

**THE POLITICS OF INTERNAL AUDITING—LESSONS LEARNED****INTRODUCTION AND INSTRUCTIONS**

The Institute of Internal Auditors Research Foundation (IIARF) is the global leader in providing research and knowledge resources to enhance the internal audit profession.

The IIARF continually monitors the needs of the internal audit profession and its stakeholders to identify high priority topics for future projects. These high priority topics can either become Research Projects or Educational Products

**Research Projects** focus on discovering new information about the internal audit profession using academic research methods such as surveys, focus groups, interviews, case studies, literature review, and data analysis. Whenever possible, research projects should include implications or applications for practitioners.

**Educational Products** are designed to provide information that internal audit practitioners can use on the job. Educational products often include “how-to” information, tools, best practices, and so on. (A research component can support the educational product.)

The following request for proposal is for a **research project**, and a global scope is encouraged. Please note that submission guidelines were updated in 2012. Any proposal that does not follow the updated guidelines will be returned for revisions.

The review process normally lasts 4–6 weeks, but may take longer.

Return your proposal as a Microsoft Word document or PDF via email to [research@theiia.org](mailto:research@theiia.org).

**ALL RESPONSES TO THIS REQUEST FOR PROPOSAL  
ARE DUE NO LATER THAN MARCH 11, 2013.**

If additional information is needed, please contact The IIA Research Foundation:

Tel: +1-407-937-1356

Email: [research@theiia.org](mailto:research@theiia.org)

Thank you for your interest in The Institute of Internal Auditors Research Foundation. We look forward to working with you.

TOPIC INFORMATION	
<b>Priority Topic Title</b>	<b>The Politics of Internal Auditing—Lessons Learned</b>
<b>Topic Summary</b>	Lessons learned from auditing in complex, politically charged environments—both public and private (for example, ethical dilemmas and challenges to compromise).
<b>Product Type</b>	Choose one: <input checked="" type="checkbox"/> Research Report (applied) <input type="checkbox"/> Research Report (add to knowledge base, theoretical)
<b>Problem the Research Will Address</b>	<p>Larry Sawyer, known as the father of modern internal auditing, wrote regarding politics: “The essence of politics...is the acquisition and exercise of power, either formally or informally. Internal auditors...must develop their political as well as their technical skills.”<sup>1</sup></p> <p>Internal auditors often face political pressure when it comes to reporting audit results, whether in the public or private sector. This research will provide internal auditors with lessons learned by chief audit executives (CAEs) who have navigated the politics of their primary stakeholders. The report should be both entertaining and informative.</p>
<b>Primary Audience</b>	CAEs, audit committee chairs, and internal audit practitioners around the world.
<b>Research Questions</b>	<ul style="list-style-type: none"> <li>• To what extent do internal auditors face pressure to change the results of an audit? Are there differences based on industry, sector, size of organization, global region, etc.?</li> <li>• Have internal auditors experienced retaliation for ethically completing their duties? If so, what kind?</li> <li>• How do internal auditors handle political pressure?</li> <li>• What lessons have political auditors learned from experiencing pressure?</li> </ul>
<b>Benefit to the Audience</b>	Internal auditors will discover best practices for dealing with political pressure through reading about real-life examples.
<b>Topics/Issues</b> Proposals should include: <input checked="" type="checkbox"/> At least all of the topics listed. OR <input type="checkbox"/> The researcher’s selection of options and/or additional topics.	<ol style="list-style-type: none"> <li>1. Discover and describe previous research/literature on similar topics.</li> <li>2. Define politics in the work environment, which includes public and private sector. (See Larry Sawyer’s article referenced earlier.)</li> <li>3. Report on case studies describing the political challenges of internal auditing.</li> <li>4. Examples include internal auditors being pressured to avoid</li> </ol>

<sup>1</sup> Lawrence B. Sawyer, “The Political Side of Auditing,” in *Sawyer’s Words of Wisdom* (Altamonte Springs, FL: The Institute of Internal Auditors, 2004), 25.

	<p>auditing certain areas, auditors not being invited to certain meetings or informal lunches, and politics within the audit committee or the board. Some auditors may have left their jobs because of politics.</p> <ol style="list-style-type: none"> <li>5. Analyze the case studies to identify common elements (poor communication, inappropriate reporting lines, governance issues, etc.).</li> <li>6. Identify examples of leading practices.</li> <li>7. Identify strategies to avoid conflicts.</li> <li>8. Identify strategies to deal with political pressures (political courage).</li> <li>9. Consider how media coverage/transparency can be used to educate the public and support audit during difficult situations.</li> <li>10. Discuss how The IIA can assist in such situations.</li> </ol>
<b>Methodology</b>	The primary methodology is case studies, with in-person interviews preferred. Case study elements should include who, what, when, why, and how to describe the situations. Interview participants must be guaranteed complete anonymity. Identifying case study candidates will require research with industry professionals and review of news reports.
<b>Sample Size and Description</b>	<p>Researchers will identify and conduct interviews with experienced CAEs (current and former) to answer the following questions: Researchers should interview current and former CAEs and auditors from around the world and from various industries.</p> <p>Approximately 10–15 case studies are desired.</p> <p>Note: Researchers are encouraged to take a global perspective by collecting stories from not only North America, but worldwide.</p>
<b>Researcher Qualifications</b>	Good storytelling skills are a plus. A research team with a lead writer/editor might be a good approach to getting the breadth and variety of interviews requested. Another option is to ask volunteers to submit stories and then edit them into a book.
<b>Time Frame</b>	12 months after execution of the contract
<b>Length of Book or Report</b>	The primary product will be a book, 120–150 pages in length.
<b>Other Possible Content Uses</b>	<ul style="list-style-type: none"> <li>• Proposed article for <i>Internal Auditor</i> magazine</li> <li>• Audit Channel presentation</li> </ul>
<b>Resources to Consult</b>	<p>A great deal of historical knowledge is held by IIA committee members. This historical knowledge could be tapped to gain insight on possible case studies.</p> <p>In addition, printed resources include:</p>

