



2013 Internal Audit Capabilities and Needs Survey Report

Assessing the Top Priorities for Internal Audit Functions

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Introduction

“IN THE STRUGGLE FOR SURVIVAL, THE FITTEST WIN OUT AT THE EXPENSE OF THEIR RIVALS BECAUSE THEY SUCCEED IN ADAPTING THEMSELVES BEST TO THEIR ENVIRONMENT.”

CHARLES DARWIN

The uncertainty raging in the current business environment is arising largely from change. Although change stems from multiple sources – transformational technologies such as social media as well as regulatory and rulemaking bodies, for example – it all seems to be coming at increasingly breakneck speeds.

Rapid changes in seemingly every corner of the enterprise pose new challenges for internal audit functions. Not only must internal audit departments keep pace by continually broadening and sharpening their understanding of new business developments, but they also must apply rigorous and systematic scrutiny to moving targets such as emerging risks, existing business processes that continue to evolve, as well as entirely new business processes forming as the result of external changes. Further, an ever-increasing set of regulatory and compliance requirements has internal audit expanding its scope and assurance responsibilities.

For example, how can a midsize company with nascent operations in Latin America, West Africa or the Far East ensure that its local sales teams do not succumb to bribery practices that may flourish in pockets of those geographies? How can a large multinational corporation be certain its customer data remains protected, even as it zips around the world in employees’ pockets? How does the audit committee of a fast-growing business know that its data center in Baton Rouge is safe from hackers on another continent?

These types of questions quickly find their way to chief audit executives (CAEs) and their teams. The evolving and risky nature of social media technology in organizations, which is the subject of a special section in the latest edition of Protiviti’s *Internal Audit Capabilities and Needs Survey*, crystallizes the sort of fast-moving change – and attendant uncertainty – that today’s internal auditors must address.

As we detail in our report, coping with uncertainty, responding to rapidly changing business processes and establishing more collaborative relationships with colleagues emerge as major themes in this year’s study. Among the key findings:

- **Social media remains a top concern.** Understanding social media applications is a critical priority for internal auditors in the coming year. This reflects both the rapidly expanding use of social media throughout the enterprise and the risks inherent in social media (a topic we cover in the special section of our report beginning on page 1). Of note, these same issues and risks apply to other emerging technologies that organizations are beginning to employ.
- **Changes from regulatory and rulemaking bodies are garnering attention.** Upcoming changes such as COSO’s updated Internal Control – Integrated Framework and recently enacted auditing standards from The Institute of Internal Auditors (IIA), such as Standards 1110, 2010.A1, 2010.A2 and 2450, are challenging internal auditors to keep pace with new requirements and resulting changes in auditing practices and processes.

- **The nature of fraud is changing – as are the ways internal auditors address it.** As companies rely more heavily on so-called “big data” – both internally and externally generated – to drive decision-making, new forms of fraud are targeting this information. Internal auditors recognize these new fraud risks and are looking to apply leading-edge techniques (e.g., data analytics and continuous monitoring) as part of their fraud prevention, detection and mitigation activities.
- **There is continued interest in leveraging technology-enabled auditing.** As in previous years of our study, data analysis tools, computer-assisted auditing tools, and continuous auditing and monitoring approaches rank as top areas in need of improvement for CAEs and internal audit professionals alike.
- **Internal auditors aim to think more strategically, collaborate more effectively.** The need to enhance strategic thinking capabilities and opportunities reflects the increasing regularity with which internal audit is being called on to share risk-related insight and analysis prior to strategic decisions being made. Other areas cited as in need of improvement, such as persuasion, negotiation and dealing with confrontation, demonstrate an understanding among internal auditors of the need to work closely with colleagues throughout the company to mitigate risks within increasingly complex and cross-functional business processes.

More than 1,000 respondents participated in this year’s study, including CAEs along with internal audit directors, managers and staff. These professionals rated more than 150 internal audit skill and knowledge areas in the study’s three standard categories – General Technical Knowledge, Audit Process Knowledge, and Personal Skills and Capabilities – and responded to questions in our special section, Social Media Risk and the Audit Process.

The internal audit executives and professionals who participated in our survey represent virtually all industry sectors. The largest segments are from manufacturing, financial services and healthcare. More than a third of respondents are with publicly traded companies, the others being from private, government and nonprofit organizations. (Please note that, upon request, we can provide customized reports based on the results of respondents from specific groups – industry, company size, etc.)

We are very appreciative of the time invested in this study by all of the respondents, as well as the positive feedback from the market about the survey findings and our insights. We are confident the results of this study will again be of interest to board members, chief executive officers, chief financial officers and chief information officers, along with the internal audit community. Based on feedback from these audiences, we will continue to update this annual study to reflect changes in the business and regulatory environments, as well as emerging trends affecting internal audit functions and professionals.

In closing, we want to express our appreciation to The IIA for sustaining and furthering its role as an outstanding global leader and advocate for our profession.

Protiviti
March 2013







Social Media Risk and the Audit Process

Key Findings

- Organizational social media use is rising and growing increasingly important from a risk management standpoint, yet formal processes for it remain a rarity.
- The evaluation and monitoring of social media risk is or will soon become a key part of audit plans.
- The precise nature of organizational social media risk is rapidly changing, which generates confusion as well as obstacles internal audit must recognize and address.

Every year, Protiviti’s *Internal Audit Capabilities and Needs Survey* includes a special section that takes an in-depth look at a new or emerging area of internal audit. This year we focus on social media – a timely and important category for internal auditors. (As detailed in the next section of this report, survey respondents identify social media applications as the top “Need to Improve” area in the General Technical Knowledge category – see page 10.)

Due to its rapidly growing use throughout the enterprise, social media risk management expertise has quickly become a must-have capability within most internal audit functions. This section of the survey was designed to:

- Generate a snapshot of social media usage and management in organizations;
- Identify the ways in which the audit process currently addresses (and will soon address) social media risk; and
- Pinpoint the key obstacles internal audit encounters as it refines its understanding, assessment and monitoring of social media risk.

Social Media Use on the Rise; Process in Infancy

Social media platforms and applications have been implemented rapidly by most organizations over the past two years. However, the precise nature of social media use within companies, along with its new and rapidly evolving nature, remains rife with uncertainty. New ways to utilize social media crop up weekly, and new social media tools seem to hit the market just as frequently.

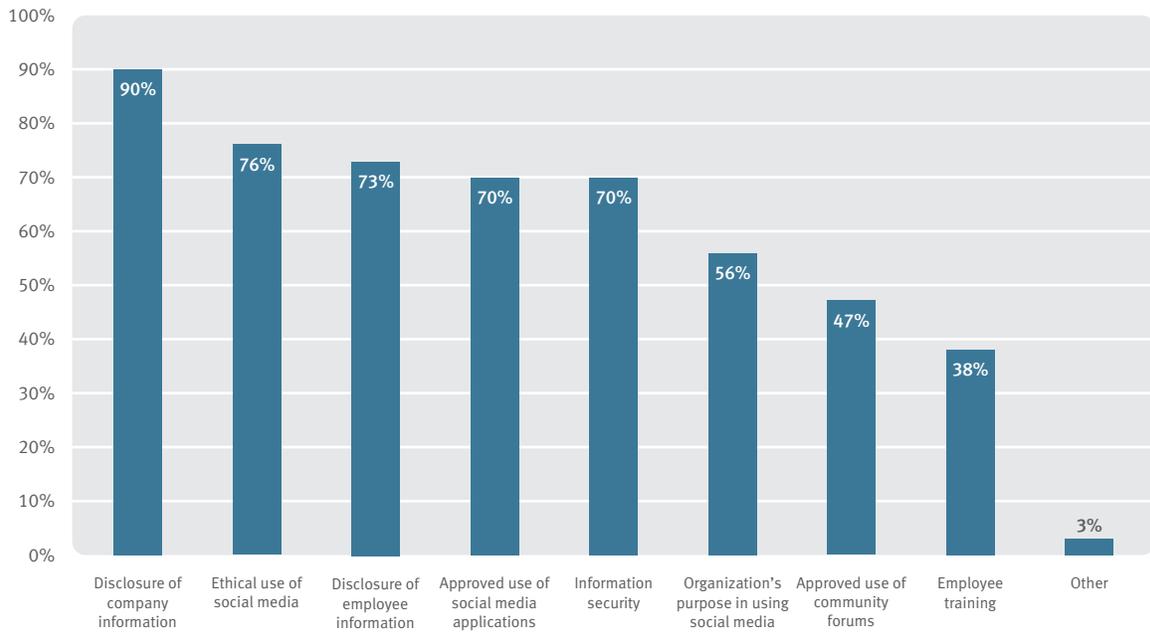
For internal auditors, the evolving use of social media within the enterprise presents significant challenges from a risk management standpoint. An initial step in addressing uncertainty surrounding social media risks involves gaining a better and clearer understanding of its use throughout the organization – and the degree to which that use is, or is not, governed by a formal strategy and social media policy.

