BACKGROUND PAPERS – OVERVIEW

The 2015 Global Council will focus on the newly drafted 2015-2020 Global Strategic Plan. This plan is the result of a collaborative effort that started with the discussions held in March 2014 during the Global Council held in Dubai, UAE. Those discussions suggested that The IIA’s strategic planning development process should be updated and consider the following suggestions:

- Be more proactive and visionary.
- Engage external stakeholders in the development of the plan.
- Take into consideration and incorporate perspectives from members who have direct knowledge of the needs of organizations they serve.
- Create more partnerships with Institutes to align local and global efforts.

Subsequently, a Strategic Planning Task Force made up of 31 representatives from around the world met in August 2014 to discuss and develop the 2015-2020 Global Strategic Plan. Over two days, the group took into consideration input received from IIA members, Institute leaders, and external stakeholders such as our global advocacy partnering organizations. To obtain additional insight, the group also met with a futurist and an Audit Committee chair prior to their deliberations.

The draft Global Strategic Plan they prepared was then reviewed by IIA Global Headquarters senior staff and vetted with members of The IIA’s Executive Committee, Global Board of Directors, and Institutes before it was approved by the Global Board of Directors during their November meetings.

Several of the strategies considered high priority and essential for timely input from Institutes have been selected for discussion during the 2015 Global Council. Global Council participants have an instrumental role in providing their ideas and suggestions on the implementation of these strategies.

Over our two-day Global Council program, we will begin with a high level overview of the 2015-2020 Global Strategic Plan, and will conduct four 30-minute General Sessions, each followed by a 90-minute Discussion Session on the following topics:

1. Capacity Building
2. Professionalism
3. Advocacy/IIA as Leader
4. Sustainable Value

GENERAL SESSIONS/POLLING SESSIONS:

During each 30-minute General Session, a brief introduction to the topic will be presented by one of our Executive Committee members followed by a Polling Session where Global Council participants will provide their Institute’s response to a number of questions using instant polling technology. The responses will be instantly displayed (in aggregate) onscreen. These questions are designed to collect
one response per Institute. The aggregate responses should provide some insightful information and additional background for the participants to consider during the Discussion Sessions.

**DISCUSSION SESSIONS:**

The Discussion Sessions are conducted in round tables of 8-9 participants each facilitated by an IIA Executive Committee member and supported by a note-taker from IIA Global Headquarters staff. During the Discussion Sessions, participants are grouped in three separate rooms either randomly, or by Institute size/maturity. Participants at the tables change for each session, and where there are two representatives from the same Institute, they should be seated at different tables.

Participants will have 90 minutes to debate and share their views on the discussion questions included in the Background Papers. These facilitated discussions are intended to seek input and ideas from all participants, generate debate, and ultimately provide collective, agreed-upon suggestions, recommendations, and direction to the discussion questions. So while each participant will come to the Global Council prepared with their Institute’s views and ideas, it is expected that additional, unique insights are gained from the collective sharing and exchange that occurs during the Discussion Sessions.

**FEEDBACK SESSIONS:**

At the end of each day a Feedback Session is conducted (using the instant polling technology) to assess additional views from each Institute and to generate collective engagement and commitment to the Strategic Plan goals and objectives.

**COMMITMENT CEREMONY:**

As noted at the top of the 2015-2020 Global Strategic Plan, “The IIA refers to and is representative and inclusive of the global network of Institutes.” The plan is contingent on our ability to leverage one of our organization’s most precious assets: The IIA’s global reach and worldwide footprint. And while the collective value of The IIA is impressive with each Institute playing a crucial role, the magnitude of The IIA’s global reach and diversity is also a challenge. To fully leverage this asset requires a collaborative, inclusive approach as well as active engagement and commitment from the entire network.

How do we actively engage the entire IIA network, foster a participatory and collaborative environment in which we can best leverage our collective knowledge and assets? This question is woven throughout each of the discussion topics and will be raised at the Closing Session to obtain commitment from all participants to do their part to accomplish our common and collective goals.
BACKGROUND PAPERS:

Each of the Background Papers that follows provides Global Council participants with material to review and prepare for in advance of the meeting, including the questions that will be asked during the Discussion and Polling Sessions. Any questions should be directed to IIA-Governance@theiia.org.
BACKGROUND PAPER: CAPACITY BUILDING

INTRODUCTION

The IIA’s 2015-2020 Global Strategic Plan includes a **Capacity Building** goal that states: *The IIA will collaborate globally to expand the capacity of the profession.* Specific objectives in support of this goal include the following:

- To ensure minimum service to all members.
- To address the needs of emerging and small Institutes.
- To enhance the repository and exchange of products and services.

During the Global Council discussions on Capacity Building, input from Institutes will be sought on ways to ensure all members have access to no less than minimum services, either directly from their Institute or through additional, external support. Participants will also debate and share specific ideas to help support and fund the needs of emerging and small Institutes. Finally, we will discuss ways to enhance collaboration among Institutes and encourage more sharing of products and services across The IIA network.

