

Consultancy engagements by internal audit:

What does it mean to managers, internal auditors and the CHU ?

2nd June 2021

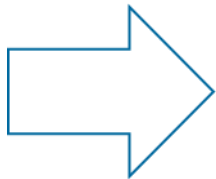
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Audit Committee's chair/member

World Bank expert

Content

- ❑ Reference framework
- ❑ Different relationship
- ❑ What kind of consulting services
- ❑ To do or not to do?



Internal audit charter



Reference framework

Reference framework



Definition of internal audit

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.”

Mission of internal audit

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

The IPPF Core Principles

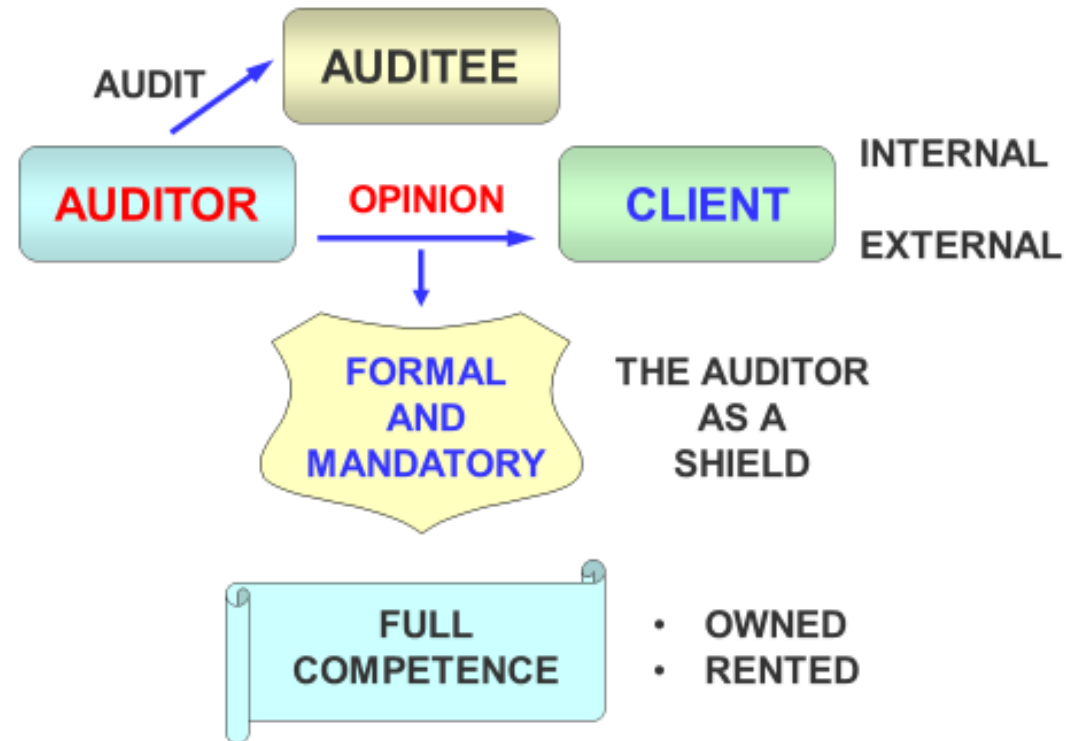
- ⑩ Demonstrates integrity
- ⑩ Demonstrates competence and due professional care
- ⑩ Is objective and free from undue influence (independent)
- ⑩ Aligns with the strategies, objectives, and risks of the organization
- ⑩ Is appropriately positioned and adequately resourced
- ⑩ Demonstrates quality and continuous improvement
- ⑩ Communicates effectively
- ⑩ Provides risk-based assurance
- ⑩ Is insightful, proactive, and future-focused
- ⑩ Promotes organizational improvement