How does your organization currently leverage social media technology for the following?			Does your organization have the following in place?		
Activity	Yes	No	Activity	Yes	No
External communication	64%	36%	Social media strategy	53%	47%
Internal communication	44%	56%	Social media policy	57%	43%

Among the notable survey findings in these areas (as detailed in the accompanying tables and charts):

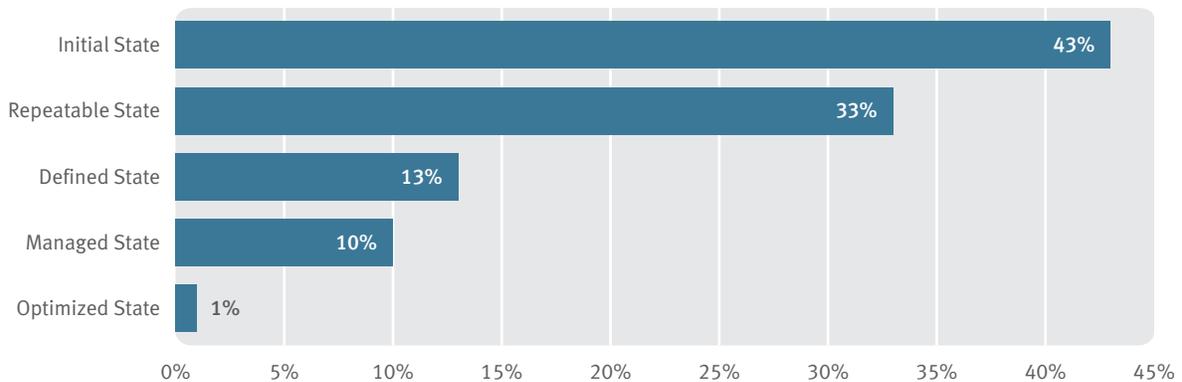
- 64 percent of companies leverage social media for external communication.
- 44 percent leverage social media for internal communication.
- Social media use may be on the rise, but formalized processes to manage it are in their infancy – 76 percent of respondents place the current state of their organization’s social media processes at one of the two lowest stages of a five-stage capability maturity model.

If your organization has a social media policy, which of the following areas does it address?*



* Multiple responses permitted

Using the following Capability Maturity Model (adapted from the Carnegie Mellon Institute), how would you rate the current state of your organization’s social media process?



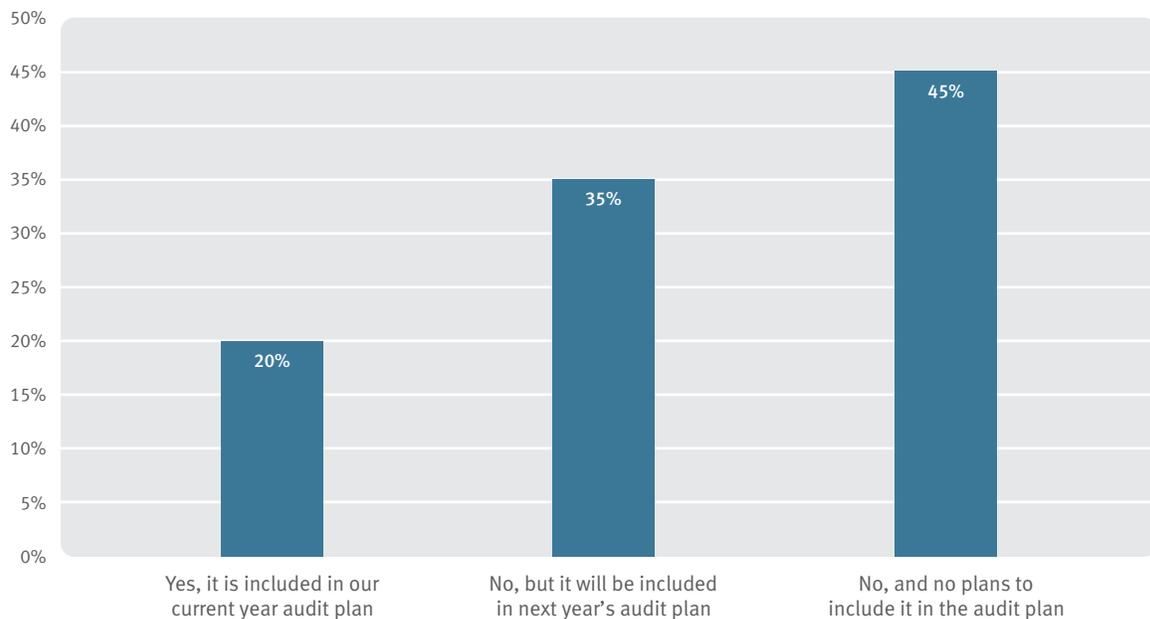
“SOCIAL MEDIA RISK ISN’T VERY HIGH ON OUR PRIORITY LIST, WITH OTHER RISKS BEING MORE SIGNIFICANT AND MITIGATING FACTORS IN PLACE THROUGH OUR MARKETING AND PR DEPARTMENT.”

CHIEF AUDIT EXECUTIVE, MIDSIZED TECHNOLOGY COMPANY

Addressing Social Media in the Audit Process

The survey results suggest that social media risk will soon be a part of most audit plans: 55 percent of respondents report that the evaluation and auditing of social media risk is either included in the current audit plan or will be included in next year’s audit plan.

Is evaluating and auditing social media risk part of your audit plan?



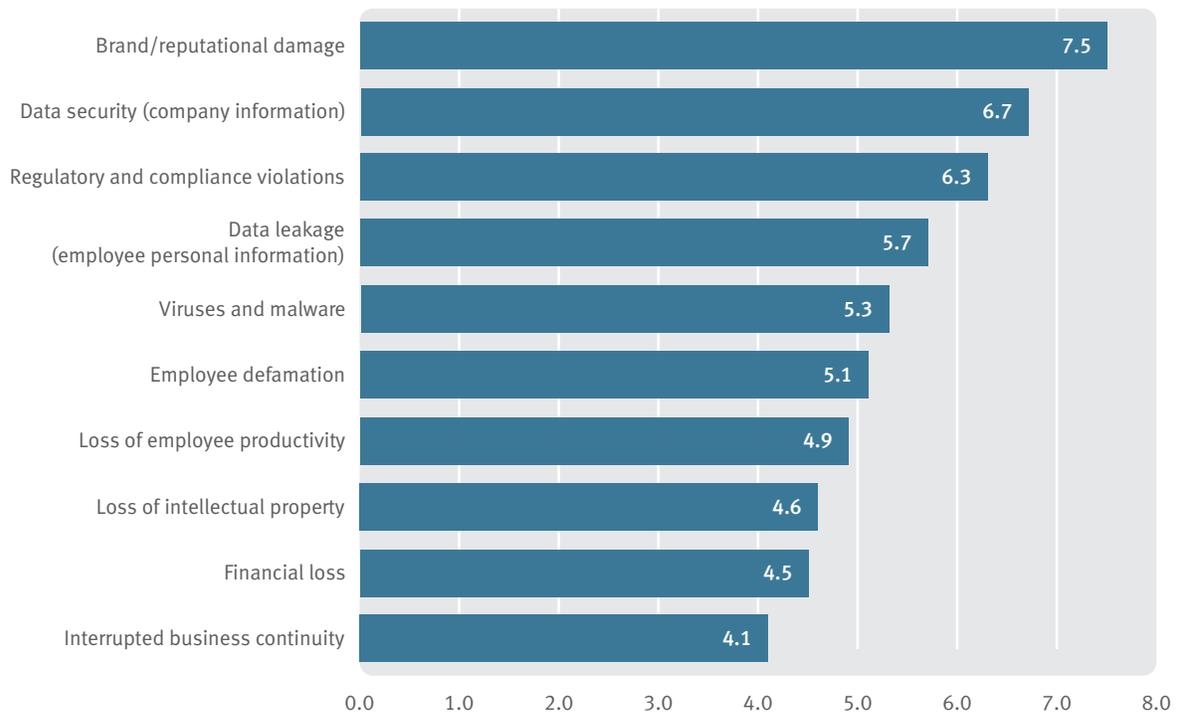
Internal audit professionals note a number of compelling reasons for integrating social media risk evaluations into the normal flow of their work. From a risk management perspective, internal auditors indicate that social media use poses the highest level of risk in the form of:

- Brand and/or reputational damage
- Data security
- Regulatory and compliance violations
- Data leakage
- Viruses and malware

“AS A FINANCIAL INSTITUTION, OUR BIGGEST SOCIAL MEDIA RISKS RELATE TO ACCIDENTALLY MENTIONING SOMEONE’S PERSONAL INFORMATION OR UPSETTING SOMEONE [WHO THEN USES] SOCIAL MEDIA TO VENT ABOUT US.”

