Achieving and Maintaining Professional Competency as an Internal Auditor in a High-Change Environment

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Essay Topic:
As internal auditors find themselves working in diverse organizations in rapidly changing global markets, internal auditors must ask these questions to maintain strategic relevance to the organization:

A. What are the most important professional competencies an internal auditor must have upon entering the profession?

B. Considering short-term, intermediate-term, and long-term needs of internal auditors and their employing organizations and industries, what management strategies will enable internal auditors to keep abreast of change?

C. How should management appropriately determine whether to hire and develop internal auditors who are "generalists" or "specialists"?

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About the Author

Lancelot Henry Giles, CPA is very fortunate to be an active member of the Internal Audit Education Program (IAEP) at The UT Dallas. He is a graduate student in the Masters of Science in Information Technology and Management (ITM) program with a concentration in cyber security.

Currently, Lance’s Advanced Internal Audit class is giving back to The IIA by analyzing the local Dallas, Texas IIA chapter and assisting in documenting standard operating procedures.

Lance interned with The UT System Internal Audit activity at The UT Dallas from January to May 2015. He assisted in the performance of a contract and grant audit. He also performed Computer Aided Audit Techniques (CAATs) to analyze purchase card (P-Card) activity for Fiscal Years 2013-2014. He reported to the IT Audit Manager and identified opportunities for internal control improvement related to underutilized P-Cards. He also identified for additional analysis spikes in P-Card activity and purchases at or above credit limit thresholds.

Lance works full-time for the Defense Contract Audit Agency (since 2009) auditing contracts and is pursuing Certified Internal Auditor certification. He was recently selected with 15 other DCAA employees, out of more than 250 applicants, to be Guest Instructors in 2016. As an auditor of U.S. Government contracts, he takes after his father in pursuing a fulfilling career to protect taxpayers. In 2013, Lance successfully exercised professional skepticism and communication acumen to identify audit findings that led to reimbursement of approximately $1.3M to the U.S. Government.

Lance and his incredibly gifted wife Brianne graduated from Utah State University (USU) in 2009: he earned an undergraduate degree in Accounting and she in Music Therapy. While attending USU in 2008, Lance was awarded the prestigious Koch Scholars Award in Leadership and Economic Studies. He was honored in 2009 as one of two USU students to attend the Lean Accounting Summit in Las Vegas, Nevada and the 2009 Shingo Prize Conference in Nashville, Tennessee. Lance enjoys athletics, cooking outdoors, and camping with Brianne and their two very active sons.

If granted the Esther Sawyer Award, then Lance would apply the funds directly to The UT Dallas to finish his graduate degree in ITM without using student loans. His professional goals include transitioning from compliance audit to IT audit within an internal audit activity, achieving the CIA and CISA certifications, supporting his local IIA chapter, and becoming an instructor at a local university to inspire and coach the next generation of internal auditors.
Introduction

The year 2015 was marked by impressive growth and remarkable change in intelligence and technology. The Internet of Things (IoT) market expanded rapidly as Wi-Fi connected more homes, vehicles, drones, wearable systems such as fitness trackers and smartwatches, and cities than ever before.\(^1,2\) Robert Half Technology reported in the 2016 Salary Guide for Technology Professionals that 57 percent of over 2,400 CIOs surveyed in the United States believe “...wearable technology will become a commonly used workplace tool within five years.”\(^3\) Vodafone (British telecommunications company, headquartered in London serving more than 28 million homes in Europe with high-speed internet) performed a Machine-to-Machine (M2M) study and found 27 percent of enterprises had, at least, one M2M solution in place in 2015 and 37 percent plan to implement an M2M solution within two years.\(^4\) “Vodafone defines M2M as technologies that connect machines, devices, and objects to the Internet, turning them into ‘intelligent’ assets that can communicate.”\(^2\)

