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Best practices and Methods to Align Internal Audit Strategy and Strategic Planning with the Global Internal Audit Standards (GIAS)

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Best Practices and Methods to Align Internal Audit Strategy and Strategic Planning with the Global Internal Audit Standards (GIAS)

The Main Issues

01	WHY IT MATTERS THE ALIGNMENT OF AUDIT STRATEGY WITH GIAS
02	WHICH ARE THE BENEFITS OF THE ALIGNMENT OF IA STRATEGY WITH GIAS
03	CHALLENGES AND RISKS IN ALIGNMENT
04	PRACTICAL FRAMEWORK FPR ALIGNMENT
05	BEST PRACTICES AND EXAMPLES
06	ROAD MAP AND RECOMMENDATIONS

The scope of presentation

- To analyze how IA strategy and organizational strategic planning can be effectively aligned with GIAS to enhance governance, risk management, and value creation.
- To present some good practices and examples

Why It Matters the case for Alignment with GIAS

- Governance and Risk Oversight
- Credibility and Independence
- Resource Optimization
- Value Creation

Benefits of Alignment

- Strengthened governance and trust.
- Assurance over strategic risks (cyber, ESG, digitalization).
- Efficient resource allocation and value-added insights.
- Enhanced IA credibility with boards and regulators.

Challenges in Alignment

- Resistance from management perceiving IA as intrusive.
- Skills gap in emerging areas (AI, ESG, cybersecurity).
- Rapidly changing business environments outpacing IA plans.
- Risk of losing independence when IA integrates

Internal Audit Strategy and Its Strategic Role

- Key Components of IA Strategy:
- Vision and Mission
- Risk-based Audit Planning
- Resource and Capability Development
- Stakeholder Engagement
- Value Creation Metrics

- **Example:** A hospital sets an IA strategy to leverage data analytics for fraud detection. This aligns with GIAS standards on competence and risk-based auditing while also supporting the hospital's digital health strategic plan.

Strategic Planning in Organizations

- **Definition**: The process through which organizations set long-term objectives, allocate resources, and design initiatives to achieve sustainable growth.
- **Typical Elements of Strategic Plans**:
  - Vision, Mission, and Core Values
  - SWOT and Risk Analysis
  - Strategic Objectives (financial, operational, ESG, innovation)
  - Implementation Roadmap
  - Monitoring and Evaluation
- **Example:** A university strategic plan emphasizes internationalization, digital learning, and sustainability. Internal audit must adapt its strategy to ensure assurance over cybersecurity, academic quality, and ESG reporting.

Practical Framework for Alignment

A **five-step framework** for aligning IA strategy and organizational strategic planning with GIAS:

Understand the Organizational Strategic Plan

- Review corporate vision, mission, and priorities.
- Conduct joint risk assessment with management.

Map GIAS Requirements to Internal Audit Practices

- Cross-reference GIAS principles with current IA practices.
- Identify gaps in independence, risk coverage, or competency.

Develop an Aligned IA Strategic Plan

- Articulate IA vision and mission consistent with GIAS and organizational strategy.
- Define risk-based audit universe linked to strategic goals.

Implement and Resource

- Train auditors on emerging risks (cybersecurity, ESG, AI).
- Adopt technology tools for analytics, reporting, and monitoring.

Monitor, Report, and Evolve

- Report to board audit committee with reference to both strategic priorities and GIAS compliance.
- Update annually to reflect changes in organizational strategy or global standards.

Examples of Best Practices

Case 1 – Banking Sector: A leading bank integrated ESG strategy into its audit plan. IA reviewed carbon credit trading systems, aligning with both GIAS principles and the bank's green strategy.

Case 2 – Public Sector: A ministry aligned IA strategy with national digital government initiatives. This meant focusing assurance on e-services, data privacy, and cybersecurity.

Case 3 – Healthcare: Internal audit in a hospital aligned with GIAS by embedding patient safety and regulatory compliance in its risk-based audit universe, tied directly to the hospital's quality strategy.

Challenges and Risks in Alignment

- **Resistance from Management** – IA seen as intrusive rather than a strategic partner.
- **Skill Gaps** – auditors may lack specialized knowledge (ESG, IT, AI risks).
- **Dynamic Environment** – strategies shift faster than IA plans.
- **Maintaining Independence** – risk of losing objectivity when overly integrated into strategy.

Road map and Recommendations for Quick Wins

- Conduct **regular workshops** with management and board to align expectations.
- Invest in **training and certifications** (e.g., ESG, data analytics, cybersecurity).
- Build **flexible audit plans** with capacity to pivot as strategies evolve.
- Leverage **technology** (continuous auditing, dashboards) for real-time assurance.
- Ensure strong **audit committee oversight** to preserve independence.

Conclusion

Aligning internal audit strategy with organizational strategic planning and the GIAS is not optional but essential. It ensures that IA functions remain relevant, credible, and value-adding in a rapidly changing risk landscape. Proper alignment allows internal audit to serve not only as a guardian of compliance but also as a catalyst for strategic success.