Skills | what’s in your toolbox?

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Richard Chambers, president and CEO of IIA Global

I’m old enough to remember when it was easy to prepare for a career in internal audit. The rules were simple: without a background in accounting or finance, you wouldn’t even be considered for internal audit positions in many organisations. To get into internal audit, the quickest route was to get a degree in finance or accountancy and then spend at least two years at a public accounting firm, preferably a large one.

That was then; this is now. The old rules no longer apply. The difference in what is now required of internal auditors was highlighted by the results of a recent survey by the IIA. The March 2012 “Pulse of the Profession” Survey showed that, for the second year running, chief audit executives rated analytical and critical thinking as their most sought-after skill (73 per cent, compared to only 34 per cent rating industry-specific knowledge).

As with so many things in this profession, it’s all a matter of risks. When we perform our risk assessments and make our plans, we sometimes become painfully aware that our internal audit groups may no longer have the skills to get the entire job done. A growing number of internal audit executives are finding that it’s time to re-balance the skill sets their group can bring to the table.

We are in a war for talent, in which chief audit executives and heads of internal audit must balance the demands of the latest risk assessment against their current staff profiles and budgets. The war is complex, and no one solution can solve the problem in its entirety. We need to recruit a wider variety of skills, but we also need to develop the skills of existing staff members so that they can achieve optimal effectiveness. At times, particularly when conditions are changing or when very specialised skills are necessary, neither of these approaches is sufficient, and it can become absolutely essential to consider additional options such as “guest auditors,” co-sourcing, or staff rotation programmes.

Failure is not an option. One of the few audit sins worse than ignoring an area at the top of the risk assessment is performing an audit for which the auditors are not qualified. The reputation of a leading internal audit function may be painfully gained at the speed of inches per year, but after a bad audit, it can be lost at the speed of lightning.

Under the International Standards for the Professional Practice of Internal Auditing, the internal audit activity collectively must possess or obtain the knowledge, skills and other competencies needed to perform its responsibilities.

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We all realise that internal auditors are no longer just bean counters. Today’s auditors still need to know how to count the beans, but we also need to understand how the beans are grown, harvested, marketed and shipped. It’s impossible to know what will be demanded of internal audit professionals next year. But one thing is certain, last year’s skills will not be adequate to complete next year’s audits.

Our profession is changing faster than ever before, and we are all being affected by the changes. Internal auditors who have been practicing successfully for a decade or more are sometimes finding that they don’t have the technical skills they need to be successful this year.

It’s time for each of us to take a fresh look at the tools in our auditing toolboxes. Each of us needs a strategic development plan to ensure we stay relevant in the future. Luckily, keeping our auditing skills fresh has never been easier. Today there are an almost unlimited variety of seminars, conferences, college courses, online training events, workshops, chapter meetings and roundtables for internal auditors. Regardless of audit schedules, budgets or work locations, any determined internal auditor can find opportunities to improve their skills.

Your career is in your hands – it’s up to you to make the most of it. Most of us truly enjoy continuing education opportunities. But if you are one of the few who does not look forward to improving your skills, just remember the words of world heavyweight champion Muhammad Ali: “I hated every minute of training, but I said, ‘Don’t quit. Suffer now and live the rest of your life as a champion.’”

FOR FURTHER INFORMATION

Richard Chambers writes a blog at www.theiia.org/blogs/chambers and tweets at www.twitter.com/rfchambers