



Internal audit – building resilience

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What *really* is internal audit?

- IA Code: ‘*help board and management protect assets, reputation and sustainability of the organisation*’
- Build trustee confidence that key risks are being managed
- Better placed to anticipate/respond to shocks
- Help build resilience



CRITICS

- FIND YOUR FLAWS
- WANT TO WIN
- HOLD YOU BACK
- WILL CHANGE YOUR MOOD
- WILL MAKE YOU SWEAR

CRITICAL FRIENDS

- SEE YOUR STRENGTHS
- WANT TO HELP
- MOVE YOU FORWARD
- CAN CHANGE YOUR MIND
- CAN MAKE YOU SMILE



An undervalued tool for charities?

- IA is mandatory for public sector
- FS regulators explicitly demand “robust internal audit functions” and had active role in IA Code for FS
- Internal financial controls checklist reference
- *“internal audit, meaningful briefing and reporting by the executive and other assurance mechanisms are critical.”* Charity Commission’s 2019 Oxfam Inquiry

BUT IA is not yet mandatory or officially recommended by charity regulators or charity governance code!



Growing awareness and recognition

- Charity Governance Code consultation
- Audit & Risk awards
- Charity Commission Investigation reports



“Our Internal Auditor acted as a critical friend for the Covid Programme...It was particularly valuable to have a member of the team with a comprehensive view of the whole organisation without the added pressure of operational responsibility.”

Rob George, RSPB’s Head of Corporate Governance and Risk

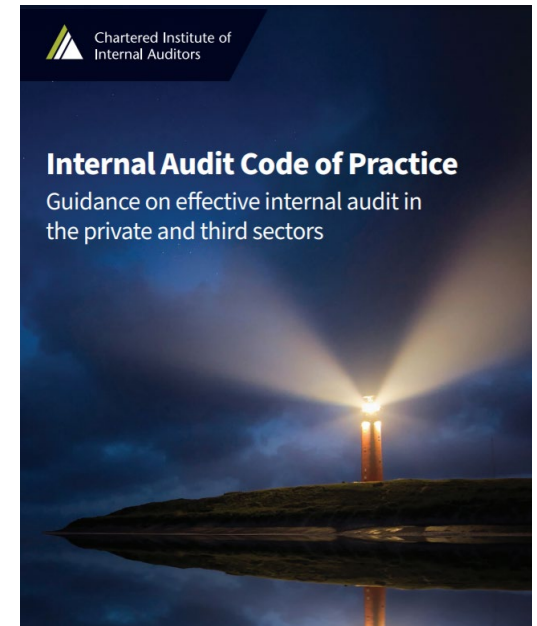
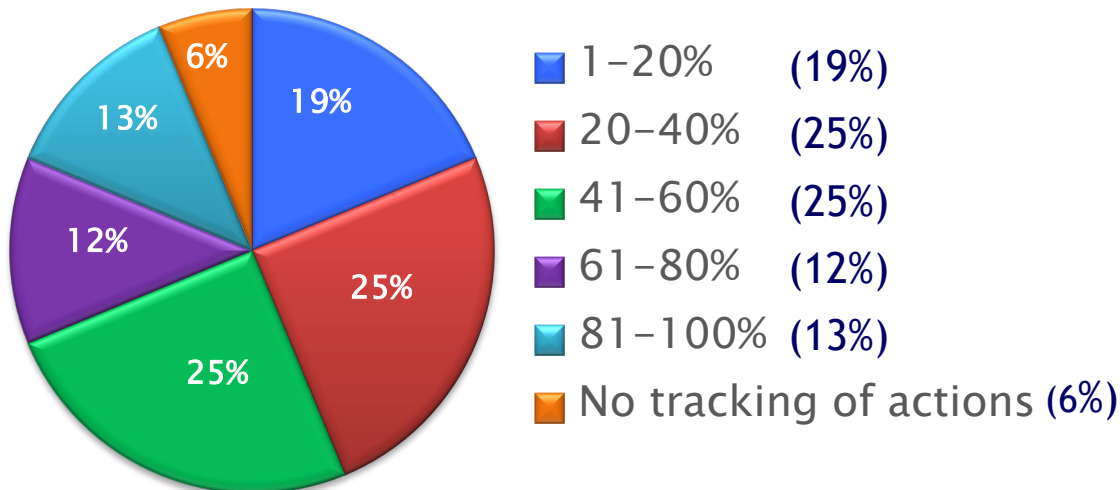
“I am a huge fan of internal audit and have always found the reviewing process to be developmental for our business and for me personally. It supports our continuous improvement and I couldn’t recommend it more highly.”

Dr Angela Hind, CEO of the Medical Research Foundation

How do you make IA effective?