As the interconnectedness accelerates of products and services, internal audit activities must achieve and maintain relevant competencies to evaluate evolving organizations. Successfully leveraging suggestions in this paper’s three sections will allow internal audit activities to achieve this vital relevance. First, this paper addresses core competencies that organizations must consider when acquiring internal auditor talent: courageous integrity, high emotional intelligence, and excellent critical thinking. Second, this paper outlines management strategies critical to ensuring that internal auditors are kept abreast of change acceleration: building relationships on trust and mutual respect, staying current with technology, anticipating relevant and significant change, and reflecting on lessons learned to build repeatable strategies. Third and finally, this paper addresses what internal audit management should consider when balancing the blend of generalist and specialist internal auditors.

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Which Critical Competencies Should Internal Auditors Acquire?

Mr. David Ulrich is the Rensis Likert Professor at the Ross School of Business, University of Michigan and a partner at the RBL Group. Among other accolades, Mr. Ulrich was voted the Most Influential Thinker of the Decade at HR Most Influential 2015.5 Between 2003 and 2005, I had the very fortunate opportunity to work as a volunteer in a non-profit organization Mr. Ulrich led in Québec, Canada.

Mr. Ulrich visualized the importance of inherent traits best when he asked what basketball skill is the most important. “Quickness and agility” was the response. “Height” was Mr. Ulrich’s answer. He explained that given time and effort, with a willingness to learn, even very tall individuals who first appear awkward and lethargic can acquire the athletic skills of speed and quickness. However, despite the advantage of height, fast athletes cannot learn to be tall. Tall and teachable talent give basketball teams a competitive edge.

Similarly, organizations should acquire talent with intrinsic competencies, such as a high emotional intelligence (EI), rather than competencies obtained quickly, such as internal audit delivery. By doing so, internal audit teams are more likely to have a competitive edge. Courageous integrity, high emotional intelligence, and excellent critical thinking are characteristic traits that are innate, rather than supplemental, and essential to internal auditing. They are included below in items 1, 6, 7 and 8 of The IIA’s Global Internal Auditor Competency Framework, or The Framework. The 10 core competencies of The Framework are:6

1. Professional ethics: Promotes and applies professional ethics,
2. Internal audit management: Develops and manages the internal audit function,
3. International Professional Practices Framework (IPPF): Applies the IPPF,
4. Governance, risk and control: Applies a thorough understanding of governance, risk and control appropriate to the organization,
5. Business acumen: Maintains expertise of the business environment, industry practices and specific organizational factors,
6. Communication: Communicates with impact,
7. Persuasion and collaboration: Persuades and motivates others through collaboration and cooperation,
8. Critical thinking: Applies process analysis, business intelligence and problem-solving techniques,
9. Internal audit delivery: Delivers internal audit engagements, and
10. Improvement and innovation: Embraces change and drives improvement and innovation.

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Courageous Integrity

The Framework lists Professional Ethics as the first of the ten core competencies for internal auditors. As shown in the chart below in The Framework, integrity and “Internal Audit Management” provide “…a firm foundation for the delivery of internal audit.”

Figure 1-1: The Framework

![Diagram of The Framework]

Ethical values are a critical component of an organization’s internal Enterprise Risk Management (ERM) environment. “The core of any business is its people—their individual attributes, including integrity, ethical values, and competence — and the environment in which they operate.” Integrity is also the first of four principles in The IIA Code of Ethics and is critical to the success of each professional and the profession.

Courage is paramount when living by a moral compass led by integrity. Courage empowers internal audit professionals to “stick to their guns” and speak out to honor their professional skepticism, voice strategic advice and warn of fraud and unethical behavior. This courage must be resilient, as internal auditors experience push-back to their daily inquiries and to well written, comprehensive audit reports.

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9. The IIA Global, The IIA’s Code of Ethics

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Thoughts to Consider: Candidates entering the profession must ask themselves:

1. Are my work experience, education, and certifications consistently and fairly represented in their social media profiles, resumes, interviews, and supporting documentation such as professional and prior employer references?
2. Do I know and live by The IIA’s Code of Ethics and the hirer’s ethical values?
3. Do I use social media responsibly and avoid the questionable style of others?
4. Do I have the courage to manage pushback with resiliency?

