Assessment Domain
Resource Management

Potential Explorer

Internal audit function is in the initial stages of development, with little or no structured plans for the CAE's education or sufficient budget allocation for the successful implementation of the audit plan. There is no formal approach to recruit, develop, or retain internal auditors, and gap analyses between staff competencies and required skills are not yet being carried out. The CAE lacks collaboration with the IT department for implementing technology tools, and no software is in place to track progress on audit recommendations.

Required Action Steps

Immediate steps should be taken to create structured educational plans, secure sufficient budgets, and begin competency evaluations. The use of technology and collaboration with IT must also be prioritized to build a more efficient and skilled internal audit function.

- ❖ Develop a detailed budget proposal outlining the financial requirements for training, technology tools, and other resources needed for effective audit operations.

- ❖ Present this proposal to the board for approval, emphasizing the value of investing in audit capabilities.

- ❖ Analyze current staffing levels and identify skill gaps within the internal audit team.

- ❖ Evaluate the current and emerging risks facing the organization, including operational, financial, compliance, and strategic risks. Based on the risk assessment, outline the primary responsibilities of the internal auditor role. Common responsibilities may include planning and executing audit engagements, assessing risk controls, and reporting findings. And determine if there are specific areas of expertise needed (e.g., IT audits, financial audits, compliance audits) based on the organization's risk profile.

- ❖ Implement a mentorship program to support the development of junior auditors and provide career progression opportunities within the organization.

- ❖ Organize regular training sessions and workshops led by experienced internal auditors or external trainers to develop specific competencies.

- ❖ Utilize peer reviews and feedback mechanisms to facilitate continuous improvement and learning among auditors.

- ❖ Create a risk assessment template that highlights areas affected by insufficient resources, helping the board understand the implications of these limitations.

- ❖ Foster an open dialogue with the board to ensure they understand the need for adequate resources and are engaged in discussions about potential solutions.

- ❖ Research and identify advanced audit software or tools that can enhance efficiency, data analysis, and reporting capabilities.

- ❖ Create a plan to implement and train auditors on new technology, ensuring a smooth transition and effective utilization.

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