CHIEF AUDIT EXECUTIVE, SMALL FINANCIAL SERVICES INSTITUTION

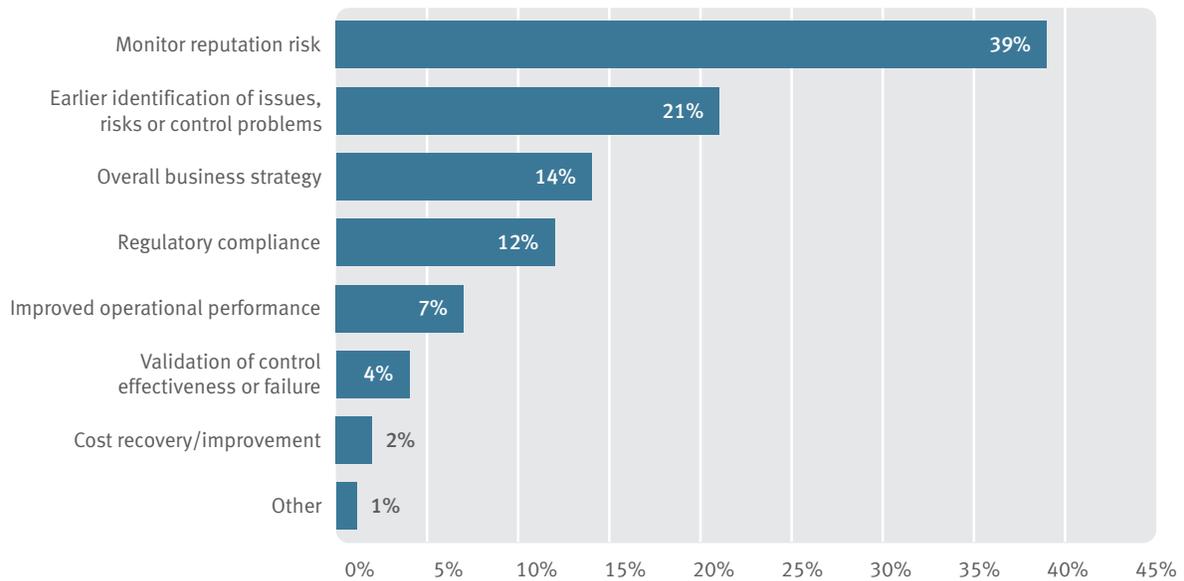
On a scale of 1 to 10, with 10 representing the highest risk level and 1 indicating the lowest risk level, please rate the level of social media risk that each of the following areas poses to your organization.



Of note, survey respondents whose organizations currently address social media risk indicate that doing so generates value. The four greatest sources of value from social media risk management include:

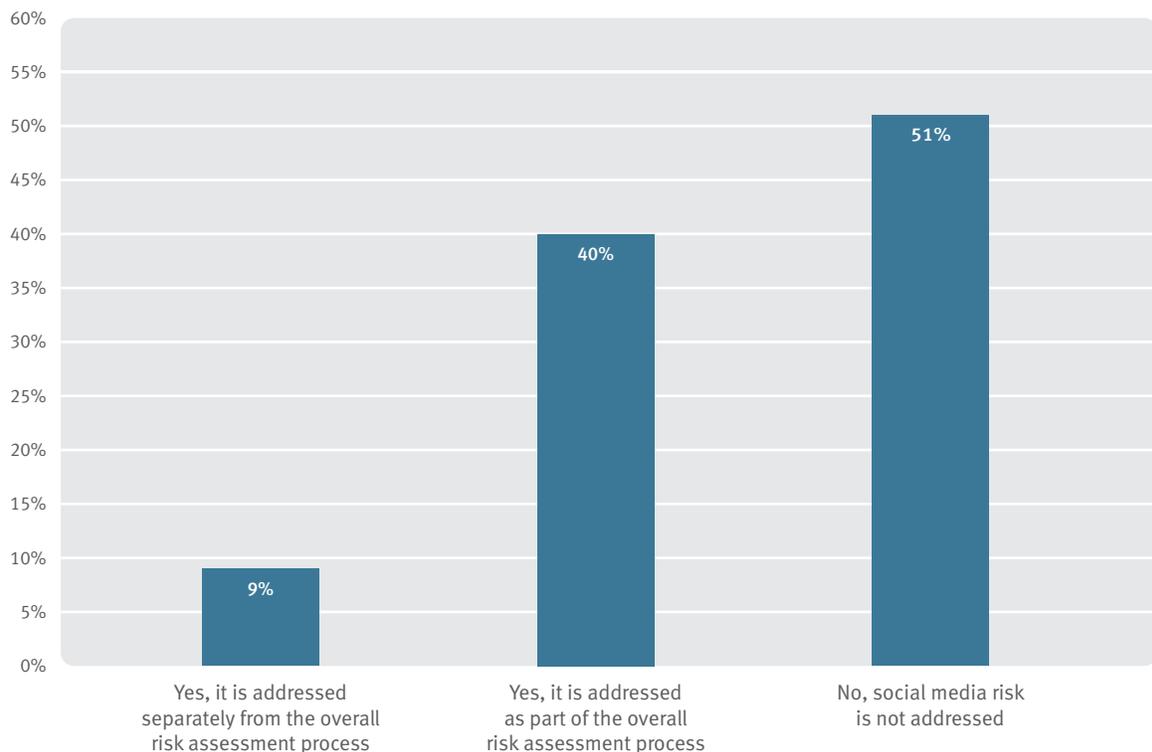
- Monitoring of reputation risk
- Earlier identification of issues, risks or control problems
- Improvements to overall business strategy
- Stronger regulatory compliance

Where do you currently perceive the greatest value for addressing social media risk to your organization?



Although just one out of five respondents reported that their current audit plan calls for evaluating social media risk, 49 percent said their organization currently addresses social media in risk assessment processes. This assessment work requires a high degree of collaboration across numerous functions and business units.

Does your organization address social media in its risk assessment process?



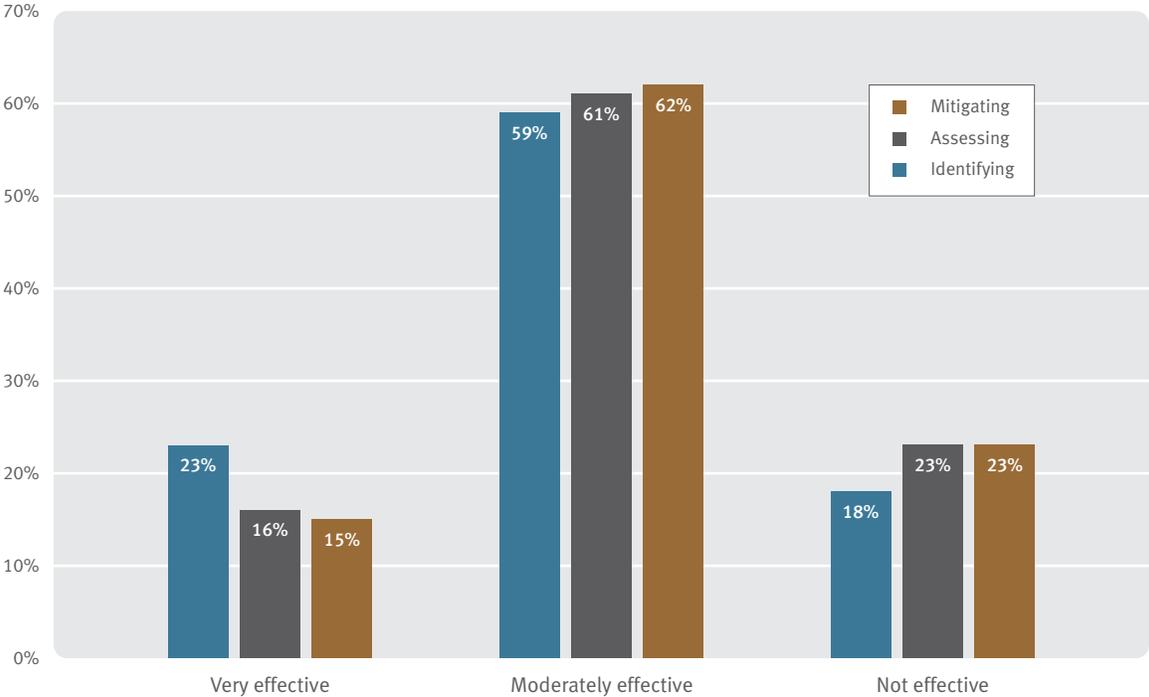
According to the survey results, the functions of the company that play the most significant role in the assessment of social media risk include:

- Information technology
- Management and/or process owners
- Executive management
- Internal audit
- Line of business executives

Social Media Risk Management Obstacles

When asked to describe the effectiveness of their function’s and their organization’s management of social media risk, respondents appeared a bit uncertain. Such uncertainty can be mitigated by addressing the obstacles currently inhibiting internal audit’s involvement in the assessment of social media risk.

How effective is your organization at identifying/assessing/mitigating social media risk to an acceptable level?



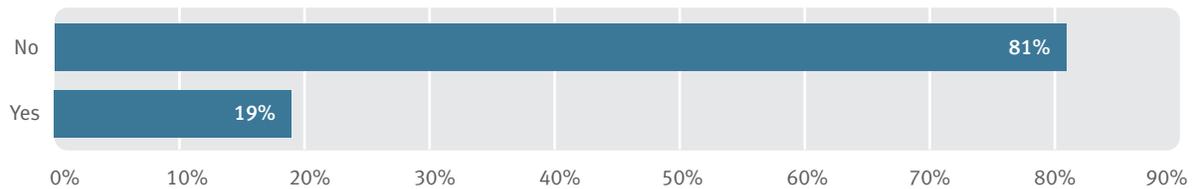
“I AM NOT SURE EVERYONE IS TRAINED TO UNDERSTAND THE RISKS OF SOCIAL MEDIA.”

DIRECTOR OF AUDITING, MIDSIZE HOSPITALITY COMPANY

As noted previously, a majority of respondents reported their social media processes as relatively immature. Additionally, 45 percent indicated their organization does not evaluate social media risk as part of the audit plan (and has no plans to do so), and 84 percent of respondents rated their organization’s social media risk-assessment capability as “not effective” or just “moderately effective.”

At the same time, the results suggest internal audit functions possess sufficient resources and skills to address social media risk.

Are there specific areas of social media risk that you are not able to address sufficiently in your audit plan due to lack of resources/skills?



So, why aren’t more internal audit functions achieving greater levels of success integrating social media risk management processes and activities into their work?