BACKGROUND

The IIA currently includes 106 Institutes and 159 North American chapters that serve more than 180,000 IIA members and nearly 160,000 certified individuals around the world. Yet not all Institutes have the same local capacity to deliver what The IIA considers minimum services to their members. Minimum member benefits and services has, under the new Master Relationship Agreement (MRA), been defined as follows:

- Free access to mandatory guidance in the local language.
- Access to certification preparation courses.
- Access to a number of Continuing Professional Education (CPE) hours annually (online or instructor-led courses).
- Access to a least one local event annually (conference, roundtable, etc.).
- Access to internal audit-related publications (hard copy or e-books) and periodicals (online or hard-copy) that are published either nationally, regionally, or globally.
- Access to an Institute website/webpage that is maintained and current with basic information.

Many new, emerging, and small Institutes struggle to deliver the minimum services our members deserve to receive no matter where they join The IIA. In addition to a dedicated group of volunteers, it takes a critical and stable mass of members and an ongoing source of dues and non-dues revenue to deliver such services. And it takes time for emerging Institutes, who are still growing their membership and diversifying their revenue basis, to build a viable and self-sustaining Institute. But in small countries
or emerging economies where the potential for membership is limited, time will not help The IIA reach the critical mass needed to establish a fully independent Institute with permanent offices and staff. Members may be reluctant to join or renew with a local group that cannot deliver the expected minimum services from the start. This is the ongoing dilemma of new, emerging Institutes: since you cannot sustain one without the other, which comes first, the members or the services?

To address this issue, The IIA launched an initiative in 2014 that resulted in a new service delivery model called the International Chapter Program (ICP). This program, to be launched in Q3-Q4 2015, calls for IIA Global Headquarters to assist new International Chapters in administering their memberships and delivering services to their members. While there should always be a local infrastructure/chapter in place, the model aims to leverage existing systems and established services to support local entities in the development phase (and, if needed/desired, on a permanent basis). While the new service delivery model will be used automatically for all new chapters to be formed, it will be available for any existing Institute that voluntarily wishes to take advantage of this program.

In its initial phases, the ICP leverages resources available from IIA Global Headquarters, such as online periodicals, publications, certification review courses, webinars, eSeminars, etc. Clearly before long, there will be limitations due to language, culture, and other differences as well as availability. The next phase will therefore engage other established Institutes (and where appropriate, regional bodies), particularly those that have the capacity to assist emerging Institutes, either with in-kind products and services, shared administration and support systems, dedicated staffing or funding, mentoring assignments, and/or other means to support The IIA’s long-standing motto of Progress through Sharing.

To plan for this next phase, input is needed now from the more established Institutes who have the capacity to offer their support, as well as from small, newer, or developing ones that will be candidates for assistance. Global Council participants will be pre-pollled to understand the current level of sharing among Institutes to clarify and prioritize the needs of those seeking support, and to identify Institutes who have the capacity to assist. During the discussion sessions, participants will be grouped by Institute size and development stage to debate and answer the following questions.

**DISCUSSION QUESTIONS**

Discuss ways we can collaborate across the IIA network in support of the following strategies:

1) **Questions for mature Institutes and regional bodies:**
   a) Does your Institute currently provide some type of support, service, or resource to other Institutes? (Polling Question)
   i) If yes:
Which ones? (Examples: administration, leaders’ mentoring, training courses/seminars, training material, train-the-trainer, QA services, publications, periodicals, other)

Is there anything else your Institute is currently not providing but would be able to?

If not:

1) Would your Institute be able/interested?
2) What type of support, service, or resource would you be able to provide?

b) Considering the potential types of support, services, and resources that could be shared among the IIA network, please describe what would be the best way to make them available.

i) Should there be any quality control for certain products (Example: training or certification review materials) that are shared across the network? If so, which ones? (Optional question: How would this quality control work?)

ii) Should there be any common/consistent parameters (such as pricing guidelines, standard rules/terms) all donor Institutes should follow/use, or should the terms of the sharing and exchange be left up to each Institute to set on their own?

iii) What incentives/rewards, if any, should be considered for established Institutes to participate in capacity-building strategies?

iv) Should there be central, regional, or global repositories (by region/language, etc.) of products and services where Institutes in need can select from or should the sharing be done bi-laterally, one-to-one, strictly between two Institutes?

v) Should The IIA maintain a regional presence, possibly within the offices of an established Institute, to coordinate and carry out capacity-building efforts to help those Institutes in need deliver no less than minimum services to their members?

c) Do you have any suggestions or recommendations to consider when exploring the creation of an IIA development fund earmarked to enhance capacity-building efforts in developing regions with donations from Institutes and external organizations?

d) To conclude, what role should established Institutes and/or regional bodies play, if any, to ensure that all members, regardless of location, have access to minimum services and benefits?