High Emotional Intelligence

The second competency imperative to success is high emotional intelligence (EI). The professionals that I personally interviewed to write this essay explained that elements of EI were truly the key to unlocking internal auditing excellent. In fact, EI is a critical element to communication that allows the internal audit activity to gain the trust of the organization and approach risk assessment from the organization’s perspective. According to Drs. Travis Bradberry and Jean Greaves, emotional intelligence can be defined as “Your ability to recognize and understand your emotions and your skill at using this awareness to manage yourself and your relationship with others.”

EI is addressed by The Framework’s competencies of Communication (6) and Persuasion and collaboration (7).

EI improves communication by signaling how and when to communicate. EI improves listening skills by recognizing and correctly interpreting the body language of others.

For example, there may be nervousness in the client’s voice or posture when the auditor is asking questions to gather an understanding of internal control processes. It may be necessary to break the ice, create a personal connection, or use humor to relax the client and improve the likelihood an internal auditor gathers sufficient and accurate evidence from the client. Internal auditors with a high level of EI avoid triggers that invoke negative emotions in others. By avoiding these triggers, audit clients are more likely to respond quickly and positively to information requests.

Triggers may not be avoidable; in these situations, internal auditors with a high level of EI keep their emotions in check and recognize when the emotions of others are on the rise. The ability to keep a calm demeanor in times of tension and encourage others to do the same is a valuable way to maintain focus on achieving organizational goals.

The CBOK 2015 Global Internal Audit Practitioner Survey polled 14,518 respondents in 166 countries in an assessment of The Framework’s competencies to illustrate the importance of communication in internal auditing. “For the personal skills group, survey respondents assess themselves highly in the areas of communication and persuasion and collaboration, second only to professional ethics.” This high communication score indicates an internal auditor must communicate effectively to enter and succeed in the profession.

EI helps internal auditors to persuade and motivates others through collaboration and cooperation. EI can improve the internal auditors’ self-awareness of how they use body language and how this body language is interpreted by others. For example, when presenting audit findings to an audit manager, executive, or board member, the internal auditor is likely to improve buy-in and portray competence by sitting up straight, maintaining eye contact, speaking clearly, and respectfully considering others’ opinions. Compromising and working well with others is critical in internal auditing because interacting with professionals who have a different communication style, culture, generation, and expectation occurs on a routine basis.

Internal auditors with a high level of EI are likely to carefully assess their strengths, weaknesses, opportunities, and threats (SWOT) because they are more self-aware. Self-awareness assists in recognizing moments of cognitive dissonance in which conflicting thoughts makes the person feel uncomfortable and desire to change. This desire to change leads to action: individuals with a high level of EI use their intelligence and creativity to find solutions.

The IIA states; “Research indicates approximately one-third of the difference between top and average performance is due to technical skill and cognitive ability. The remaining two-thirds is attributed to emotional competence.” When internal auditors enter the field, they must exercise self-awareness to effectively manage themselves and their relationship with others.

**Thoughts to Consider:** Candidates entering the profession must be aware recruiters and managers quickly assess the EI of potential staff by asking questions like:

1. Is the candidate relatable and interested in understanding others?
2. Does the candidate respond in a respectful and positive tone and quality of speech?
3. Does the candidate maintain confident body language and maintain good eye contact?
4. Does the candidate address the needs of the audit organization when asking or responding to questions?