The answer points to several obstacles that require attention. The first, and perhaps overarching, obstacle is clarity: 81 percent of respondents indicated that their internal audit functions possess sufficient resources and skills to address social media risk, yet they also identified “inadequately trained staff” as the top inhibitor of internal audit’s deeper involvement in assessing social media risk.

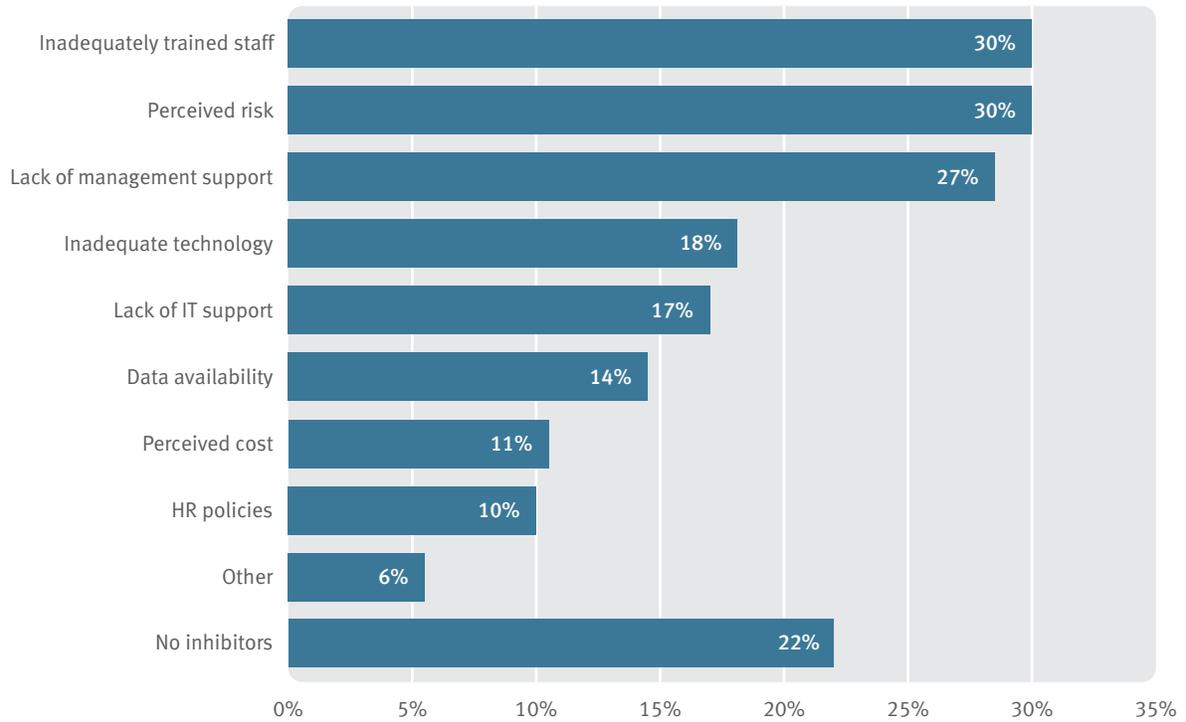
This confusion can be eliminated by developing a more effective understanding of the skills that social media risk identification, assessment and mitigation require; namely, intensive internal collaboration (with IT, executive management, business process owners and more) as well as with external experts.

Armed with this understanding, internal audit can more effectively address other inhibitors, including but not limited to confusing perceptions of social media risk throughout the organization, lack of management support, inadequate technology, and lack of IT support.

“LACK OF TIME TO MONITOR SOCIAL MEDIA RISK IS AN ISSUE – OUR TEAM IS TOO LEAN TO ADDRESS THIS NEW RISK.”

CHIEF AUDIT EXECUTIVE, LARGE MANUFACTURING COMPANY

What inhibits internal audit's involvement in assessing social media risk?*



* Multiple responses permitted



General Technical Knowledge

Key Findings

- Due to their highly dynamic, new and potentially risky nature, social media applications rank as the top technical knowledge area in need of improvement.
- Internal audit functions view several recently enacted auditing standard areas as top priorities – likely in preparation for the upcoming release of COSO’s updated Internal Control – Integrated Framework.
- The use of data analysis technologies (applications that can extract actionable insights from an organization’s growing trove of big data) is a key priority.
- Other notable priorities include fraud detection and prevention as well as addressing risks related to cloud computing.

Overall Results, General Technical Knowledge		
“Need to Improve” Rank	Areas Evaluated by Respondents	Competency (5-pt. scale)
1	Social media applications	2.7
2 (tie)	Recently enacted IIA Standard – Functional Reporting Interpretation (Standard 1110)	3.1
	Recently enacted IIA Standards – Audit Opinions and Conclusions (Standards 2010.A2 and 2410.A1)	3.1
3 (tie)	GTAG 16 – Data Analysis Technologies	2.8
	Recently enacted IIA Standard – Overall Opinions (Standard 2450)	3.1
	Cloud computing	2.7
4 (tie)	The Guide to the Assessment of IT Risk (GAIT)	2.7
	GTAG 13 – Fraud Prevention and Detection in an Automated World	2.8
	ISO 27000 (information security)	2.4
	COSO Internal Control Framework (DRAFT 2012 version)	2.9
5 (tie)	Practice Guide – Assessing the Adequacy of Risk Management	3.0
	GTAG 6 – Managing and Auditing IT Vulnerabilities	2.8
	Fraud risk management	3.4

Respondents were asked to assess, on a scale of one to five, their competency in 51 areas of technical knowledge important to internal audit, with one being the lowest level of competency and five being the highest. For each area, they were then asked to indicate whether they believe their level of knowledge is adequate or requires improvement, taking into account the circumstances of their

“MANAGEMENT APPEARS TO HAVE NEITHER AN APPRECIATION NOR A POLICY FRAMEWORK IN PLACE TO ADDRESS SOCIAL MEDIA RISK.”

CHIEF AUDIT EXECUTIVE, SMALL HEALTHCARE COMPANY

organization and industry. (For the areas of knowledge under consideration, see pages 12-13.) Figure 1 depicts a comparison of “Need to Improve” versus “Competency” ratings in a General Technical Knowledge landscape.

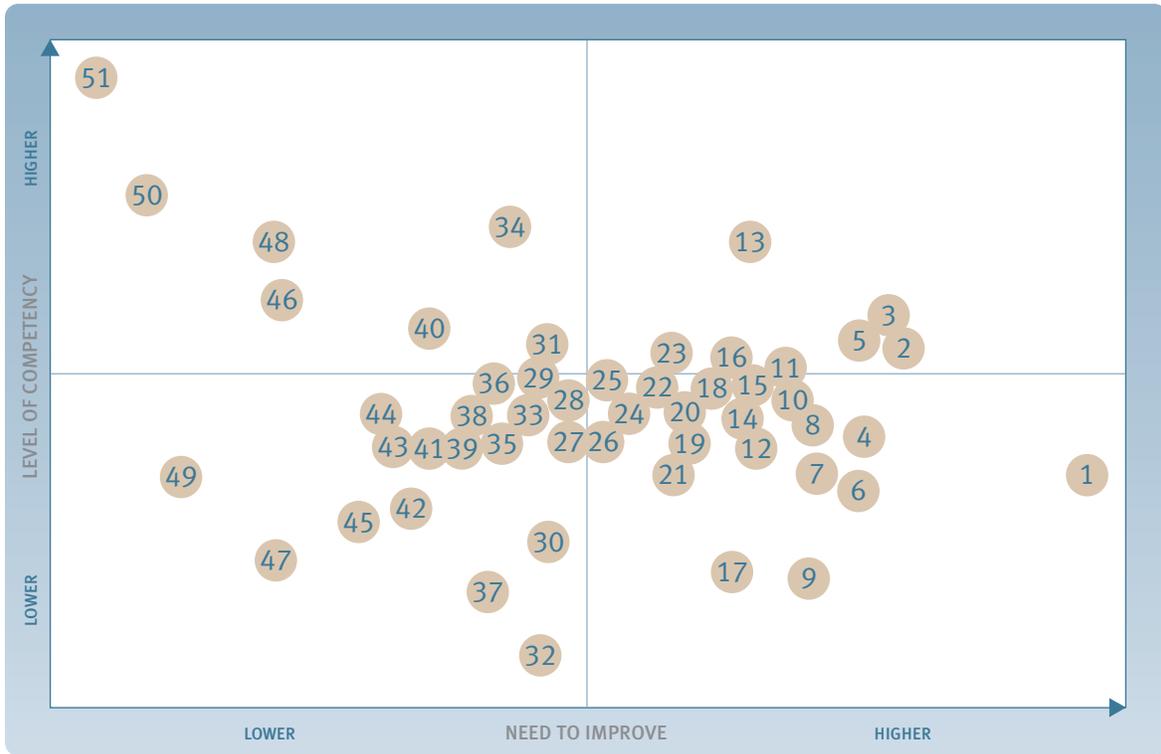
Similar to results from our 2012 survey, social media applications remain a top concern for internal auditors in all industries. The use of these applications within enterprises is not new; many organizations began using various forms of social media as long as four to five years ago (though widespread use began in the past two years). The highly dynamic nature of social media offers many new and promising opportunities for organizations, but it also presents a host of new security, privacy, legal and reputation risks for internal audit to recognize, understand and monitor. Applying a rigorous and regimented process for identifying and monitoring social media-related risks remains a difficult and continually changing challenge for the internal audit function. Meeting such a challenge requires effective collaboration with business partners throughout the company to ensure that appropriate social media usage policies are developed, constantly updated, understood and adhered to by employees.

