

Responding to Significant Risk Events

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	Responding to Significant Risk Events
Topic Summary	The role of internal audit in the risk management lifecycle <i>after</i> a significant risk event has occurred.
Product Type	Choose one: <input checked="" type="checkbox"/> Research Report (applied) <input type="checkbox"/> Research Report (add to knowledge base, theoretical)
Problem the Research Will Address	The purpose is not to research disaster recovery or business continuity planning but to evaluate internal audit’s role and impact on the management of a significant risk event. The focus should not be to look back at past events but to look forward to what might happen in the future.
Primary Audience	Executives, board members, chief audit executives, and risk management professionals (e.g., chief risk officers, etc.).
Research Questions	<ul style="list-style-type: none"> • How can internal audit assist an organization in preparing and responding to a significant risk event? • How does the role of internal audit impact its participation in response to a risk event? • What impact does risk velocity have on the response process? • What are the similarities/differences in response to catastrophic risk events (e.g., earthquake, hurricane, significant financial crisis, etc.) versus strategic risk events (e.g., increased commodity costs, supply chain management issues, emergence of new competition, etc.)? • Consider the interrelationship of the risk portfolio—could one significant risk event trigger others? • Is the manner in which risk management is performed changing? • What effect does an effective business continuity management program have on a significant risk event response?
Purpose and Objectives	<ul style="list-style-type: none"> • Define and describe significant risk events • Evaluate areas that internal audit should focus on following the identification of a significant risk event. • Investigate the role of internal audit in crisis management, including any role that internal audit would play in any response plan. • Determine how internal audit might identify the occurrence of significant risk events when it does not “have a seat at the table” or is not otherwise informed of such events. Consider how internal audit might then participate in the process. • Assess the impact that internal audit has when it has a seat at the table during an organization’s management/response to a significant risk event versus when it is excluded from the process. Consider including possible case studies of both examples, measuring the

	<p>differences in results.</p> <ul style="list-style-type: none"> • Internal audit’s role could differ by organization or industry. — Provide general guidance or suggestions to consider. • Evaluate the current paradigm related to risk assessment focus. • Evaluate internal audit’s role throughout an organization’s risk management maturity model: <ul style="list-style-type: none"> ▪ If an organization’s risk management process is developing, internal audit’s role may differ from an organization that has a mature risk management process. ▪ Assess the role the audit department plays in the business (e.g., “cop” versus “partner”) and the impact on its role in risk management after the risk event. • After the event has occurred and the response plan has been implemented, assess the role of internal audit: <ul style="list-style-type: none"> – Consider how to measure the effectiveness of the organization’s response. – Describe the impact post mortems have on significant risk events. – Evaluate the role internal audit has in a post mortem. – Evaluate the effects of a significant risk event to determine how they may be prevented or better managed in the future. • Develop a collection of case studies that provide examples of internal audit participation in managing through significant risk events. • Focus should include obtaining feedback from risk managers and stakeholders.
<p>Content Guidelines</p>	<p>The researcher should seek to answer the following questions:</p> <ul style="list-style-type: none"> • How can internal audit assist an organization in preparing and responding to a significant risk event? • How does the role of internal audit impact its participation in response to a risk event? • What impact does risk velocity have on the response process? • What are the similarities/differences in response to catastrophic risk events (e.g., earthquake, hurricane, significant financial crisis, etc.) versus strategic risk events (e.g., increased commodity costs, supply chain management issues, emergence of new competition, etc.)? • Consider the interrelationship of the risk portfolio—could one significant risk event trigger others? • Is the manner in which risk management is performed changing? • What effect does an effective business continuity management program have on a significant risk event response?

Time Frame	Six to nine months
Literature to Consider in Developing Proposal	<p>Enterprise risk management materials, such as: Frederick Funston and Stephen Wagner, <i>Surviving and Thriving in Uncertainty: Creating the Risk Intelligent Enterprise</i> (Hoboken, NJ: John Wiley & Sons, 2010).</p> <p>Disaster Recovery/Business Continuity Planning Guidance, such as: Albert Marcella, and Carol Ann Stucki, <i>Business Continuity Disaster Recovery and Incident Management Planning: A Resource for Ensuring Ongoing Enterprise Operations</i> (Altamonte Springs, FL: The Institute of Internal Auditors Research Foundation, 2004).</p> <p>The current internal audit literature, such as: <i>Internal Audit Capability Model (IA-CM) for the Public Sector</i> (Altamonte Springs, FL: The Institute of Internal Auditors Research Foundation, 2009).</p>
Deliverables	<ul style="list-style-type: none"> • White paper • Academic article • Article for “Bookstore Spotlights” <p>[] A PowerPoint presentation summarizing the major findings and conclusions of the research. May be 10 to 20 slides to use at chapter meetings, an hour for conference presentations, etc.</p> <p>[] Other: Ancillary educational product (handbook — 50–100 pages)</p>

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