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Excellent Critical Thinking Skills

The third critical competency to the internal audit activity is excellent critical thinking skills. Critical thinking is addressed by The Framework as the eighth core competency. In my six years’ experience performing compliance and contract audits, I find the ability to critically evaluate computations and concepts is essential. Over 60 percent of Chief Audit Executives (CAEs) stated analytical and critical thinking skills are the top attribute sought in new team members. However, only 30 percent of Internal Audit Training Programs address critical thinking skills. Therefore, internal auditors entering the profession should expect to search out opportunities to improve critical thinking skills. Critical thinking can be assessed by hiring professionals and expressed by internal audit candidates in some ways, whether during a networking event, seminar, or during an interview. To illustrate an example of assessing one’s critical thinking skills, I offer the following question posed just a few months ago in my Advanced Internal Audit course; “How many quarters does it take to span the George Washington Bridge, which crosses the Hudson River and connects Manhattan, New York to Fort Lee, New Jersey?” This question provides an opportunity to evaluate the thought process of those addressing the problem.

Detail-oriented individuals may likely answer by comparing the length of a quarter to the bridge length. If a quarter is approximately one inch in diameter, the George Washington bridge is 4,760 feet long, and span means to cover the distance between two supports of a bridge on opposite shores of a body of water, then the answer could be approximately 57,120 quarters (4,760 feet x 12 inches for each foot = 57,120 inches or 57,120 quarters).

Figure 1-2: George Washington Bridge Comparison

A more creative perspective addresses traffic flow to insist that only one quarter is necessary. A quarter could be carried across the bridge in a vehicle or other mode of transportation. Vehicles cross the bridge constantly; one could simply give the quarter a ride in a red Mazda3 from Manhattan to Fort Lee. Equally creative and more realistic is the consideration that the fare to cross the bridge costs between $10.50 and $15.00, depending on whether the quarters are used to pay the EZ-Pass price or the cash price. Therefore, it would require between 42 and 60 quarters to span the George Washington Bridge (4 x 10.50 = 42 and 4 x 15 = 60). This perspective takes into account that a fee controls access to the bridge; therefore, in actuality, the quarters could not be lined up from Fort Lee to Manhattan without first paying the access fee. Similarly, the Mazda3 could not give the quarter a lift without first paying the toll.

Several characteristics cause an internal auditor to think critically, two of which are inquisitiveness and professional skepticism. An inquisitive mindset leads an internal auditor to willingly, continually search for adequate understanding, and not settle for easily obtained, surface level evidence. It is necessary to ask the *why* questions to find the root cause of business controls without succumbing to the fear of speaking out or being judged by others. Inquisitiveness is a sign of the lifelong learning attitude. Asking the *why* questions causes the internal auditor to think through the details and drill down to the root cause of a process. This ensures that the internal auditor obtains a sufficient understanding of key risks to effectively assess internal controls.

Professional skepticism augments the inquisitive mindset by reminding the internal auditor to dig deeper and not take information at face value. Trusting, yet verifying, is at the core of internal auditing. Professional skepticism drives the internal auditor to verify assertions to appropriate and sufficient evidence. Questioning until verification is obtained by strong, convincing evidence is proof of critical thinking skills.

*Thoughts to Consider:* Candidates entering the profession must assess if they sufficiently exercise critical thinking skills by determining:

1. Do I ask myself why a process is performed and then research plausible answers before asking these *why* questions to others?
2. Do I ask relevant, organization *why* questions without fear of being judged by others?
3. Do I follow up on verbal response to *why* questions by asking for sufficient and appropriate evidence?
4. When I am given irrelevant evidence in response to my information requests, do I follow up timely and include management to assist in obtaining relevant evidence?
How Should Internal Auditors Keep Pace with Change Acceleration?

Changes in organizational processes occur because new technology emerges, compliance requirements update, organization strategy and alignment shift in reaction to market competition, etc. Regardless of the cause for significant changes, internal auditors must maintain their relevance by designing and following a comprehensive strategy to achieve short-term, intermediate-term, and long-term professional and organizational needs. By doing so, the internal audit activity can become the first line of strategic offense.