Other, similarly dynamic knowledge areas inside and outside the enterprise also figure as top “Need to Improve” areas for internal auditors. Internally, harvesting big data to strengthen numerous business processes, including those in the internal audit function, remains a key challenge. By increasing their knowledge and use of data analysis technologies (via guidance provided in The IIA’s GTAG 16, for example), internal auditors can provide assurance more effectively – and efficiently.

Cloud computing represents another internal area of significant focus. Cloud platforms and applications create new risks that internal audit must – in partnership with executive management and business owners – identify, assess, monitor and mitigate appropriately.

Externally, the updated Internal Control – Integrated Framework from the Committee of Sponsoring Organizations of the Treadway Commission (COSO) is expected to be released in final form this year. The exact scope of these changes is unknown, but the revised framework is looming large for most internal audit functions. Leading up to the unveiling of the updated framework, internal auditors are looking to increase their knowledge and understanding of several recently enacted standards from The IIA (e.g., Standards 1110, 2010.A2, 2410.A1 and 2450) while also looking to improve their fraud prevention and detection knowledge.

Figure 1: General Technical Knowledge – Perceptual Map



Number	General Technical Knowledge	Number	General Technical Knowledge
1	Social media applications	15	IT governance
2	Recently enacted IIA Standard – Functional Reporting Interpretation (Standard 1110)	16	Practice Guide – Measuring Internal Audit Effectiveness and Efficiency
3	Recently enacted IIA Standards – Audit Opinions and Conclusions (Standards 2010.A2 and 2410.A1)	17	ISO 31000 (risk management)
4	GTAG 16 – Data Analysis Technologies	18	GTAG 3 – Continuous Auditing
5	Recently enacted IIA Standard – Overall Opinions (Standard 2450)	19	GTAG 5 – Managing and Auditing Privacy Risks
6	Cloud computing	20	GTAG 12 – Auditing IT Projects
7	The Guide to the Assessment of IT Risk (GAIT)	21	GTAG 14 – Auditing User-developed Applications
8	GTAG 13 – Fraud Prevention and Detection in an Automated World	22	GTAG 15 – Information Security Governance
9	ISO 27000 (information security)	23	Practice Guide – Auditing the Control Environment
10	COSO Internal Control Framework (DRAFT 2012 version)	24	GTAG 4 – Management of IT Auditing
11	Practice Guide – Assessing the Adequacy of Risk Management	25	GTAG 8 – Auditing Application Controls
12	GTAG 6 – Managing and Auditing IT Vulnerabilities	26	GTAG 2 – Change and Patch Management Controls
13	Fraud risk management	27	GTAG 7 – IT Outsourcing
14	GTAG 17 – Auditing IT Governance	28	GTAG 11 – Developing the IT Audit Plan

29	GTAG 9 – Identity and Access Management	41	International Financial Reporting Standards (IFRS)
30	ISO 9000 (quality management and quality assurance)	42	Practice Advisory 1312-3 – Independence of External Assessment Team in the Private Sector
31	GTAG 10 – Business Continuity Management	43	Extensible business reporting language (XBRL)
32	ISO 14000 (environmental management)	44	Country-specific enterprise risk management framework
33	COBIT	45	Practice Advisory 1312-4 – Independence of the External Assessment Team in the Public Sector
34	COSO Enterprise Risk Management Framework	46	FASB Accounting Standards Codification™
35	Practice Guide – Assisting Small Internal Audit Activities in Implementing the International Standards for the Professional Practice of Internal Auditing	47	Evaluating executive compensation risk of Regulation S-K
36	GTAG 1 – Understanding IT Controls	48	Corporate social responsibility
37	Six Sigma	49	Board risk oversight (SEC Item 407(h) of Regulation S-K)
38	Reporting on Controls at a Service Organization – SSAE 16/AU 324 (replaces SAS 70)	50	COSO Internal Control Framework (1992 version)
39	Practice Advisory 2050-3 – Relying on the Work of Other Assurance Providers	51	Standards for the Professional Practice of Internal Auditing (IIA Standards)
40	Fair value accounting		

Key Questions to Consider

- Do your organization and your internal audit function conduct ongoing assessments of potential risks related to the use of new and existing social media applications?
- Does the organization have a social media strategy supported by a social media policy? Does internal audit play a central role in monitoring and ensuring compliance with this policy?
- Are there opportunities to deploy new applications to monitor employees’ and the organization’s social media activities?
- Are you keeping apprised of current and relevant GTAG standards?
- To what extent is your function prepared to address, in an agile and proactive manner, forthcoming changes to the COSO Internal Control – Integrated Framework?
- Is your and your function’s knowledge of data analysis technologies sufficient to review and deploy data analysis applications that can greatly strengthen the breadth and efficiency of internal audit’s work?
- Can new data analysis and continuous monitoring tools be used to fortify fraud prevention and detection efforts?
- As more cloud solutions are deployed, is internal audit maintaining a clear understanding of cloud-associated risks and how they should be managed?

Overall Results, General Technical Knowledge – Three-Year Comparison		
2013	2012	2011
Social media applications	Social media applications	IFRS GTAG 13 – Fraud Prevention and Detection in an Automated World
Recently enacted IIA Standard – Functional Reporting Interpretation (Standard 1110)	Cloud computing	ISO 31000
Recently enacted IIA Standards – Audit Opinions and Conclusions (Standards 2010.A2 and 2410.A1)		
GTAG 16 – Data Analysis Technologies	GTAG 13 – Fraud Prevention and Detection in an Automated World	Penalties in Administrative Proceedings (§ 929P)
Recently enacted IIA Standard – Overall Opinions (Standard 2450)		
Cloud computing		
The Guide to the Assessment of IT Risk (GAIT)	Fraud risk management	Six Sigma
GTAG 13 – Fraud Prevention and Detection in an Automated World		
ISO 27000 (information security)		
COSO Internal Control Framework (DRAFT 2012 version)		
Practice Guide – Assessing the Adequacy of Risk Management	GTAG 16 – Data Analysis Technologies	Hedging by Employees and Directors (§ 955)
GTAG 6 – Managing and Auditing IT Vulnerabilities		
Fraud risk management		GTAG 15 – Information Security Governance

Focus on Results by Company Size

Social media applications rank among the top three priorities for companies regardless of size, an indicator that the use of these tools requires more rigorous control and more consistent risk monitoring. Internal auditors within midsize companies express a slightly greater need to improve their knowledge of recently enacted IIA Standards.

Company Size Results, General Technical Knowledge		
Small < US\$1B	Medium US\$1B-9B*	Large ≥ US\$10B
Social media applications	Recently enacted IIA Standard – Functional Reporting Interpretation (Standard 1110)	Social media applications
GTAG 16 – Data Analysis Technologies	Recently enacted IIA Standards – Audit Opinions and Conclusions (Standards 2010.A2 and 2410.A1)	Practice Guide – Measuring Internal Audit Effectiveness and Efficiency
IT governance	Recently enacted IIA Standard – Overall Opinions (Standard 2450)	Recently enacted IIA Standards – Audit Opinions and Conclusions (Standards 2010.A2 and 2410.A1)
	Social media applications	Recently enacted IIA Standard – Overall Opinions (Standard 2450) Practice Guide – Assessing the Adequacy of Risk Management
The Guide to the Assessment of IT Risk (GAIT)	Cloud computing	ISO 27000 (information security)
GTAG 13 – Fraud Prevention and Detection in an Automated World	ISO 31000 (risk management)	GTAG 3 – Continuous Auditing
		GTAG 14 – Auditing User-developed Applications
		The Guide to the Assessment of IT Risk (GAIT)

* Upon request, Protiviti can provide additional reporting in this broad category.

Focus on Chief Audit Executives

The responses from CAEs are consistent with the overall results; it is important to note that social media applications rank as the highest “Need to Improve” area among internal audit leadership.

CAE Results, General Technical Knowledge		
“Need to Improve” Rank	Areas Evaluated by Respondents	Competency (5 pt. scale)
1	Social media applications	2.7
2	Recently enacted IIA Standard – Functional Reporting Interpretation (Standard 1110)	3.2
3	COSO Internal Control Framework (DRAFT 2012 version)	3
4	Recently enacted IIA Standards – Audit Opinions and Conclusions (Standards 2010.A2 and 2410.A1)	3.2
5 (tie)	Cloud computing	2.7
	ISO 27000 (information security)	2.5

Key Questions for CAEs:

- Are expectations of how IT risks are managed and monitored consistent among the CAE, CIO and all other C-suite and business unit executives?
- Is there a sufficient level of awareness – inside the IT function as well as throughout the entire organization – of the risks that social media applications pose?
- Does the internal audit function recognize the importance of vigilantly monitoring risks related to the introduction of other new technologies – such as cloud computing, mobile commerce and smart devices – via the IT function as well as new channels (e.g., individual employees and the marketing function)?
- Do your C-level executives know the potential technology risks your organization faces, specifically those related to the deployment and/or use of newer technologies?
- Does the internal audit function conduct a specific IT audit risk assessment when formulating the overall audit plan?
- Are social media risk evaluations included in the audit plan?
- Does the internal audit function possess the expertise necessary to monitor and manage new and emerging technology risks effectively?

