Due to an unusually high volume of CPE reporting, it may take longer than usual to complete the process in CCMS. Thank you for your patience.

INTERNAL AUDITOR

Internal Auditor's blogs reflect the personal views and opinions of the authors. These views may differ from policies and official statements of The Institute of Internal Auditors and its committees and from opinions endorsed by the bloggers' employers or the editors of Internal Auditor.

5 Internal Audit Resolutions for 2021

Richard Chambers



My annual blog post offering resolutions for the coming year takes on added significance now that we've emerged from a year fraught with emerging risks, disruptions, and uncertainties. It is my sincere desire that we never see another year as turbulent as 2020, and I am certain I join the vast majority of people who were happy to bid it adieu.

Still, we have learned much from the challenges experienced during the pandemic. I would be remiss in not acknowledging that internal auditors in every part of the world contributed mightily to helping their organizations not just survive but even thrive in 2020. With that in mind, here are my five internal audit resolutions for 2021.

Clear the bad memories from 2020, and integrate what we learned into our daily routines. The IIA collected data throughout 2020 and found that many internal audit functions experienced cutbacks in budget and staffing as a result of the pandemic. Yet, our research also revealed that chief audit executives (CAEs) updated their risk assessments and audit plans more frequently and quickly stepped in to do what needed to be done. That reflects the profession's ability to be agile, responsive, and resilient. We should strive to continue embracing such an agile mindset throughout the coming year and beyond.

Another outcome of the pandemic was the work-from-home phenomenon. It essentially handcuffed internal auditors' ability to collect evidence through on-site inspections of conditions, documents, and other information critical to executing our engagements. We must leverage technology to compensate and find innovative ways to examine data remotely in the coming year.

Finally, we should be acutely aware of how COVID-19 has fundamentally changed risks relating to talent management, cybersecurity, and other key areas. Indeed, we must keep our stakeholders updated on changes, both stark and subtle, to risk management in all areas altered by the pandemic.

Strive for greater communication with the board. Another important development from the pandemic was a growing appreciation for alignment among key risk management players: the board, executive management, and internal audit. The abrupt and dire need for effective crisis management and business continuity exposed internal control weaknesses and communication breakdowns. But it likely also led to improved alignment and overall corporate governance as organizations adapted.

Critical to that improved alignment were open and frequent communications between internal audit and the board. Too often, internal audit's communication is limited to formal meetings with the audit committee or full board. That was an area of concern reflected in quick polls conducted by The IIA during the pandemic. While survey results showed increased frequency of risk assessment and audit plan updates, respondents didn't anticipate more frequent communications with the board.

In 2021, we must make it a priority to keep our stakeholders fully and currently informed.

Zealously tell internal audit's story. The need for independent risk management assurance has never been clearer as the threat of disruptive and fast-moving risks are as palpable as ever. This makes the value of what internal audit accomplished in 2020 and what is on the agenda for 2021 a compelling and powerful story. We must consistently and ardently articulate that value to our stakeholders. But data from OnRisk 2021: A Guide to Understanding, Aligning, and Optimizing Risk suggests this may be an uphill struggle. From the report:

> "Data from both qualitative and quantitative OnRisk 2021 surveys suggest that truly independent assurance is often lacking, and the sources of assurance are typically inconsistent. Leaders generally feel the level of assurance they are getting is satisfactory, regardless of where it comes from. However, this laissez-faire approach fails to address the value of an independent assurance assessment."

The value of independent and informed assurance must be part of our interactions with stakeholders.

As I note in my forthcoming book, *Agents of Change: Internal Auditors in an Era of Disruption,* we cannot labor in anonymity. We must create awareness about our mission, accomplishments, and potential. After all, "secret agents cannot be agents of change."

Set personal improvement goals. If the pandemic taught us anything, it is that dramatic change can happen in the blink of an eye. A year ago, few people could have imagined the tremendous loss to life and damage to livelihoods that the virus would inflict on billions of people around the world.

In a previous blog post, I noted that the isolation created in the work-from-home environment forced me to re-examine my own career status, and it changed my perspective on work-life balance. I'm certain most others have gone through the same soul-searching exercise. Now is the time to assess our physical, emotional, and career conditions and set clear goals for improving each.

Aspire to be agents of change. It is fascinating and somehow silly to think that the beginning of a New Year offers us a blank slate. In reality, of course, it is just another day. However, each New Year marks a milestone in our personal and career journeys. The passing of midnight on Dec. 31 brought into sharp relief the uncertainty and the promise of the coming year. It also served as a renewal of spirit and energy that drives our ambition and desires for greater things.

I encourage you to embrace this sense of anticipation and promise every day. Take this spirit and apply it to your daily interactions. Leverage the energy to innovate and improve your service to your organization. We should all strive to do more than just get through each day. We must consciously and deliberately see each day as an opportunity to make things better.

We must step up to the challenge of becoming agents of change.

As always, I look forward to your comments.

Comment on or "Subscribe" to this blog post.

Internal Auditor is pleased to provide you an opportunity to share your thoughts about these blog posts. Some comments may be reprinted elsewhere, online or offline.

Sorry, something went wrong.