



Challenges Facing Public Sector Internal Auditing

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Top Ten Challenges

1. Adequate internal audit staffing
2. Adequate compensation
3. Ability to measure performance
4. Adequate technology resources
5. Ability to report results timely

Top Ten Challenges

6. Ability to benchmark
7. Promoting effective governance
8. Ability to establish risk base plan
9. Ability to contract for experts
10. Adequate resources for continuing education (CPEs)

Potential Solutions

Adequate Internal Audit Staff

- Demonstrate impact of staffing shortfalls
- Demonstrate potential added value from audit services
- Identify strategies for force multiplication
 - Share resources
 - Co-source
 - Leverage technology
- Long term –increase supply
 - promote careers in auditing

Adequate compensation

- Low comp – difficult to attract and retain talent and difficult to motivate
- Promote regular compensation surveys/adjustments
- Alternative comp strategies
 - Performance bonuses
 - Non monetary recognition/benefits
 - Time-off awards

Measure Performance

- Survey stakeholders
- Benchmark with other organizations
- Use results based measures
- Consider measuring
 - Stakeholder satisfaction
 - Audit cycle time
 - Cost savings and increased revenue

Adequate Technology Resources

- Share resources with other governmental agencies
- Co-source or outsource IT audits
- Risk assessments for resources

Reporting Results Timely

- Identify cycle time drivers
- Benchmark with other IA functions
- Measure progress
- Reward results , on-time performance
- Reporting writing training

Ability to benchmark

- IIA GAIN benchmarking tool
- Network with other government agencies
- Benchmark against non-public sector

Promote effective Governance

- Benchmark against public sector governance within and outside India
- Use best practices as benchmark
- Report on gaps
- Establish working relationship with board or governing body

Risk based audit plan

- Annual risk based assessment of audit universe
- Identify and measure 3 to 5 risk factors
- Use numerical ratings
- Use impact and probability

Contract experts

- Use of content experts or specialists to supplement audit staff
- Borrow from another agency or area not under review
- Hire expert or specialist Vs short term contract

Resources for CPEs

- Innovative approaches to training
- Cut travel costs -bring trainer to staff
- Professional associations events and meetings
- On-line training from around the world
- In house training

Other Challenges

- Support of senior government managers and executives
- Providing non-audit services
- Communicating value and mission of IA to boards, appointed and elected officials
- Cooperation of officials during review
- Political pressures during reporting process