i) For those Institutes who contribute:
   1) How do you balance the needs of your own members with your capacity-building role? Describe some of the specific ways you currently do this.
   2) What additional challenges, if any, do you face?
2) **Questions for small, newer, and developing Institutes:**
   a) Does your Institute already receive some type of support, service, or resource from other Institutes? (Polling question)
      i) If yes:
         1) Which ones? (Ex: administration, leaders’ mentoring, training courses/seminars, training material, train-the-trainer, QA services, publications, periodicals, other)
         2) Is there any other support, service, or resource your Institute could benefit from partnering with a more established Institute?
         3) What are some of the best aspects of this partnership?
         4) What are some of the challenges?
         5) Do you have any ideas of how this could be expanded, replicated, altered?
      ii) If not:
         1) Would your Institute be interested in?
         2) What type of support, service, or resource your Institute would like to receive?
         3) What would you expect from this prospect partnership?
         4) Would any challenges have to be overcome?
   b) Describe how such support, services and resources should be made available.
      i) Should there be any quality control for certain products (ex: training or certification review materials) that are shared across the network? If so, which ones and how would this work.
      ii) Should there be any common/consistent parameters (such as pricing guidelines, standard rules/terms) all donor Institutes should follow/use or should the terms of the sharing and exchange be left up to each to set on their own?
      iii) What incentives/rewards, if any, should be considered for established Institute to participate in capacity building strategies?
      iv) Should there be regional and/or global repositories where Institutes in need can select from or should the sharing be done bi-laterally, one-to-one, strictly between two Institutes?
      v) Should The IIA maintain a regional presence, possibly within the offices of an established Institute, to coordinate and carry out capacity building efforts to help those Institutes in need deliver no less than minimum services to their members?
   c) To conclude, what role should established Institutes and/or regional bodies play, if any, to ensure that all members, regardless of location, have access to minimum services and benefits?
      i) How about smaller/newer Institutes? How could they also collaborate to ensure that members around the world have access to minimum services and benefits?
BACKGROUND PAPER: PROFESSIONALISM

INTRODUCTION

The IIA’s 2015-2020 Global Strategic Plan includes a Professionalism goal that states: The IIA will lead the profession through the development of timely and relevant knowledge, global guidance, and career path guidelines.

BACKGROUND

The following Professionalism strategies outlined in the Strategic Plan are areas deemed important for input and discussion during Global Council:

- Share and promote timely and responsive knowledge and guidance on emerging issues needed by the internal audit function and internal audit members and professionals.
- Assess the future direction of the profession and prepare internal auditors for success through clearly defined learning pathways and established career maps.
- Review and enhance means by which we hold members accountable for conformance to the IPPF principles, codes of conduct, and local laws and regulations.

The 2015 – 2020 Global Strategic Plan implies a collaborative approach for content development that would ensure knowledge and guidance is globally relevant and timely. This would entail sustaining a globally supported ongoing source of continuous knowledge about internal auditing and the trends and issues impacting the profession. Furthering our Professionalism goal also requires greater focus and collaboration on the development of guidance and guidance-like content across the IIA network.

Global Council discussions will seek input on the following topics related to Professionalism: developing timely and relevant content, supporting diverse career paths, managing local guidance, and promoting conformance to the Standards and Code of Ethics.

A. Developing Timely and Relevant Content

To identify emerging issues and promulgate IPPF content (Standards and guidance), The IIA has maintained a very thorough diligence process, supported by volunteer committees to include the International Internal Audit Standards Board, Professional Issues Committee, and Public Sector Committee. Since 2010, this diligence process has been continuously evaluated by the IPPF Oversight Council — an international, independent body that evaluates and advises on the adequacy and appropriateness of The IIA’s Standards — and guidance-setting processes. Combined with practitioner feedback, these evaluations have indicated that The IIA should review whether the knowledge and guidance released is sufficiently timely and relevant to the global membership, or whether opportunities for enhancement exist.
DISCUSSION QUESTIONS A

1. What is your perception of adequacy of the timeliness of the knowledge and guidance being provided for members today? (Polling question)
2. What is your perception of the adequacy of the relevance of the knowledge and guidance being provided for members today? (Polling question)
3. What is your perception of the adequacy of the volume of the knowledge and guidance being provided for members today? (Polling question)
4. If the timeliness, relevance, and/or volume of the knowledge and guidance development is not adequate for your Institute and/or your members’ needs, please explain why.
5. Are there things The IIA and/or Institutes could do differently that will enhance the likelihood that the knowledge and guidance is timely, globally applicable, relevant, and of sufficient quantity to benefit our global membership?

B. Supporting Diverse Career Paths

Across different countries and different industries, internal auditors do not follow the same career path. Where a long-time, if not a life-long, career in internal audit used to be common, rotational models are increasingly being employed. In many countries and industries, the average tenure of people spending time in internal audit has notably declined. Today, in many places around the world, internal audit has rightfully been recognized as a great source of organizational talent, adding to the shortened average tenure of professionals spending time in internal audit. As a result, what constitutes a career path in (or through) internal audit is continually being redefined. Nonetheless, The IIA should position itself as a credible resource for advice, direction, and content to support career progression for internal auditors.