- Recommendations need to be listened to and acted on
- Positioning and seniority in organisation
- Resource

% of agreed actions implemented within agreed timeframe



Free support for Charity IA

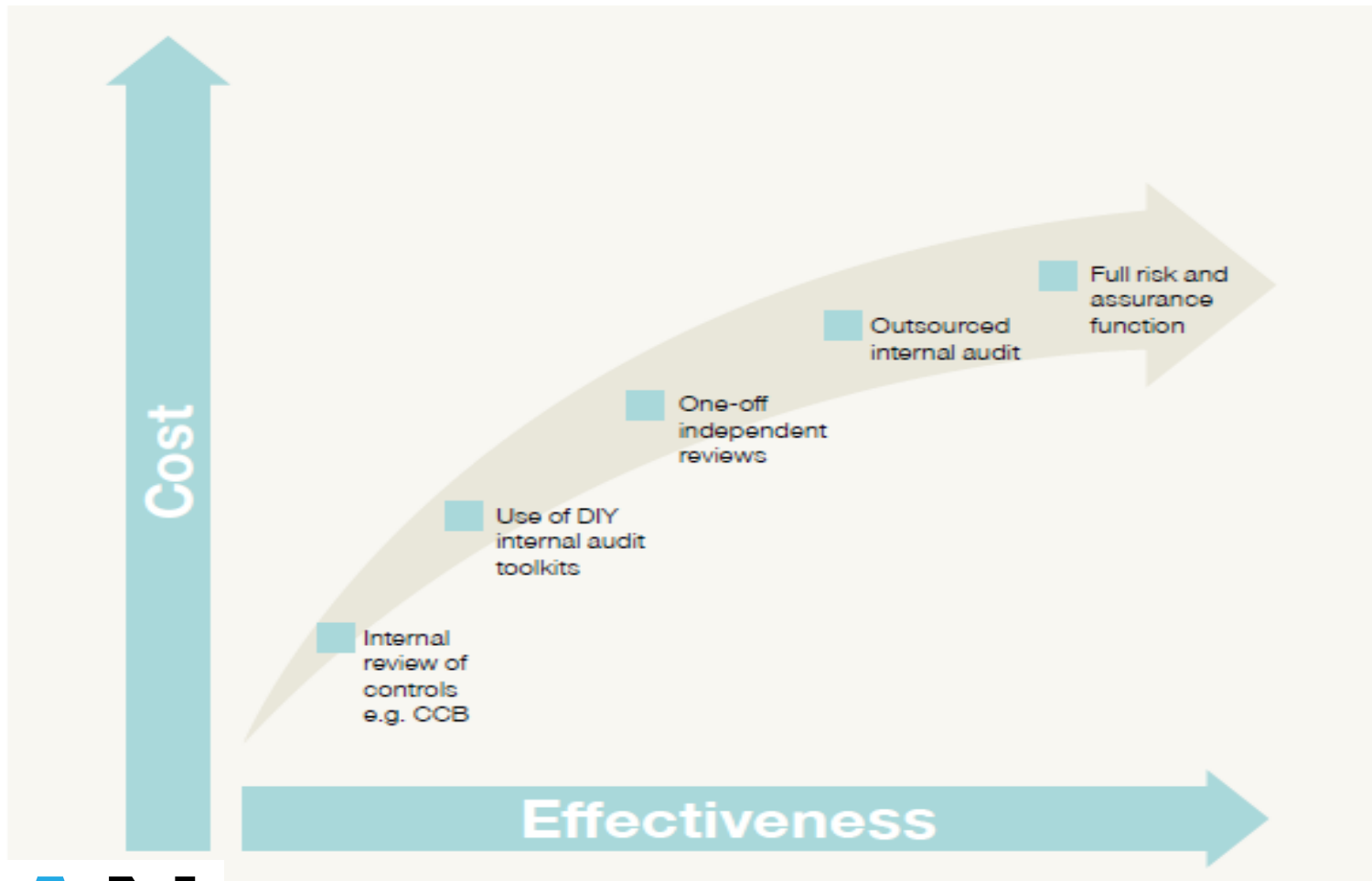
- **Charities Internal Audit Network** (free to join!)
 - Free quarterly Network Meetings with speakers
 - Annual CIAN Benchmarking Survey
 - Library of audit templates, publications and presentations
 - Free and subsidised training courses
 - Free advertising for IA vacancies
 - Special Interest Groups

To join CIAN visit: www.cian.org.uk/membership

- **Global IIA Tone from the Top** archive
<https://www.theiia.org/centers/aec/Pages/tone-at-the-top-archive.aspx>
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Call to action - something for everyone





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