

Assessment Domain

Stakeholder Management



Potential

Explorer

Internal audit function is in the early stages of development or facing significant barriers to its effectiveness. There is little to no access to the board, limited interaction with senior management, and no formal communication of the audit's role and benefits to stakeholders.

The CAE has not yet engaged the board on global standards, nor provided clarity on qualification requirements. The development of internal audit performance objectives lacks involvement from key decision-makers.

Required Action Steps

Immediate action is required to build stronger governance frameworks, improve communication, and align with best practices to ensure the audit function can serve as a strategic partner.

2- Board Support

Schedule a presentation led by the CAE that highlights the global internal audit standards and the importance of board support in ensuring the internal audit function's effectiveness, independence, and authority.

Create a documented plan outlining how the board can effectively support the internal audit function, including resource allocation and strategic guidance.

Use case studies or examples from other organizations to illustrate the benefits of board support for internal audit functions.

CAE should collaborate with the corporate communications team to develop a monthly or quarterly internal audit newsletter, hold annual presentations during leadership meetings, and create informative content that explains the benefits of internal audit to different stakeholders.

1- Unrestricted Access

Ensure the charter explicitly grants the internal audit function unrestricted access to all organizational activities and direct communication with the board, as mandated by global internal audit standards.

Implement protocols that allow the Chief Audit Executive (CAE) to regularly report to the board, fostering transparency and support for audit activities.

Schedule periodic sessions where the CAE can present audit findings and discuss areas of concern directly with board members.

3- Qualification of CAE

CAE should draft a formal document outlining the recommended qualifications, experience, and ongoing professional development needed for the CAE role. This should be shared with the board during quarterly or annual meetings.

Research industry standards and best practices for CAE qualifications to inform the document.

During the annual planning process, the CAE should hold a dedicated session with the board and senior management to gather input on performance goals for the internal audit function. This should include feedback on risk areas, audit focus, and value delivery.