To gather a professionally sound perspective on managing change, I personally interviewed 11 of the internal audit professionals listed on the “Acknowledgments” page. When I spoke with Mr. Denny Beran, former Senior Vice President of Audit for the J.C. Penney Company Inc., and The IIA’s former Chairman of the Board (2011-2012), he exclaimed that “Complacency is the kiss of death.” To illustrate the meaning of this phrase, Mr. Beran went on to explain that several years ago he knew a CAE who was unwilling to revise his yearly audit plan to address the new requirements of the Sarbanes–Oxley Act of 2002. A number of months later, that CAE was no longer employed with his company. When significant changes appear on the horizon, internal auditors should prepare to address them by:

A. Building relationships on trust and mutual respect,
B. Staying current with technology,
C. Anticipating relevant, significant changes, and
D. Reflecting on lessons learned and building repeatable strategies.

Building Relationships

First, internal auditors must build relationships of trust and respect among colleagues and within the organization in which they serve. By reaching out to others and sharing risk and control information appropriately and freely, internal auditors are likely to give and receive insights on upcoming changes that may significantly influence the organization. Building relationships of trust with professionals outside of the internal auditor’s organization is beneficial as well. Internal auditors should join a professional organization focused on the development of internal auditing excellence. For example, joining The IIA’s chapters and institutes will allow access to significant networking and learning opportunities. Emerging issues are more likely to be addressed in these professional forums. Participants strengthen their knowledge through sharing and instructing; internal auditors likely gain insights through interaction with professionals with a different outlook.

Staying Current with Technology

Second, internal auditors must gain and sustain an understanding of the information systems that support nearly all processes within most organizations today. According to Robert Half’s 2016 Salary Guide for Accounting and Finance; “Forty-one percent of CFOs polled in a Robert Half survey said staying current with technology is the greatest pressure facing accounting and finance teams.”


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On an organizational level, this may require the internal audit activity to be data experts, with the appropriate access to extract data reports and sufficient competency to perform advanced analytical procedures and identify relationships within data sets. On a personal level, internal auditors should be proactive and use technology resources whenever available. Internal auditors cannot expect all training needs to be addressed by their employers. If limited, formal internal audit training programs are available, then internal auditors should reach out to fellow professionals. Internal auditors should consider requesting various audit assignments to broaden their understanding of business processes and improve their assessment of technology risks.

Professional education and certification reimbursement are an excellent resource for staying current with technology. Professional education incentives and certification reimbursement indicate that an organization provides “professional development opportunities” and paths for “growth and promotion”.24 Common certifications earned by internal auditors include:

1. Certified Internal Auditor (CIA),
2. Certified Information Systems Auditor (CISA),
3. Certified Public Accountant (CPA), and
4. Certified Fraud Examiner (CFE).

Certifications are beneficial during the phases of studying, passing exams, and maintaining certification. While pursuing lifelong learning, renewing certification by taking Continuing Professional Education (CPEs) that are relevant to the organization is key. “A top priority should also be industry-specific knowledge and general IT skills, with an emphasis on the link between what employees learn and its relevance to the objectives and needs of their organization.”25 CPE requirements residually motivate internal auditors to maintain critical competencies to the organization, which provide opportunities for advancement.

If such an option is available, then internal auditors may consider requesting assignment to organizational teams. These assignments can provide a deeper understanding of business risks, rationale for implemented controls, and the significance of audit findings. These factors are essential for internal auditors when performing assurance or consulting engagements. Furthermore, these assignments may provide the opportunity for the internal auditor to interact with a variety of technology experts within the organization. This exposure to diverse technology use and understanding will give the internal auditor a process owner’s perspective and build credibility with the organization. In turn, this process owner’s perspective can offer insights that assist the auditor to assess controls that have more relevance or significance to the processes.