DISCUSSION QUESTIONS B

1. What percentage of your members do you believe are career auditors? (Polling question)
2. For those who are not career auditors, what is the average tenure of people in internal audit? (Polling question)
3. Is the average tenure in internal audit of your members increasing, decreasing, or staying the same? (Poling question)
4. Where are you seeing, among your members, people coming into internal audit from within their company? After time spent in internal audit, is there a typical path they follow within their company?
5. How can The IIA better understand the evolving needs of professionals who are following diverse career paths?
6. How can The IIA better serve those varying needs?
7. How does collaboration across The IIA network play a role in this?
C. Managing Local Guidance

The Master Relationship Agreement (MRA) that governs the relationship between The IIA and Institutes requires compliance with The IIA's Board Policy Manual (BPM). The BPM outlines in detail the development and approval process for the International Professional Practices Framework (IPPF) and describes how Institute guidance may be included in the IPPF. This process was designed to ensure guidance issued across the IIA network is known and coordinated so as to avoid any duplication of effort, is not contradictory so that as a global organization we are not inconsistent in our guidance and positions, and has the potential to be leveraged across the entire global membership. Yet, as pointed out by some including the IPPF Oversight Council, these policies are not currently being followed which has resulted in several instances of local guidance (or things that could be construed as guidance) being published without prior knowledge or review either by IIA Global Headquarters staff or the committees responsible to oversee the IPPF standards and guidance development.

Discussions at Global Council will aim to address how we can better support and coordinate the process by which Institutes may contribute to developing guidance in accordance with the BPM.

Below is an excerpt from The IIA's Board Policy Manual on this topic:

1) Institutes may not issue guidance considered mandatory. Institutes may raise recommendations for changes to the International Standards for the Professional Practice of Internal Auditing, the Code of Ethics, and any other guidance contained in the IPPF to the appropriate committees or boards outlined in Section IV above. Such recommendations will be considered and acted upon as appropriate by the committee and boards designated within Section IV. The results of such consideration will be communicated back to the requesting Institute.

2) Institutes may develop local guidance which is strongly recommended, e.g. Practice Advisories, Position Papers, and Practice Guides, if they follow the requirements below:
   a) Institutes are required to share their plans for developing guidance (templates will be developed at a later date) with IIA Global Headquarters at guidance@theiia.org to enable coordination and determine the potential for the development of international guidance.
   b) Once guidance is drafted, the Institute is required to submit the draft to IIA Global Headquarters at guidance@theiia.org, which will forward the draft to the appropriate IIA International technical committees. The committee(s) will review the draft guidance and provide feedback to the Institute within 30 days (longer if translation is required). This review will provide Institutes with assurance that the guidance is consistent with the International Professional Practices Framework.
   c) If it is consistent with the IPPF, the Institute can issue the guidance locally following their local approval process. Local guidance may be considered for adoption by The IIA
as international guidance following the exposure and approval processes defined in Section IV, and with the agreement of the Institute.

d) Local and international guidance will be included on The IIA’s guidance section of The IIA website.

3) Translation of mandatory guidance must be authorized and approved by the International Internal Auditing Standards Board.

DISCUSSION QUESTIONS C

1. Are you aware that, per the MRA and the BPM, Institutes may not issue guidance (even for their local members) that is considered mandatory? (Polling question)
2. Has your Institute issued any guidance whether mandatory or strongly recommended? (Polling question)
3. Does your Institute have future plans to issue guidance? (Polling question)
4. What challenges, if any, do you foresee or have you experienced in following the process outlined in the BPM regarding the issuance of local guidance by Institutes?
5. What practical recommendations do you have to ensure local guidance and positions issued by Institutes across the IIA network is:
   a. Coordinated to avoid duplication?
   b. Not contradictory to ensure we are consistent?
   c. Can be leveraged for the benefit of our global membership?

D. Promoting Conformance to the Standards and Code of Ethics

As Institute leaders, we recognize both the benefits derived and the challenges faced by internal audit being a non-licensed, self-regulated profession. One challenge is the inability to enforce conformance with the rules and codes of conduct we promulgate, namely The IIA Standards and the Code of Ethics. As a result, individuals can call themselves internal auditors and not be IIA members and not hold any IIA certification/qualification. And, while IIA members and those holding IIA certifications/qualifications are asked to conform with IIA Standards and Code of Ethics, there are limited mechanisms in place to monitor such conformance. Yet one of our strategic goals is to enhance means by which we hold members accountable for conformance to the IPPF Standards and Code of Ethics.