Different relationship

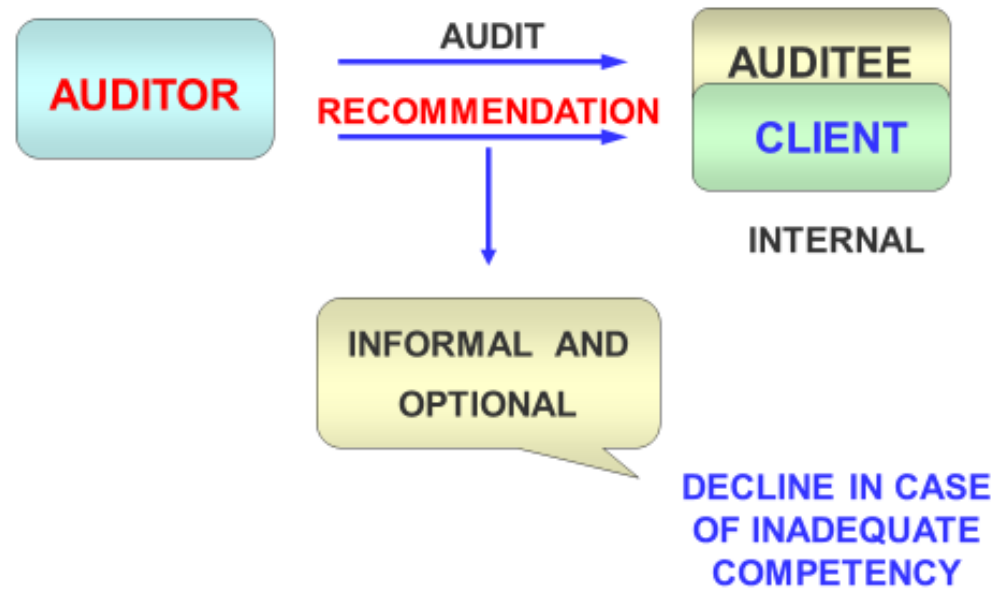
Different relationship

ASSURANCE



Different relationship

CONSULTING



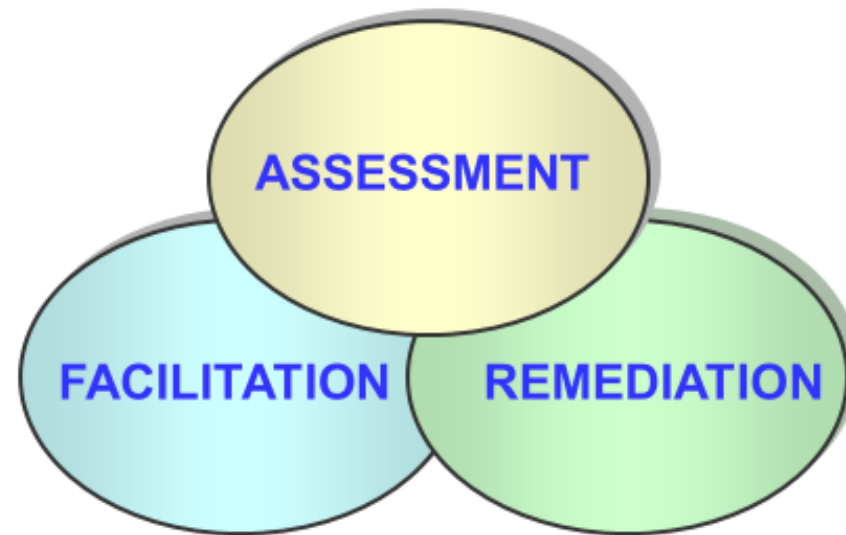


What kind of consulting services?

What kind of consulting services?

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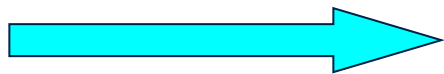
CONSULTING ENGAGEMENTS



Assessment services

The auditor examines and evaluates past, present or future aspects of operations and renders information that helps decision making.