Anticipating Relevant, Significant Change

Third, internal auditors must anticipate relevant, significant changes. As internal auditors stay current with technology, they must be alert for changes in organizational objectives and strategies and “see around the corner,” as Mr. Beran explained it to me, to identify emerging risks. Organization personnel are more likely to notify internal auditing of coming changes when internal auditors have trusting relationships with them. By expanding the circle of vigilant, forward-looking personnel, an organization can anticipate these changes. As internal auditors anticipate what changes are likely to be addressed on the horizon, it may be necessary to acquire resources in anticipation of meeting those changes. For example, to address updates to complex compliance, the internal audit activity may acquire a specialist with the required skillset or contract in advance to co-source or out-source the engagement.

Reflecting on Lessons Learned

Fourth, and finally, internal auditors must reflect on lessons learned and build repeatable strategies to address acceleration of changes. Internal auditors should reflect on the resources used and determine whether they served their intended purpose. Has any significant gap separating the current and desired states of intelligence and technology been bridged? Perhaps the internal auditor should adjust the blend of resource usage and focus on a more technical aspect of auditing to provide the organization with the desired competence. For example, Certified Information Systems Security Professional (CISSP) certification would be useful to add the competency of performing competent penetration testing or evaluating the sufficiency of data encryption to comply with the Health Insurance Portability and Accountability Act (HIPPA).
Despite the constant changes that organizations face, the internal audit activity should not only be considered the last line of defense\textsuperscript{26}, but also the first line of offensive strategy, which is identified in the illustration below:

\begin{center}
\textit{Figure 1-3: Strategic Offense}
\end{center}

\begin{center}
\includegraphics[width=\textwidth]{strategic_offense.png}
\end{center}

\textit{Thoughts to Consider:} As the internal audit activity determines its relevance among the onslaught of change, performing a self-assessment is prudent and should include these introspective questions:\textsuperscript{27}

1. Have I proactively built stakeholder relationships based on mutual trust and respect?
2. Have I overcome stakeholder resistance to giving me a “seat at the table” where key organizational decisions are made and where the organization’s culture and tone at the top are forged?
3. Does the internal audit activity have the technical expertise to be subject matter resources on technology use to assess internal controls and perform analytical procedures to identify risk?
4. Do I anticipate change and identify emerging risks by coordinating with the organization, professional organizations, and acquiring the necessary skillsets?
5. Do I honestly and continually assess the effectiveness of past change management strategies, identify areas of improvement, and act on the assessment results?

\begin{itemize}
\item \textsuperscript{26} \textit{IIA Position Paper: The Three Lines of Defense in Effective Risk Management and Control}, (2013), The IIA
\item \textsuperscript{27} Beran, D. (August 2011). \textit{Assess Our Relevance}, Internal Auditor: August 2011 Issue
\end{itemize}
Should Internal Auditors Be “Generalists” or “Specialists”?

The debate over whether an internal auditor should develop a generalist or a specialist skillset has been widely debated throughout the profession’s history. To determine which skillset is the most appropriate to develop, internal auditor management should consider:

- A. Organization size and complexity,
- B. Internal audit activity competency blend, and
- C. Internal auditor advancement and interest.

Organization Size and Complexity

Internal audit management should first consider that organization size and complexity varies greatly between public, private, and government sectors. In the case of municipalities, organizational objectives may be achieved with one generalist internal auditor. Based on my interview with Mr. Phillip Weiner, Internal Auditor for the City of Irving, Texas, performing an internal audit by a generalist for a city or county is perfectly satisfactory. However, hiring a specialist skillset is unnecessary and costly.

Perhaps a unique approach to determining the appropriate blend of generalist and specialist internal auditors is reported by the Australian Taxation Office’s Chief Internal Auditor, Mr. Greg Hollyman, who explained that he combines these titles to form “specialist-generalist” internal auditors. These auditors should all be a “business-minded strategic thinker” yet possess an extremely specialized skill set such as a deep human resource (HR) background, information technology (IT) and Cyber Security expertise, etc. This strategy would likely be best served for larger organizations with complex processes that require particular expertise.