DISCUSSION QUESTIONS D

1. From the total population of practicing internal auditors in your country/territory what percentage do you estimate are members of your Institute? (Polling question)
2. Giving your best estimate, what percentage of members are making efforts to be in conformance with IIA *Standards* in your country? (Polling question)

3. Please share any mechanisms your Institute may have in place to monitor or measure organizations’ conformance to IIA *Standards*.

4. What do you believe are the main challenges your members face for their organizations to conform to IIA *Standards*? What is the most challenging?

5. Discuss how The IIA might encourage greater adherence to the *Standards* by its members and how known cases of nonconformance might be addressed?

6. What roles should IIA Global Headquarters and Institutes play to collaboratively address this issue?
BACKGROUND PAPER: ADVOCACY / IIA AS LEADER

INTRODUCTION

The IIA’s 2015-2020 Global Strategic Plan includes Advocacy and IIA as Leader goals that state: The IIA will raise the profile of and demand for the profession to ensure it is recognized as an indispensable resource by key stakeholders, and The IIA will be recognized as the leading voice for internal auditing.

BACKGROUND

In a 2014 blog post, IIA President and CEO Richard Chambers recalled a recent interview with a U.S. radio station in which the host commented, “If you meet an auditor at a cocktail party, you might decide you suddenly need a fresh drink.” Internal auditors often face a perception gap in not only who they are and what they do, but the value they bring to organizations. That’s why the 2015-2020 Global Strategic Plan emphasizes the importance of elevating both the profile and the voice of internal audit and The IIA. To achieve these Global Strategic Plan goals, we must determine what it means globally – and locally – for internal audit to be a relevant, trusted, and influential resource to its stakeholders and how we can best convey internal audit’s role in ensuring the long-term sustainability of their organizations.

In this session, we’ll explore what internal audit is to each of us, where and how internal audit is relevant, what obstacles we face in making internal audit relevant, and what we can do – not only from IIA Global Headquarters, but also on the front lines around the world – to ensure internal audit is relied upon as an indispensable resource by key stakeholders. At the end of this discussion, IIA Global HQ and each Institute should have a better understanding of which key areas of internal audit create the best opportunities for The IIA and its members to be a leading voice for the profession; the steps we are going to take locally and globally to promote the internal audit profession as a relevant, trusted, and influential resource to stakeholders; and how we are going to define and measure our success.

In anticipation of this session, we ask that you review the following questions and be prepared to discuss how each point relates globally as well as to the unique needs in your countries/territories.

DISCUSSION QUESTIONS

1. What are the top 5 areas in which you consider internal audit to be the most relevant, trusted, and influential resource to stakeholders? (Polling Question)
   a. Audit committee effectiveness
   b. Risk management
   c. Integrated reporting assurance
   d. Combined assurance
   e. Governance
   f. Fraud
   g. Internal controls
2. Which 5 areas do you feel internal audit faces the greatest obstacles toward acceptance as a relevant, trusted, and influential resource? (Polling Question)
   a. Audit committee effectiveness
   b. Risk management
   c. Integrated reporting assurance
   d. Combined assurance
   e. Governance
   f. Fraud
   g. Internal controls
   h. Technology
   i. Compliance

3. Using Twitter as a model, define the role of internal auditors in 140 characters or less.

4. Why do you believe internal audit is a relevant, trusted, and influential resource to its stakeholders?

5. In your country/territory, how is (or is not) internal audit considered a relevant, trusted, and influential resource on each of these key issues:
   a. Audit committee effectiveness
   b. Risk management
   c. Integrated reporting assurance
   d. Combined assurance
   e. Governance
   f. Fraud
   g. Internal controls
   h. Technology
   i. Compliance

6. In what specific ways does your Institute contribute to elevating internal audit as a relevant, trusted, influential resource for each of the issues listed above?

7. What obstacles do you face in promoting internal audit as a relevant, trusted, and influential resource for each of the issues listed above?

8. What can be done in your country/territory to overcome those obstacles?

9. How do you define and measure success?
BACKGROUND PAPER: SUSTAINABLE VALUE

INTRODUCTION

The IIA’s 2015-2020 Strategic Plan includes a Sustainable Value goal that states: The IIA will deploy both financial and business models that generate sustainable value for members.

Among the various objectives that support this goal, the following two are considered high priority for input from IIA Institutes in 2015:

1. Identify the value proposition that The IIA brings to members globally.
2. Develop processes and identify resources to enhance The IIA’s ability to anticipate, identify, and respond to its own emerging strategic risks.

BACKGROUND

A. Sustainable Value

The IIA’s global footprint has expanded significantly over the years to now cover nearly 180 countries; and we’ve seen our membership grow globally by 68% over the last decade. The number of individuals who have been certified by The IIA over the years has now reached nearly 160,000 worldwide and The IIA proudly offers six certifications, two of which (CRMA and QIAL) have been launched within the last two years. Yet, not unlike most membership associations, we have to work harder today to recruit and retain members who have more options available to them than ever before to serve their needs for internal audit knowledge, professional development, and networking. And while our suite of certifications is gaining importance, as long as we remain a self-regulated profession that does not mandate internal auditors to carry a license to practice, we must rely on all elements of The IIA to position certification as the mark of excellence that all internal auditors should aspire to obtain and all employers should expect.