Examples

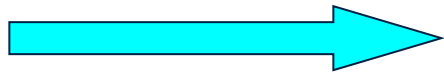


- **Assess security risks**
- **Evaluate proposed reorganizations**
- **Assess proposed controls**
- **Estimate costs of acquisitions**

Facilitation services

The auditor does not judge organizational performance but guides management in identifying improvement opportunities.

Examples

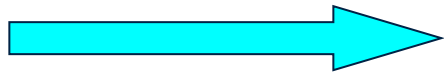


- **Strategic planning support**
- **Business process reengineering support**
- **Benchmarking**
- **Performance measurement**
- **Control/risk self-assessment**

Remediation services

The auditor assumes a direct role to prevent or remediate known or suspected problems on behalf of a client.

Examples



- Training courses
- Reviewing or drafting proposed policies or systems
- Augmenting operating personnel



To do or not to do?

Management expectations

➔ Assistance to improve organization's risk maturity

➔ Help me instead of criticizing me!

Internal audit expectations



Be able to prove direct value to the organization



Measures to safeguard (perceived) objectivity
Clarity on management's responsibility
Due process to accept consultancy engagements

CHU expectations



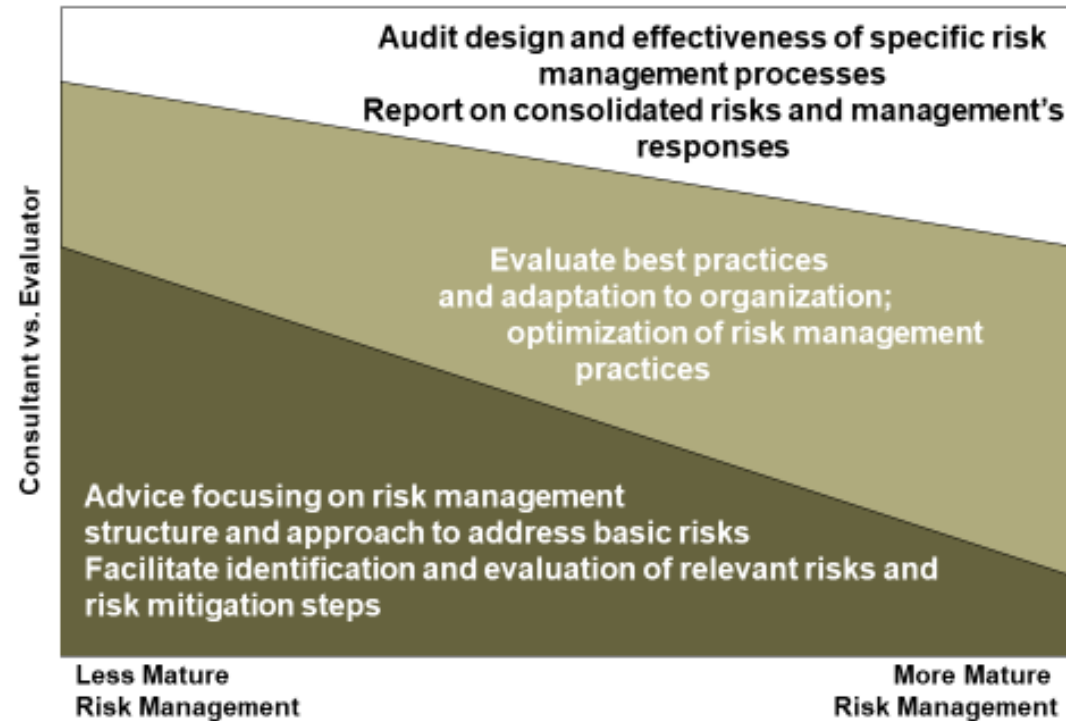
Yes, but we will provide framework and training



No managerial responsibilities for internal audit
No threat to the annual 'assurance' plan
Competence criteria remain in place

To do or not to do?

Consultant vs. Evaluator



Documentation on consultancy roles

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IIA POSITION PAPER

**INTERNAL AUDITING'S ROLE IN GOVERNING
BODY / EXECUTIVE COMMITTEES**

THANK YOU!
