

The Impact of an Organization’s Governance Maturity on Its Internal Audit Activity

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.

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

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

TOPIC INFORMATION	
Priority Topic Title	The Impact of an Organization’s Governance Maturity on Its Internal Audit Activity
Topic Summary	Weak or immature governance will hinder the execution of internal audit strategy. Therefore, internal auditors need to know how to measure governance maturity, evaluate its impact on the internal audit activity, and take steps to promote governance maturity.
Product Type	Choose one: <input type="checkbox"/> Educational Product <input checked="" type="checkbox"/> Research Report (applied) <input type="checkbox"/> Research Report (add to knowledge base, theoretical)
Problem the Research Will Address	Internal auditors need to know how to adjust to the level of governance maturity in their organizations.
Primary Audience	Internal audit practitioners and chief audit executives (CAEs) around the world. Private and public sector.
Research Questions	<ul style="list-style-type: none"> • How can internal audit measure an organization’s governance maturity? • How is internal audit affected by governance maturity? • How can internal audit promote governance maturity?
Benefits to the Audience	Internal auditors will learn: <ul style="list-style-type: none"> • Key indicators of governance maturity (through a governance maturity model). • Best practices for internal audit departments that are in organizations with weak governance. • Action steps for internal audit to help an organization progress to higher levels on the governance maturity model.
Topics/Issues	<ol style="list-style-type: none"> 1. Definition of governance. (Give The IIA perspective and compare it with other sources.) 2. Literature review of governance maturity factors. (This review should be used as the basis for the governance maturity model.) 3. A governance maturity model (key indicators of governance maturity). (Make sure the model is not skewed toward certain cultures or heavily regulated industries.) 4. How to recognize the signs of weak governance and strong governance. 5. Different causes of weak governance. (For example, a small organization with lack of expertise versus a large organization with resistance to governance standards. Also, a merger can create weak governance.) 6. Impact of governance maturity on internal audit (for example, internal audit mandate, the size of the department, the reporting lines, the internal audit budget, etc.).
	<p>Proposals should include: <input checked="" type="checkbox"/> All of the topics listed, plus additional topics at the researcher’s discretion. OR <input type="checkbox"/> The researcher’s selection of options and/or additional topics.</p>

	<ol style="list-style-type: none"> 7. Benefits of strong governance (more effective internal audit process, increased stakeholder confidence, reduces the risk of uncertainty, integrated assurance). 8. Problems of weak governance (hinders internal audit activity, creates uncertainty and risk, affects internal audit administration and set-up). 9. Ways to determine whether or not an organization’s governance can be improved. 10. Action steps for progressing to higher levels on the governance maturity model (internal audit’s role). 11. Best practices for internal audit departments who are in organizations with weak governance. (Ensure that recommendations apply cross-culturally and in various types of organizations.) 12. Roles and responsibilities of key stakeholders in the governance process (including management, audit committee, board of directors, internal audit, etc.). 13. Factors that can be used to evaluate internal audit’s relationship to an organization’s governance (for example, measuring the extent internal audit is involved in monitoring, assessing and reviewing the organization’s policies, procedures, laws, etc.). 14. Case studies about strong governance (to support the content of the entire report). 15. Case studies about weak governance (to support the content of the entire report).
Methodology	Case studies using interviews at the CAE level.
Sample Size and Description	<p>5–7 organizations (in-depth studies)</p> <p>The sample should include:</p> <ul style="list-style-type: none"> Public/private North America/Outside North America Small (<\$500m revenue)/large (>\$500m revenue) Organizations at different levels of maturity
Researcher Qualifications	Researchers need understanding of internal audit practices plus networking experience in the industry in order to identify good organizations for case studies.
Time Frame	12 months
Length of Book or Report	100+ page book
Other Possible Content Uses	The researchers can propose additional content uses as applicable, such as a magazine article, a white paper, or seminar presentation.
Resources to Consult	IIA materials about governance.

	Gerrit Sarens et al., <i>Combined Assurance</i> (Altamonte Springs, FL: The Institute of Internal Auditors Research Foundation, 2012). “Fraudulent Financial Reporting, 1998-2007,” COSO research report <i>Corporate Governance</i> , 3 rd ed. by Robert Monks and Nell Minow.
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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

Further information: research@theiia.org, Tel: +1-407-937-1356, Fax: +1-407-937-1101