Internal Audit Activity Competency Blend

Second, the CAE should assess the needs of the organization and determine what blend of generalists and specialists is most relevant to the organization. If the charter discloses more technical assurance is required, then it may be appropriate to acquire specialists on the internal audit team. Cost-benefit analysis is certainly useful in determining if acquiring specialized talent is justified or other options bear consideration. Instead of acquiring a specialist with a narrow skill set or contracting out to a consultant, it may be prudent to send a generalist to specialized training to acquire the necessary competencies. Whatever the approach, internal auditors should assess the needs of their organization and focus on acquiring those competencies, whether generalist or specialist in nature.

“A top priority should also be industry-specific knowledge and general IT skills, with an emphasis on the link between what employees learn and its relevance to the objectives and needs of their organization.” Therefore, general IT skills and the ability to assess risks and evaluate controls that are relevant to the organization’s objectives is the priority.

Internal Auditor Advancement and Interest

Third, and finally, internal audit management must assess the advancement needs and interests of the internal auditors. Based on my personal interaction with several large public accounting firms, it seems typical to align internal auditors early on with industries that match the internal auditor’s interest while serving the organization’s best interest. Communicating needed skillsets up front with internal audit candidates and continuously creating an awareness of needed expertise should be helpful in motivating internal auditors to acquire specialized skillsets. If management does not make available opportunities for advancement or relevant specializing, then internal auditors must be proactive and position themselves to acquire the necessary skills. Internal auditors should continue to assess their own relevance and differentiate themselves by specializing, if needed.

Generalists provide great value in terms of leadership skills. Typically, an audit manager must be a generalist to address consulting and assurance engagements that stretch from one portion of the organization to the other.

In summary, balancing the blend of generalists and specialists requires internal audit management to assess the relevance to the organization, the required competency blend, and internal auditor advancement and interest. In the end, an integrated-auditor approach is best to ensure that generalist auditors contain general IT skills and organization acumen to maintain the benefits of flexibility and low cost.

Figure 1-4: Balancing Generalists and Specialists

**Thoughts to Consider:** As the internal audit activity balances the competency blend between generalist and specialist skillsets, internal audit management should ask:

1. Is the low cost and greater flexibility of the generalist adequate for the organization’s size and complexity?
2. Can the internal audit activity provide necessary specialized skillsets, or must those competencies be acquired by hiring additional personnel or entering into a co-source or out-source engagement?
3. Do internal audit managers and the CAE take internal auditor advancement and interest into account when assigning engagements or management responsibilities?
4. Do all internal auditors obtain the necessary general IT skills and organization acumen?
Conclusion

Internal auditing faces the challenge of adapting its people, processes, tools and measures to ensure organizations appropriately control critical risks, protect key assets, and effectively achieve its objectives. To do so, internal auditing must perform a risk-based analysis to determine how to efficiently acquire intrinsic competencies to adequately address the challenge of constant change. Courageous integrity, high emotional intelligence, and excellent critical thinking are critical to the success of the internal auditing function and the profession. Once the “right people are on the bus”, it is critical that internal auditors be proactive in assessing what competencies they need, accessing all available resources to continuously learn, and verifying whether their desired competencies were acquired.29

To address change management and anticipate the change in the risk landscape, internal auditing must build lasting relationships on trust and mutual respect and stay current with technology. By reflecting and acting on lessons learned, internal auditing will continuously improve and the organization will consider the internal audit activity as the first line of offensive strategy.

When determining whether to develop or acquire a specialist skillset, internal auditors and management must appropriately determine whether it is relevant to do so. A generalist approach is best for most internal auditors and organizations. All internal auditors should gain “industry-specific” knowledge and general IT skills, with an emphasis on the link between what employees learn and its relevance to the objectives and needs of their organization.”30

I am optimistic about the opportunities in internal auditing; the reality of constant change does not deter my enthusiasm for pursuing internal auditing as a career path. My experiences researching the profession and learning from many gracious and passionate professionals have been overwhelmingly positive and life changing.


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