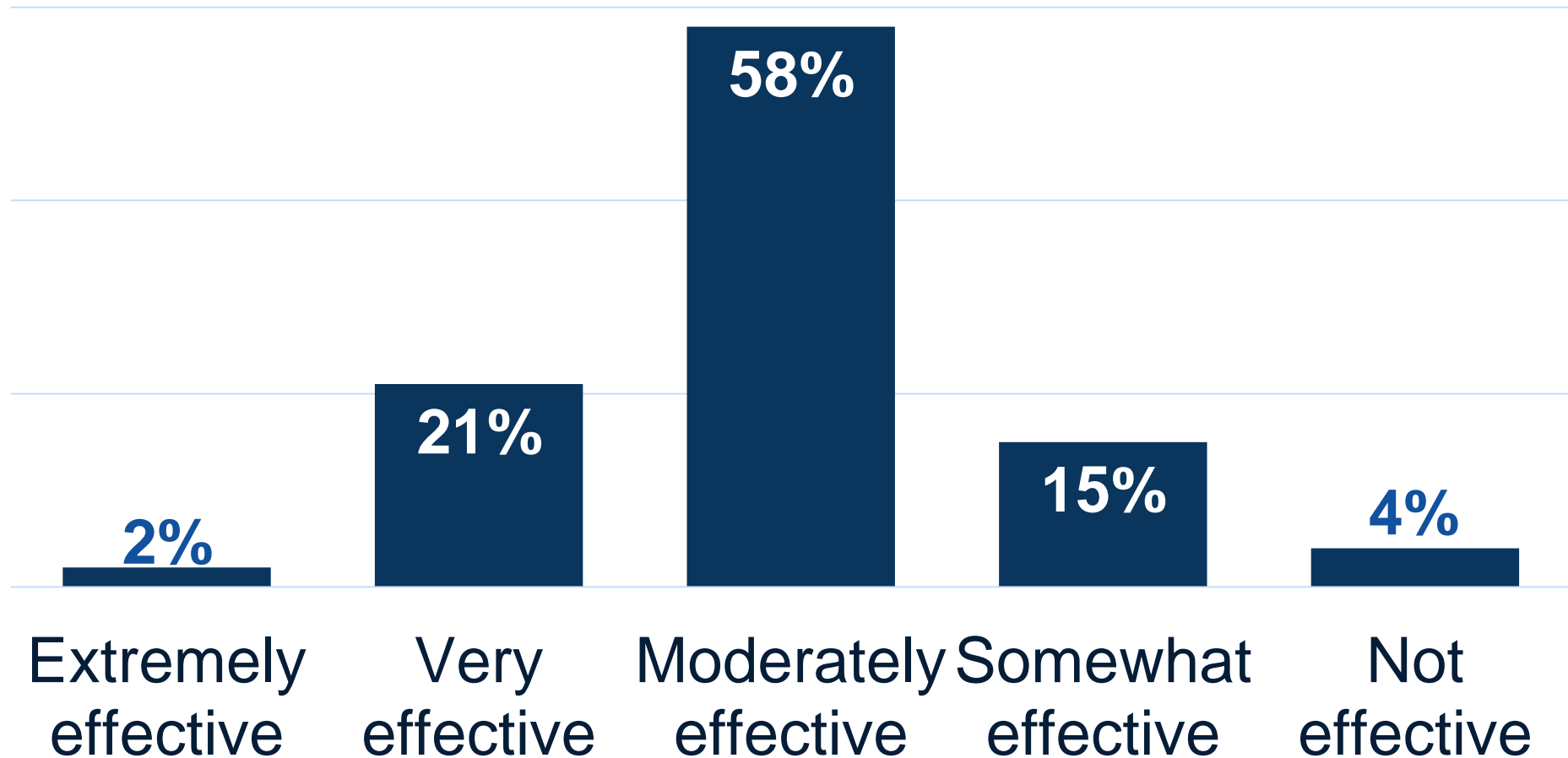


Coordination With Other Service Providers

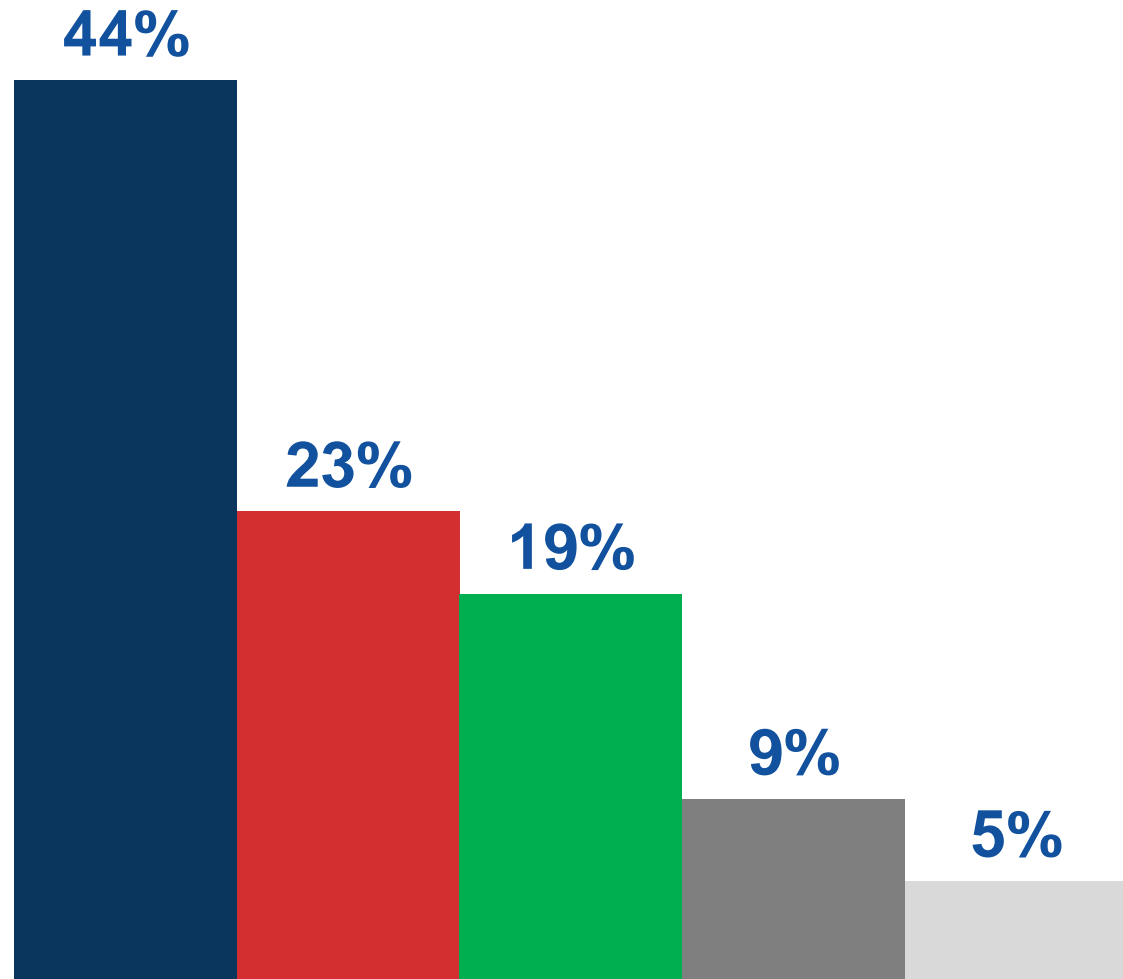
Does Internal Audit Leverage Assurance work of Other Functions?



Effectiveness of Internal Auditors Explaining to Stakeholders Differences between Assurance Providers?



Primary Reason Internal Audit Might **Inappropriately Rely** on Other's Assurance Work



- Stakeholders do not understand the differences among functions and force integration
- Differences are understood but reduction of audit fatigue and/or streamlining of reporting is considered more important than independence
- Auditors are not inappropriately integrating assurance work
- Internal audit does not understand the impact of integration
- Other (please specify)





Breakout Discussions