	<ol style="list-style-type: none"><li>1) Lawrence B. Sawyer, <i>Sawyer's Words of Wisdom</i> (Altamonte Springs, FL: The Institute of Internal Auditors, 2004), 1: 25–34.</li><li>2) Bronston T. Mayes and Robert W. Allen, "Toward a Definition of Organizational Politics," <i>The Academy of Management Review</i> (1977), 2: 672–678.</li><li>3) Dan Farrell and James C. Petersen, "Patterns of Political Behavior in Organizations," <i>The Academy of Management Review</i> (1982), 7: 403–412.</li><li>4) Gerald R. Ferris, Donald B. Fedor, and Thomas R. King, "A Political Conceptualization of Managerial Behavior," <i>Human Resource Management Review</i> (1994), 4: 1–34.</li><li>5) Eran Vigoda, "Organizational Politics, Job Attitudes, and Work Out comes: Exploration and Implications for the Public Sector," <i>Journal of Vocational Behavior</i> (2000), 3: 430–452.</li><li>6) Gerald R. Ferris, Gloria Harrell-Cook, and James H. Dulebohn, "Organizational Politics: The Nature of the Relationship Between Politics Perceptions and Political Behavior." In: S. B. Bacharach and E. J. Lawler (Eds), <i>Research in the Sociology of Organizations</i> (Stamford, CT: JAI Press, 2000).</li><li>7) K. Michele Kacmar and Gerald R. Ferris, "Perceptions of Organizational Politics Scale (POPS): Development and Construct Validation Educational and Psychological Measurement" (1991), 51: 193–205.</li><li>8) Gerald R. Ferris and K. Michele Kacmar, "Perceptions of Organizational Politics," <i>Journal of Management</i> (1992), 18: 93–116.</li><li>9) Donald Fedors, Gerald R. Ferris, Gloria Harrell-Cook, and Gail S. Russ, "The Dimensions of Politics Perceptions and Their Organizational and Individual Predictors," <i>Journal of Applied Social Psychology</i> (1998), 45: 1760–1797.</li><li>10) K. Michele Kacmar and Dawn S. Carlson, "Further Validation of the Perceptions of Politics Scale (POPS): A Multiple Sample Investigation," <i>Journal of Management</i> (1997), 23: 627–658.</li></ol>
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**INTERESTED RESEARCHERS AND AUTHORS, PLEASE PROCEED TO THE NEXT SECTION, PROPOSAL SUBMISSION GUIDELINES**

## PROPOSAL SUBMISSION GUIDELINES

The Institute of Internal Auditors Research Foundation (IIARF) is the global leader in providing research and knowledge resources to enhance the internal audit profession.

Proposals should outline how the requirements of the RFP will be met. Proposals should not exceed **five pages** exclusive of the summary page and appendices described below, and should be organized as follows:

1. Proposal Summary Page
  - a. Name of the priority topic being addressed.
  - b. Product type (education, applied research, or theoretical research).
  - c. Proposal title. (This title should be specific to the proposal, not the same as the name of the priority topic.)
  - d. Date proposal was submitted.
  - e. Primary researcher's name and contact information.
  - f. Proposal abstract. (This should be one to two paragraphs, including research need, primary audience, methodology, and a description of the primary deliverable.)
2. Project Description
  - a. Research questions.
  - b. Application/implications for internal auditors.
  - c. Topics/issues.
  - d. Methodology. (Explain how the proposed methodology will answer the research question. Include drafts of surveys or interview guides in appendices. An incomplete methodology will cause a research proposal to be returned.)
  - e. Sample size and description.
3. Research Team and Budget Description
  - a. Proposed research team members with a *brief description of their roles and qualifications*. (Describe research capabilities and/or academic qualifications related to the topic. Show that an experienced internal auditor is on the research team.)
  - b. Time frame.
  - c. Budget. (Give itemized budget and tell who receives funds.)
4. Deliverable Description
  - a. Length of book or report.
  - b. Other possible content uses.
5. Appendices
  - a. First draft of the interview guide, survey questions, and/or analysis methodology (if applicable).
  - b. Curriculum vitae (CV) for each researcher (three pages maximum).
  - c. Previous researcher affiliation with The IIA (previous research or educational products produced, volunteer participation, chapter officer, etc.).

Submit proposals by **MARCH 11, 2013**, via email to: [research@theiia.org](mailto:research@theiia.org)

Further information: [research@theiia.org](mailto:research@theiia.org), Tel: +1-407-937-1356, Fax: +1-407-937-1101