With a continuously evolving profession increasingly filled with internal auditors in rotational assignments, it is becoming harder to attract new and retain existing members and to encourage certification. So how do we distinguish ourselves in the current environment, enrich our member and certification value proposition, and create sound financial and business models that will ensure our continued relevance and sustainability?

DISCUSSION QUESTIONS A

1. What can The IIA do to enhance our member value proposition to continue to attract and retain members?
   a. What specific actions can we take to encourage membership growth and potentially reach our goal of serving 200,000 members across the globe?
2. Short of becoming a licensed profession, what can The IIA do to enhance the value of certification in all sectors, industries, and areas of the world?
   a. What measures could be taken to grow demand for IIA certification?

B. Risk Assessment

IIA Global Headquarters performs a regular risk assessment that identifies environmental, business, and entity wide concerns that may pose threats to the future of the global body. These include such diverse issues as major scandals attributed to internal auditing, ethical behavior of IIA members, economic factors that impact our financial and business operations, or breaches in security of data. All of these transcend our national borders and have the potential to impact all of us, regardless of their source. A recent attack on our organization with the goal to tap into our member data for social engineering purposes reminded us that regardless of our expertise in risk management assurance, we are as vulnerable as any other organization. But it also highlighted the need to better help each other anticipate and mitigate these threats.

The strength that our global footprint brings to our organization and profession is also a collective risk. Yet today, we don’t have any mechanism in place to identify, anticipate, and/or respond to threats that may impact our collective organization. Some Institutes may perform periodic risk assessments and develop plans to mitigate these, but even then, it is an isolated exercise that does not currently allow The IIA to band together to identify and respond to our own emerging strategic risks.

DISCUSSION QUESTIONS B

1. Does your Institute currently conduct an annual risk assessment? (Polling question)
2. Does your Institute currently have any controls in place to protect your financial assets? (Polling question)
3. Does your Institute currently have any controls in place to protect your member data? (Polling question)
4. What do you consider the top three risks that would affect the sustainability of your Institute?
5. What do you consider the top three risks collectively impacting The IIA?
6. What recommendations do you have for The IIA to effectively, systematically, and collectively:
   a. Anticipate our own strategic emerging risks?
   b. Identify our own strategic emerging risks?
   c. Respond to our own strategic emerging risks?
APPENDIX
IIA Global Strategic Plan 2015–2020

As used in this document, The IIA Global Strategic Plan, “The IIA” refers to and is representative and inclusive of the global network of Institutes.

The IIA’s Core Purpose

To lead the global profession and advance its value.

The IIA’s Core Values

- Collaboration
- Courage
- Unity in Diversity
- Global Mindset
- Innovation
- Integrity
- Service Excellence
- Respect
- Professionalism

The IIA’s Vision

Internal Audit Professionals will be universally recognized as indispensable to effective governance, risk management, and control.
Goals

Goal A. Professionalism: The IIA will lead the profession through the development of timely and relevant knowledge, global guidance, and career path guidelines.

Goal B. Advocacy: The IIA will raise the profile of and demand for the profession to ensure it is recognized as an indispensable resource by key stakeholders.

Goal C. IIA as Leader: The IIA will be recognized as the leading voice for internal auditing.

Goal D. Capacity: The IIA will collaborate globally to expand the capacity of the profession.

Goal E. Sustainable Value: The IIA will deploy both financial and business models that generate sustainable value for members.

Goals, Strategies, and Potential Indicators of Achievement

Goal A. Professionalism: The IIA will lead the profession through the development of timely and relevant knowledge, global guidance, and career path guidelines.

1. Share and promote timely and responsive knowledge and guidance on emerging issues needed by the internal audit function and internal audit members and professionals through the development of regional Centers of Excellence across the global network.
2. Assess the future direction of the profession and prepare internal auditors for success through clearly defined learning pathways and established career maps.
3. Partner with globally recognized academic institutions to enhance alignment of academic offerings with standards, influence curricula and linkage to certifications, and collaborate on research.
4. Develop and promote a maturity model with clear guidelines for internal audit activity.
5. Review and enhance means by which we hold members accountable for conformance to the IPPF principles, codes of conduct, and local laws and regulations.
6. Assess the rigor, credibility, and demand for the global certifications and qualifications and deploy appropriate strategies for enhancement.
Potential Indicators of Achievement

1. Develop and launch a new approach to and maturity model for content development at The IIA. Develop a tiered content development approach with product types that can be deployed in immediate, short-term, and long-term time frames to define emerging topics (Pulse of the Profession), benchmarking (CBOK), and principles (Career Map) to deploy effective knowledge, tools, and resources to the profession.