- Does your internal audit department have a process for remaining current on the growing number of regulatory changes as well as changes related to auditing, risk management, and related rules and guidelines?
- Does the level of collaboration among internal audit and the rest of the organization foster effective relationships during auditing and advisory activities as well as an ongoing two-way dialogue?

CAE Results, General Technical Knowledge – Three-Year Comparison		
2013	2012	2011
Social media applications	Social media applications	IFRS
Recently enacted IIA Standard – Functional Reporting Interpretation (Standard 1110)	Cloud computing	GTAG 13 – Fraud Prevention and Detection in an Automated World
COSO Internal Control Framework (DRAFT 2012 version)	GTAG 13 – Fraud Prevention and Detection in an Automated World	Penalties in Administrative Proceedings (§ 929P)
		Hedging by Employees and Directors (§ 955)
Recently enacted IIA Standards – Audit Opinions and Conclusions (Standards 2010.A2 and 2410.A1)	GTAG 16 – Data Analysis Technologies	GTAG 14 – Auditing User-developed Applications
		GTAG 15 – Information Security Governance
Cloud computing	IFRS	GTAG 3 – Continuous Auditing
ISO 27000 (information security)		GTAG 12 – Auditing IT Projects



Audit Process Knowledge

Key Findings

- Areas of fraud risk management, including detection, monitoring, prevention and investigation, rank as top priorities for internal audit executives and professionals.
- Data analysis tools and CAATs continue to be key areas in need of improvement.

Overall Results, Audit Process Knowledge		
“Need to Improve” Rank	Areas Evaluated by Respondents	Competency (5-pt. scale)
1 (tie)	Data analysis tools – data manipulation	3.3
	Fraud – monitoring	3.4
2 (tie)	Auditing IT – new technologies	2.9
	Fraud – fraud risk assessment	3.4
3 (tie)	Data analysis tools – statistical analysis	3.3
	Fraud – fraud detection/investigation	3.4
4 (tie)	Fraud – management/prevention	3.5
	Computer-assisted audit tools (CAATs)	3.1
5	Data analysis tools – sampling	3.4

Overall Findings

Respondents were asked to assess, on a scale of one to five, their competency in 42 areas of audit process knowledge, with one being the lowest level of competency and five being the highest. For each area, they were then asked to indicate whether they believe their level of knowledge is adequate or requires improvement, taking into account the circumstances of their organization and industry. (For the areas of knowledge under consideration, see pages 20-21.) Figure 2 depicts a comparison of “Need to Improve” versus “Competency” ratings in an Audit Process Knowledge landscape.

This marks the fourth consecutive year in which internal audit executives and professionals participating in this survey identified data analysis tools and CAATs as top “Need to Improve” areas. This is not surprising when considering that an increasing number of organizations continue to assess how to manage and control their big data. Internal audit is playing a key role in working with management to assess and manage big data-related risks. Specifically, internal auditors must audit processes related to big data, such as data governance, classification and retention. At the same time, internal auditors are users of big data through their continuous auditing, continuous monitoring and data analytics-related activities.

Among the possible reasons why CAATs and data analysis tools consistently rank as top “Need to Improve” competencies in the survey:

- Developing and using data analytics requires a strong commitment as well as dedicated resources – this can be difficult for some internal audit shops to achieve, even though they understand the benefits.

- Many internal audit functions lack the necessary skills, or individuals with those skills are otherwise deployed.
- Company systems are too diverse and thus are not ideally suited to generating effective data analytics.

This year’s findings also include a familiar but newly important area of priority: fraud. The need to improve fraud risk assessment and monitoring – while continuing to improve auditing technologies and CAATs – points to the changing nature of fraud. As organizational use and dependence on information systems and the big data within these systems increase, fraudulent activity necessarily grows more technologically sophisticated. To keep pace in both preventing and detecting this type of fraud, internal auditors need to apply more sophisticated techniques and tools themselves.

The sustained drive to improve the use of CAATs and to apply new data analysis tools to auditing activities comes amid an ongoing evolution in the internal audit profession from manual, time-intensive auditing toward technology-enabled auditing practices. These leading, technology-aided processes facilitate reviews of virtually every transaction and piece of data on a continuing basis.

Figure 2: Audit Process Knowledge – Perceptual Map



Number	Audit Process Knowledge	Number	Audit Process Knowledge
1	Data analysis tools – data manipulation	5	Data analysis tools – statistical analysis
2	Fraud – monitoring	6	Fraud – fraud detection/investigation
3	Auditing IT – new technologies	7	Fraud – management/prevention
4	Fraud – fraud risk assessment	8	CAATs

9	Data analysis tools – sampling	26	Auditing IT – computer operations
10	Fraud – auditing	27	Operational auditing – cost effectiveness/ cost reduction
11	Quality Assurance and Improvement Program (IIA Standard 1300) – Ongoing Reviews (IIA Standard 1311)	28	Auditing IT – change control
12	Quality Assurance and Improvement Program (IIA Standard 1300) – Periodic Reviews (IIA Standard 1311)	29	Operational auditing – effectiveness, efficiency and economy of operations approach
13	Fraud – fraud risk	30	Presenting to the audit committee
14	Assessing risk – emerging issues	31	Resource management (hiring, training, managing)
15	Enterprisewide risk management	32	Assessing risk – process, location, transaction level
16	Statistically based sampling	33	Presenting to senior management
17	Quality Assurance and Improvement Program (IIA Standard 1300) – External Assessment (IIA Standard 1312)	34	Report writing
18	Continuous auditing	35	Operational auditing – risk-based approach
19	Continuous monitoring	36	Assessing risk – entity level
20	Auditing IT – security	37	Planning audit strategy
21	Marketing internal audit internally	38	Developing recommendations
22	Auditing IT – program development	39	Interviewing
23	Self-assessment techniques	40	Audit planning – entity level
24	Auditing IT – continuity	41	Audit planning – process, location, transaction level
25	Top-down, risk-based approach to assessing internal control over financial reporting	42	Conducting opening/closing meetings

Key Questions to Consider:

- Does your internal audit function, and the organization as a whole, recognize the value that continuous auditing, continuous monitoring, and other data-analytics tools and capabilities bring to the internal control environment (and to internal audit’s advisory capabilities)?
- What CAATs and data-analytics tools does your internal audit function currently utilize? Are there opportunities to upgrade existing tools and/or add new tools in a way that will increase the effectiveness and cost-efficiency of internal audit’s work?
- To what degree are management and business process owners involved in continuous auditing and continuous monitoring efforts, and where are there opportunities to strengthen this collaboration?
- To what degree do existing fraud prevention, detection, monitoring and investigation activities address your organization’s specific data- and information-related fraud risks?
- Does the organization sufficiently leverage data analysis and technology-enabled audits to prevent, detect, monitor and investigate fraud, as well as to ensure compliance with applicable laws and regulations?

Overall Results, Audit Process Knowledge – Three-Year Comparison		
2013	2012	2011
Data analysis tools – data manipulation	Continuous auditing	Continuous auditing
Fraud – monitoring		
Auditing IT – new technologies	CAATs	CAATs
Fraud – fraud risk assessment		
Data analysis tools – statistical analysis	Continuous monitoring	Data analysis tools – statistical analysis
Fraud – fraud detection/investigation		
Fraud – management/prevention	Data analysis tools – data manipulation	Data analysis tools – data manipulation
CAATs		
Data analysis tools – sampling	Data analysis tools – statistical analysis	Auditing IT – program development

Focus on Results by Company Size

The prioritization of data analysis tools, CAATs and fraud-related auditing activities is consistent across companies of all sizes. It is noteworthy that internal audit professionals at midsize companies rank quality assurance and improvement programs as well as ongoing reviews (related to IIA Standards 1300 and 1311, respectively) as higher “Need to Improve” priorities than their counterparts at small and large organizations.

Company Size Results, Audit Process Knowledge		
Small < US\$1B	Medium US\$1B-9B*	Large ≥ US\$10B
Auditing IT – new technologies	Fraud – monitoring	Data analysis tools – statistical analysis
Data analysis tools – data manipulation	Fraud – fraud risk assessment	Data analysis tools – sampling
Auditing IT – security	Fraud – management/prevention	Auditing IT – new technologies
Fraud – fraud risk assessment	Fraud – fraud detection/investigation	Continuous auditing
CAATs		Statistically based sampling
Data analysis tools – statistical analysis	Quality Assurance and Improvement Program (IIA Standard 1300) – Ongoing Reviews (IIA Standard 1311)	CAATs
		Fraud – fraud detection/investigation

* Upon request, Protiviti can provide additional reporting in this broad category.

Focus on Chief Audit Executives

Feedback from CAEs in the survey mirrors the overall response. Clearly, data analysis tools, continuous auditing and monitoring, and fraud prevention are top priorities for internal audit functions in 2013.