2. Collaborate with and incentivize Institutes to develop practitioner-based content through the launch of a global communications network by July 2015 and through the development of Centers of Excellence.

3. Develop and implement a globally adopted and supported ongoing source of continuous knowledge about the internal audit profession and the trends and issues impacting the global profession.

4. Implement the Career Map assessment tool globally. Align content and resources, including knowledge, guidance and training to the Career Map principles and overall global competency framework. Create a business model that incentivizes key Institutes to map additional, local content to the Career Map.

5. Identify content that is core to the profession and map to appropriate membership segment groups and develop a plan to leverage Industry Centers globally.

6. Increase the number of Internal Auditing Education Partnership (IAEP) programs globally.

7. Increase the numbers of CIA and other certified/qualified practitioners as a percentage of the global population of internal auditors.

Goal B. Advocacy: The IIA will raise the profile of and demand for the profession to ensure it is recognized as an indispensable resource by key stakeholders.

1. Undertake a thorough study of the full extent and nature of the global profession outside of the existing membership and network of certified/qualified individuals, to include measures of the recognition and acceptance of the profession among key stakeholders.

2. Establish benchmarks for the effective measurement of perceptions of and positioning for internal auditing globally and mechanisms that can be used to gauge changes in these values on an ongoing basis.

3. Deliver a deliberate campaign to legislators responsible for the listing requirements of publicly traded organizations promoting the importance of internal auditing.

4. Develop a strategy that influences, engages and serves audit committees, boards, regulators, and other internal audit stakeholders effectively.

5. Collaborate with Institutes to launch a high profile, widespread, and sustained campaign to elevate the image of internal auditing in the view of governments, regulators, boards, audit committees, business leaders, business schools, and the public at large.
Potential Indicators of Achievement

1. Increase in the number of listing authorities that mandate publicly traded organizations have an internal auditing activity operating in conformance with The IIA’s Standards.
2. Increase in the number of organizations with an internal audit function operating in conformance with The IIA’s Standards.
3. Establish and initiate a rapid response approach where issues of significant national and international interest related to governance, risk, and control are responded to with an appropriate statement from The IIA in a manner that is proactive, timely, and visible.
4. Members of The IIA’s volunteer/executive leadership team serve on a board of directors or audit committee for a publicly held company and/or an organization of influence in serving the public.
5. Identify relevant opportunities and propose adoption of or reference to The IIA’s Standards by regulatory or other influential bodies globally.
6. Increase in the number of undergraduate and postgraduate university/college courses that include a focus on Internal Audit and the value it creates for organizations and their stakeholders.

Goal C. IIA as Leader: The IIA will be recognized as the voice for internal auditing.

1. Drive dialogue and commentary on issues related to internal audit and governance, risk management, and control.
2. Contribute to debate and discussion on topical and emerging issues such as: audit committee effectiveness, risk management, integrated reporting assurance, combined assurance, governance, fraud, internal controls, technology and compliance.
3. Develop a global communications strategy and global communications network that defines and prioritizes target/stakeholder audiences and ensures The IIA collaborates globally to support its core purpose.

Potential Indicators of Achievement

1. Increase number of global media engagements.
2. Identify and contribute regularly to media outlets and/or qualified blog forums in key global markets, positioning designated IIA thought leaders and SMEs on issues regarding emerging topics such as audit committee effectiveness, risk management, integrated reporting assurance, combined assurance, governance, fraud, internal controls, technology and compliance.
3. Identify and secure speaking opportunities for designated IIA thought leaders and SMEs at strategically important non-IIA events globally.
4. Increase number of inquiries and use/downloads globally of IIA knowledge, guidance, research and training.

Goal D. Capacity: The IIA will collaborate globally to expand the capacity of the profession.

1. Develop and implement a model to ensure a consistent delivery of core services around the world.
2. Explore and develop sources of funding to enhance The IIA’s capacity to serve and facilitate members being served in developing regions, including ensuring core services are being offered.
3. Foster collaboration to enhance global products and services and create a resource repository to enhance the capacity of Institutes around the world to serve the profession and deliver core services.

Potential Indicators of Achievement

1. Model developed and Board approval secured to enhance the delivery of core membership services. Achieve a decrease in members not having access to core services.
2. Plan developed to secure new funding and resources in partnership with Institutes and regional bodies to enhance The IIA’s capacity to serve members in developing regions.
3. Expansion of The IIA’s global footprint through the growth of Institutes/International Chapters.
4. Development of collaborative research studies and thought leadership with Institutes or regional bodies.
5. Increase in Institutes using services developed by other Institutes.
6. Creation of a resource repository to enhance the capacity of Institutes around the world to serve the profession.

Goal E. Sustainable Value: The IIA will deploy both financial and business models that generate sustainable value for members.

1. Identify the value proposition that the IIA brings to members globally.
2. Refine and enhance the financial model to fund strategic initiatives and ensure necessary reserves globally.
3. Design and implement a succession planning process to facilitate a continuous, transparent, and robust pipeline of volunteer leaders representing a diverse cross-section of the global membership.
4. Design and implement a talent strategy and succession plan for HQ staff resources and provide guidance for Institutes to establish the same for the volunteers and staff in their organizations.
5. Ensure deployment of an appropriate IIA-led governance structure with more efficient processes over the IPPF, certifications, and core global products and services.
6. Develop processes and identify resources to enhance The IIA’s ability to anticipate, identify, and respond to its own emerging strategic risks.
7. Design and encourage implementation of integrated reporting processes and procedures globally.

Potential Indicators of Achievement

1. Appropriate refinements to the financial model are approved by the Board of Directors for implementation. A process to monitor and report on the financial and operational performance and risk profile of chapters and Institutes will be deployed.
2. An effective volunteer leader infrastructure is established with a fully implemented succession planning process, resulting in the establishment of a pipeline of potential volunteer leaders who represent our global diversity.
3. A strategic assessment of the HR function is completed with appropriate implementation. An overall talent strategy is implemented that incorporates approaches for both the acquisition of top external talent and the identification and development of internal high-performers for future leadership positions.
4. Overall global membership numbers reach 200,000 globally with consistent retention rates.
5. The IIA will receive consistent satisfaction scores for all core products and services, including conference, seminars, certification, membership, guidance and more.
6. The IIA Board’s risk appetite and expanded risk reporting to include emerging strategic risks and proposed response is formalized.
7. IIA annual reporting across the global network incorporates integrated reporting principles and processes.
Appendix

During the course of the two-day strategic planning session conducted in August 2014, there was a great deal of discussion amongst the global participants concerning the future of the profession and the role of the organization. Included in that discussion was a review of Opportunities and Threats, which is included below for reference.

How will the profession look in 5-10 years?

- Holding an IIA certification or qualification will be a prerequisite for internal audit departments.
- Every listing exchange requires companies to have IA function which conforms to the IPPF.
- Every government requires conformance with IIA Standards for IA function.
- IT will be a critical skill set for IA.
- Global regulators recognize IIA Standards.
- A majority of internal audit functions will conform to IPPF principles.
- IA is relevant to stakeholders.
- IA is invited to the table for GRC issues.
- People are talking about IA.
- IA is seen as key assurance provider for sustainability.
- IA is viewed as a career destination.
- C-Suite (CEOs, CROs, CIOs) comes through IA.
- IAs are providers of insight and foresight.

How will The IIA look in 5–10 years?

- Consistent levels of services are available to all IIA members.
- The IIA global footprint is expanded.
- There are more members, more certified or qualified members.
- Service to members will be collaborative with Institutes around the world.
- The IIA is the voice in GRC.
- The IIA is recognized by stakeholders as a credible source.
- The IIA standards are THE standards for the practice of IA
- The IIA partners with GRC organizations.
- All IA related professionals are connected to The IIA.
- IIA responds swiftly to issues and trends.
- IIA is proactive and innovative.
- IIA is viewed as a leader in technology risk and controls.
- IIA is consulted by regulators and legislators.
Members want to stay members after they have moved out of the profession.

**Opportunities (next 3 years)**

- Develop member value proposition
- Integrated reporting
- Security and compliance issues
- Business culture and ethical behavior
- Advocacy
- Leverage assets/reputation to expand umbrella
- Assist Institutes needing help
- Board training on GRC
- Technology – use and understanding of
- E-learning/online training (appeal to Millennials)
- Leverage emerging expertise of larger Institutes in GRC (repository)
- Target academia to develop future professionals
- Research & knowledge – develop expertise
- Risk management
- Membership growth
- Partnering/collaboration
- Senior and retired CAEs selected on boards; Network of IIA alumni
- Strengthen enforcement of compliance with Standards
- Mentoring (Institutes, leaders)
- More flexible organizational structure/leadership development
- Leadership in risk management
- Need for qualified AC members (relationships with placement firms)
- More media exposure
- Grow demand for certifications
- Enhance professionalism through increased resources
- Relevance of research, swifter response to issues and trends
- Understand and define how IA serves the public interest
- Ability to think globally, act locally
- Improved marketing of IA function at the local level
Threats (next 3 years)

- Increase in legislation/regulations
- Quality of service to members
- Erosion of position as thought leader
- Global recession
- Irrelevance of The IIA to profession
- IA not recognised as a profession
- Another Enron/Satyam or ethical breach
- Millennial generation perceptions
- Lack of skill and uptake of technology
- Fragmentation of global Institutes
- Fragmentation of certification program
- Fragmentation of membership
- Certification/qualification overload/relevance
- Competition (accounting bodies in IA space)
- Global recession impacts number of auditors employed globally
- Impact of global economic climate on Institutes
- Merging of 2\textsuperscript{nd} and 3\textsuperscript{rd} lines of defence
- Disruptive technologies (alternates to IIA’s) affecting service delivery