CAE Results, Audit Process Knowledge		
“Need to Improve” Rank	Areas Evaluated by Respondents	Competency (5-pt. scale)
1	Data analysis tools – data manipulation	3.2
2	Auditing IT – new technologies	3.1
3	Data analysis tools – sampling	3.4
4 (tie)	CAATs	3.3
	Data analysis tools – statistical analysis	3.3
5	Fraud – fraud risk assessment	3.7

Key Questions for CAEs:

- Are there processes in place to determine whether the internal audit function’s fraud risk management capability is current and sufficiently robust given the organization’s ever-increasing supply of data and its growing reliance on internal and external data?
- Does the internal audit function maintain an ongoing awareness of new (and often data- and information-related) fraud risks?
- Are the adoption, use and ongoing management of CAATs and data analysis tools by the internal audit function governed by an overarching strategy or philosophy?
- Do executive management, the board and leaders throughout the business understand the value of CAATs and data analysis tools that the internal audit function employs to strengthen its contributions to the business?
- Does the internal audit function have processes in place to monitor (and improve when necessary) new and existing auditing technology?
- Does the internal audit function have processes in place to monitor (and improve when necessary) the level of auditing-technology training that internal auditors receive?
- Does your internal audit function have access to qualified resources from other departments (and, in some cases, external service providers) to audit complex and critical IT-related areas?

“AS AUDITORS, ANYONE WHO STATES THEY DO NOT NEED IMPROVEMENT IN TECHNOLOGY AND INTERNAL CONTROLS IS IN DENIAL. THESE AREAS CHANGE TOO QUICKLY TO BECOME COMFORTABLE.”

CHIEF AUDIT EXECUTIVE, SMALL HOSPITALITY ORGANIZATION

CAE Results, Audit Process Knowledge – Three-Year Comparison		
2013	2012	2011
Data analysis tools – data manipulation	CAATs	Continuous auditing
Auditing IT – new technologies	Continuous auditing	Data analysis tools – statistical analysis
		Data analysis tools – data manipulation
		CAATs
Data analysis tools – sampling	Data analysis tools – data manipulation	Data analysis tools – sampling
CAATs	Continuous monitoring	Auditing IT – computer operations
Data analysis tools – statistical analysis		
Fraud – fraud risk assessment	Data analysis tools – statistical analysis	Fraud – monitoring



Personal Skills and Capabilities

Key Findings

- Dealing with confrontation, negotiation, persuasion, high-pressure meetings and presenting (public speaking) rank as the top areas in need of improvement.
- These priorities suggest that internal audit seeks to become a more collaborative, proactive and strategic function for their organizations.

Overall Results, Personal Skills and Capabilities		
“Need to Improve” Rank	Areas Evaluated by Respondents	Competency (5-pt. scale)
1	Dealing with confrontation	3.5
2 (tie)	Negotiation	3.4
	Persuasion	3.5
3 (tie)	High-pressure meetings	3.5
	Presenting (public speaking)	3.5
4	Strategic thinking	3.8
5 (tie)	Developing other board committee relationships	3.2
	Using/mastering new technology and applications	3.6
	Leadership (within the internal audit profession)	3.5
	Time management	3.7

Respondents were asked to assess, on a scale of one to five, their competency in 19 areas of personal skills and capabilities, with one being the lowest level of competency and five being the highest. For each area, respondents were then asked to indicate whether they believe their level of knowledge is adequate or requires improvement, taking into account the circumstances of their organization and industry. (For the areas of knowledge under consideration, see page 27.) Figure 3 depicts a comparison of “Need to Improve” versus “Competency” ratings in a Personal Skills and Capabilities landscape.

Figure 3: Personal Skills and Capabilities – Perceptual Map



Number	Personal Skills and Capabilities	Number	Personal Skills and Capabilities
1	Dealing with confrontation	11	Developing outside contacts/networking
2	Negotiation	12	Developing audit committee relationships
3	Persuasion	13	Creating a learning internal audit function
4	High-pressure meetings	14	Leadership (within your organization)
5	Presenting (public speaking)	15	Coaching/mentoring
6	Strategic thinking	16	Developing rapport with senior executives
7	Developing other board committee relationships	17	Leveraging others' expertise
8	Using/mastering new technology and applications	18	Change management
9	Leadership (within the internal audit profession)	19	Presenting (small groups)
10	Time management		

The personal skills and capabilities internal auditors view as key areas in need of improvement this year reflect the functional and strategic challenges they confront. The transformative nature of social media in the enterprise along with ongoing economic volatility and the ever-quicken pace of business change appear to be motivating internal auditors to strengthen their relationships with the rest of the organization. Dealing with confrontation, negotiation, persuasion, high-pressure meetings and presenting (public speaking) each represents a way of improving working relationships and heightening credibility with other parts of the business.

Due to the increasingly complex and integrated nature of business and internal business processes, fewer companies can afford the inefficiencies that occur when different functions, business units and teams operate in silos. Instead, more business processes rely on expertise and activities from different parts of the company – for example, quarterly financial reports may include partnering with IT to generate necessary data. And to monitor and analyze these business processes effectively, internal audit also must work in an increasingly collaborative fashion with virtually all areas of the organization.

This year's results also point to strategic thinking as a critical priority. This suggests another positive development within internal audit – namely, being called upon more frequently to provide insight and analysis *before* strategic decisions are made so that the ultimate decision already includes key considerations of the risks and opportunities that the internal audit function recognizes and tracks. If a company is considering expanding into a new region in Asia or Africa, for example, proactive internal audit functions can share insights that help their executive teams make more informed decisions. This role extends the internal audit function's focus beyond internal controls and compliance, and it also requires the function to develop stronger board committee relationships – which, not coincidentally, figures as another key “Need to Improve” area in this category.

Key Questions to Consider

- Does the internal audit function recognize the increasingly cross-functional and collaborative nature of business processes – and is it responding in kind by seeding its teams with a sufficient depth and breadth of expertise and implementing a sufficiently collaborative approach?
- Do opportunities for rotational work, stretch assignments, training classes and leadership development exist for internal auditors so that they can sharpen the personal skills and capabilities required to foster highly collaborative working relationships with the rest of the enterprise?
- Are the knowledge and insights internal audit accumulates through its work helping to inform the strategic decision-making process so that the board, executive team and organization are not scrambling to react to major risks after strategic decisions have been made?
- Do internal auditors have opportunities to develop and strengthen their written and verbal skills in a way that helps them continually improve how they communicate, negotiate, persuade and deal with confrontation in their daily activities?
- Are internal auditors getting opportunities to work or present directly to key executives?

Overall Results, Personal Skills and Capabilities – Three-Year Comparison		
2013	2012	2011
Dealing with confrontation	Developing outside contacts/ networking	Dealing with confrontation
Negotiation	Negotiation	Presenting (public speaking)
Persuasion	Persuasion	
High-pressure meetings	Dealing with confrontation	Negotiation
Presenting (public speaking)		
Strategic thinking	Presenting (public speaking)	Leadership (within the IA profession)
Developing other board committee relationships	High-pressure meetings	Developing outside contacts/ networking
Using/mastering new technology and applications		
Leadership (within the IA profession)		
Time management		

Focus on Results by Company Size

The survey results are largely consistent across different company sizes with a notable exception. Internal audit functions in large companies view the development of board committee relationships (the audit committee as well as other committees), strategic thinking and leadership within the internal audit profession as higher priorities than respondents from small and midsize enterprises.

Company Size Results, Personal Skills and Capabilities		
Small < US\$1B	Medium US\$1B-9B*	Large ≥ US\$10B
Dealing with confrontation	Dealing with confrontation	Developing other board committee relationships Presenting (public speaking)
High-pressure meetings	Developing other board committee relationships Persuasion	Developing audit committee relationships Strategic thinking
Negotiation	Negotiation	Leadership (within the IA profession) Negotiation Dealing with confrontation Persuasion Time management
Persuasion	Developing outside contacts/ networking Presenting (public speaking)	Coaching/mentoring
Presenting (public speaking)	High-pressure meetings	Leadership (within your organization)
Strategic thinking	Time management Using/mastering new technology and applications	High-pressure meetings Presenting (small groups) Using/mastering new technology and applications

* Upon request, Protiviti can provide additional reporting in this broad category.

Focus on Chief Audit Executives

Consistent with the results from previous years of this survey, a key difference between the responses from CAEs and those of the overall group is the view that, for CAEs, developing other board committee relationships and developing outside contacts/networking are top priorities. Also of note, using and mastering new technology and applications ranks as a high priority for CAEs, whereas this ranks lower in the overall response group.

CAE Results, Personal Skills and Capabilities		
“Need to Improve” Rank	Areas Evaluated by Respondents	Competency (5-pt. scale)
1	Dealing with confrontation	3.8
2	Developing other board committee relationships	3.5
3 (tie)	Developing outside contacts/networking	3.7
	Negotiation	3.7
	Using/mastering new technology and applications	3.6
4	Time management	3.8
5 (tie)	Persuasion	3.8
	Strategic thinking	4.0

Key Questions for CAEs:

- Does your organization, and your function, provide sufficient training and developmental opportunities for internal auditors to strengthen interpersonal skills (e.g., persuasion, negotiation, dealing with confrontation) so that they can help the internal audit function cultivate more collaborative relationships with colleagues and departments throughout the organization?
- Are there opportunities for increasing your and your team’s external professional activities (e.g., networking, participating in professional association events, learning from internal audit thought leaders, etc.) in a way that strengthens the information network your function can tap to help improve its practices and processes?
- What specific steps are you taking to cultivate and strengthen relationships with the directors who serve on the audit committee of the board as well as other board committees?
- Are you making a concerted, sustained effort to monitor relevant technology advancements and developments in a way that helps ensure your function is leveraging technology in the most effective and cost-efficient manner?

“CURRENTLY, INTERNAL AUDIT DOES NOT HAVE FACE TIME WITH ALL BOARD MEMBERS. THIS AREA NEEDS TO BE IMPROVED.”

DIRECTOR OF AUDITING, LARGE MANUFACTURING AND WHOLESALE COMPANY

CAE Results, Personal Skills and Capabilities – Three-Year Comparison		
2013	2012	2011
Dealing with confrontation	Presenting (public speaking)	Developing other board committee relationships
Developing other board committee relationships	Developing other board committee relationships	Developing outside contacts/ networking
	Developing outside contacts/ networking	Time management
Developing outside contacts/ networking	Persuasion	Leadership (within the IA profession)
Negotiation	Using/mastering new technology and applications	
Using/mastering new technology and applications		
Time management	Negotiation	Presenting (public speaking)
	Dealing with confrontation	
Persuasion	Time management	Strategic thinking
Strategic thinking		

Methodology and Demographics

More than 1,000 respondents submitted completed surveys for Protiviti's *Internal Audit Capabilities and Needs Survey*, which was conducted from September through October 2012. The survey consisted of a series of questions grouped into four divisions: Social Media Risk and the Audit Process, General Technical Knowledge, Audit Process Knowledge, and Personal Skills and Capabilities. Participants were asked to assess their skills and competency by responding to questions concerning 199 topic areas. Respondents from the U.S. financial services, U.S. healthcare, and manufacturing industries were also asked to assess industry-specific skills (these findings are available upon request). The purpose of this survey was to elicit responses that would illuminate the current perceived levels of competency in the many skills necessary to today's internal auditors, and to determine which knowledge areas require the most improvement.

Survey participants also were asked to provide demographic information about the nature, size and location of their businesses, and their titles or positions within the internal audit department. These details were used to help determine whether there were distinct capabilities and needs among different sizes and sectors of business or among individuals with different levels of seniority within the internal audit profession. All demographic information was provided voluntarily by respondents.

Position

Chief audit executive	18%
Audit committee member	1%
Director of auditing	9%
IT audit director	2%
Corporate management	3%
Audit manager	22%
IT audit manager	3%
Audit staff	24%
IT audit staff	6%
Other	12%

Industry

Government/education/not-for-profit	12%
Manufacturing	10%
Financial services (U.S.)	9%
Healthcare (U.S.) – provider	9%
Financial services (Non-U.S.)	8%
CPA/public accounting/consulting firm	6%
Insurance (excluding healthcare payer)	4%
Technology	4%
Energy	3%
Retail	3%
Telecommunications	3%
Healthcare (U.S.) – payer	2%
Hospitality	2%

Industry (continued)

Services	2%
Utilities	2%
Distribution	1%
Healthcare (Non-U.S.)	1%
Life sciences/biotechnology	1%
Media	1%
Real estate	1%
Other	16%

Certification

Certified Public Accountant (CPA)/Chartered Accountant (CA)	38%
Certified Internal Auditor (CIA)	33%
Certified Information Systems Auditor (CISA)	19%
Certified Fraud Examiner (CFE)	10%
Certified Financial Services Auditor (CFSA)	3%
Certified Government Auditing Professional (CGAP)	2%
Other	45%

Size of Organization (by Gross Annual Revenue)

\$20 billion or greater	11%
\$10 billion - \$19.99 billion	6%
\$5 billion - \$9.99 billion	9%
\$1 billion - \$4.99 billion	23%
\$500 million - \$999.99 million	13%
\$100 million - \$499.99 million	16%
Less than \$100 million	22%

Type of Organization

Public	36%
Private	36%
Not-for-profit	14%
Government	11%
Other	3%

Organization Headquarters

North America	59%
Africa	11%
Asia-Pacific	11%
Europe	9%
Middle East	5%
South America	1%
Other	4%

About Protiviti

Protiviti (www.protiviti.com) is a global consulting firm that helps companies solve problems in finance, technology, operations, governance, risk and internal audit. Through our network of more than 70 offices in over 20 countries, we have served more than 35 percent of FORTUNE® 1000 and Global 500 companies. We also work with smaller, growing companies, including those looking to go public, as well as with government agencies.

Protiviti is proud to be a Principal Partner of The IIA. More than 700 Protiviti professionals are members of The IIA and are actively involved with local, national and international IIA leaders to provide thought leadership, speakers, best practices, training and other resources that develop and promote the internal audit profession.



Protiviti is a wholly owned subsidiary of Robert Half International Inc. (NYSE: RHI). Founded in 1948, Robert Half International is a member of the S&P 500 index.

Internal Audit and Financial Advisory

We work with audit executives, management and audit committees at companies of virtually any size, public or private, to assist them with their internal audit activities. This can include starting and running the activity for them on a fully outsourced basis or working with an existing internal audit function to supplement their team when they lack adequate staff or skills. Protiviti professionals have assisted hundreds of companies in establishing first-year Sarbanes-Oxley compliance programs as well as ongoing compliance. We help organizations transition to a process-based approach for financial control compliance, identifying effective ways to appropriately reduce effort through better risk assessment, scoping and use of technology, thus reducing the cost of compliance. Reporting directly to the board, audit committee or management, as desired, we have completed hundreds of discrete, focused financial and internal control reviews and control investigations, either as part of a formal internal audit activity or apart from it.

One of the key features about Protiviti is that we are not an audit/accounting firm, thus there is never an independence issue in the work we do for clients. Protiviti is able to use all of our consultants to work on internal audit projects – this allows us at any time to bring in our best experts in various functional and process areas. In addition, Protiviti can conduct an independent review of a company's internal audit function – such a review is called for every five years under standards from The Institute of Internal Auditors.

Among the services we provide are:

- Internal Audit Outsourcing and Co-Sourcing
- Financial Control and Sarbanes-Oxley Compliance
- Internal Audit Quality Assurance Reviews and Transformation
- Audit Committee Advisory

For more information about Protiviti's Internal Audit and Financial Advisory solutions, please contact:

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Other Thought Leadership from Protiviti

Visit www.protiviti.com to obtain copies of these and other thought leadership materials from Protiviti.

- **2012 Sarbanes-Oxley Compliance Survey – Where U.S.-Listed Companies Stand: Reviewing Cost, Time, Effort and Processes**
- **2012 IT Audit Benchmarking Survey**
- **Executive Perspectives on Top Risks for 2013: Key Issues Being Discussed in the Boardroom and C-Suite** (from North Carolina State University’s ERM Initiative and Protiviti)
- **Changes to The IIA Standards: What Board Members and Executive Management Need to Know**
- **Cloud Computing: Internal Audit’s Role in Identifying Risks, Defining Strategy, Evaluating the Implementation Process and Monitoring Vendor Relationships**
- **The Bulletin – “Setting the 2013 Audit Committee Agenda”**
- **Guide to Internal Audit: Frequently Asked Questions About Developing and Maintaining an Effective Internal Audit Function** (Second Edition)
- **Guide to International Financial Reporting Standards: Frequently Asked Questions** (Second Edition)
- **Guide to the Sarbanes-Oxley Act: Internal Control Reporting Requirements** (Fourth Edition)
- **Guide to the Sarbanes-Oxley Act: IT Risks and Controls** (Second Edition)
- **Internal Audit Capabilities and Needs Survey** (2006-2012)
- **Internal Auditing Around the World** (Volumes 1-8)
- **Powerful Insights (Protiviti’s podcast series)**
 - Executive Perspectives on Top Risks for 2013
 - Benchmarking the IT Audit Function
 - Fraud Risk Assessment – Identifying Vulnerabilities to Fraud and Misconduct
 - Fraud Risk Management: Safeguarding Your Reputation and Well-Being in Today’s Economic Climate
 - Internal Audit Quality Assessment Reviews – Required as well as Beneficial
 - Perspectives on Sarbanes-Oxley Compliance: 10 Years Later
 - Technology-Enabled Audits – Increasing Productivity and Delivering More Timely and Reliable Results
 - The Benefits of Outsourcing the Internal Audit Function
 - Social Media Use in Companies – Managing the Risks Effectively
- **Social Media and Internet Policy and Procedure Failure – What’s Next?**
- **Spreadsheet Risk Management: Frequently Asked Questions**
- **Testing the Reporting Process – Validating Critical Information**
- **Using High Value IT Audits to Add Value and Evaluate Key Risks and Controls**

KnowledgeLeader[®] provided by protiviti[®]

Powerful Tools for Business Risk & Internal Audit

KnowledgeLeader[®] is a subscription-based website that provides information, tools, templates and resources to help internal auditors, risk managers and compliance professionals save time, stay up-to-date and manage business risk more effectively. The content is focused on business risk, technology risk and internal audit. The tools and resources available on KnowledgeLeader include:

- **Audit Programs** – A wide variety of sample internal audit and IT function audit work programs are available on KnowledgeLeader. These work programs, along with the other tools listed below, are all provided in downloadable versions so they can be repurposed for use in your organization.
- **Checklists, Guides and Other Tools** – More than 800 checklists, guides and other tools are available on KnowledgeLeader. They include questionnaires, best practices, templates, charters and more for managing risk, conducting internal audits and leading an internal audit department.
- **Policies and Procedures** – KnowledgeLeader provides more than 300 sample policies to help in reviewing, updating or creating company policies and procedures.
- **Articles and Other Publications** – Informative articles, survey reports, newsletters and booklets produced by Protiviti and other parties (including Compliance Week and Auerbach) about business and technology risks, internal audit and finance.
- **Performer Profiles** – Interviews with internal audit executives who share their tips, techniques and best practices for managing risk and running the internal audit function.

Key topics covered by KnowledgeLeader:

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- Sarbanes-Oxley

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