Research Project
Request for Proposal

“Defining and Measuring the Value of Internal Audit”
Purpose:
The Internal Audit Foundation (IAF) and Committee of Research and Education Advisors (CREA) request interested individual researchers or research organizations to submit proposals for collaborating and performing research on the topic: “Defining and Measuring the Value of Internal Audit.”

This Request for Proposal is organized into six sections:

2. The scope of Work – Enumerate Specific Tasks
3. Deliverables, Outcome, and Performance Standards
4. Terms and Conditions
5. Proposal Evaluation and Award Process
6. Key Contacts and Project Management

Request for Proposal (RFP) Key Dates:

<table>
<thead>
<tr>
<th>Description</th>
<th>Date</th>
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<tr>
<td>RFP Release Date:</td>
<td>February 12, 2019</td>
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<tr>
<td>Questions and Clarification Period:</td>
<td>February 12 – March 4, 2019</td>
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<td>Responses Due:</td>
<td>March 4, 2019</td>
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<td>Project Award:</td>
<td>April 1, 2019</td>
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The IAF seeks Researchers who have interest, availability, and the experience necessary to explore the topic of defining and measuring internal audit value. The goal of the research is to provide internal audit leaders with consistent definitions of what constitutes internal audit value, perspectives on the various approaches used by CAEs to align their definition/perspective of value with stakeholders, and methods to measure, monitor, and communicate the value derived from the work of the internal audit function.

The IAF conducted preliminary research in December of 2018 via surveys and individual interviews to validate the interest and need for further exploration of this topic. The research confirmed the need and identified several challenges and complexities related to deriving a shared definition of internal audit value and communicating it, which includes:

- Stakeholders may not be aware of the breadth of capabilities within a modern internal audit function
- Management and the board, as stakeholders, may have divergent views of value
- While client feedback is a widely viewed metric, responses may be skewed based on outcomes within a recent audit
- Value varies with the type of engagement: assurance, advisory, or investigative
While 93% of survey respondents felt their function ‘absolutely’ or ‘frequently’ delivered value, only 86% felt their management and board had a similar sentiment. Only 67% of survey respondents indicated that had a measurement of ‘value’ as a performance metric for the audit function, of that 50 % relied on client satisfaction.

The research should continue to explore these issues and additional opportunities for defining and communicating value.

The IAF will receive responses to the RFP until March 4, 2019, award the project on April 1, 2019, and receive the completed project deliverable by December 31, 2019.

The internal audit profession recognizes the complexity of defining, measuring and communicating value. It begins by fully understanding the value designed into the services and products the internal audit function delivers. As these products are modernized the focus is on adding more value. Providing leading research on defining and measuring internal audit’s value is intended to inform, educate, and assist CAEs in implementing successful approaches for measuring, monitoring, and communicating value to stakeholders, which will benefit our membership and stakeholders globally. Knowing the value delivered today and effectively communicating it, allows a CAE and their stakeholders to collaboratively chart a path towards delivering more value tomorrow. The project deliverable will provide our audience with ideas on how to enhance the practices employed in line with a shared definition of internal audit value and to demonstrate the value of the internal audit function to internal and external stakeholders alike.

2. **Scope of Work – Enumerate Specific Tasks**

The Taskforce envisions the Researcher to plan, perform, present, and preserve the research project deliverables. Specifically, the Researcher should answer and complete the research questions, develop the research methodology, deploy the qualified research resource(s), respond to edits, and quality reviews, establish and follow reasonable project due dates, provide periodic status reports, and agree with the IAF terms and conditions. The Researcher will present a draft budget and collaborate with the IAF to finalize the budget prior to work beginning. The Researcher will participate in the promotion of the research product.

3. **Deliverables, Outcome, and Performance Standards**

The IAF requires, at a minimum, that the Researcher produces a comprehensive report, which defines internal audit’s value and includes recommended practices and metrics for communicating and monitoring the value provided by the function with a final delivery date no later than December 31, 2019. The Researcher may propose additional work products.
The IAF will provide essential performance standards. Specifically, the deliverables should benefit and drive value to the IIA members and internal audit practitioners alike and apply universally to all internal audit departments regardless of industry or jurisdiction. The Researcher should also consider the definition and measurement of internal audit value as it relates to the requirements of the IPPF and whether following the IPPF is seen as a prerequisite to creating value within audit services and products. The deliverables will be clearly written, communicate a response to the research question that includes the use of sound research methods and empirical data to reach a reasonable research conclusion. The Researcher should plan for and anticipate the deliverable due dates and provide status reports including sharing draft outlines, draft deliverables, and updated deliverables based upon edits and suggestions. The Researcher should write their work product to the Internal Auditors and Secondary Audiences such as Board of Directors and Executive Leaders.

4. **Terms and Conditions**

The Researcher will find the IAF general Research Terms and Conditions Form attached. These Terms and Conditions will be a part of contract awarded. The IAF will not reimburse applicants for expenses related to the submission of their proposal.

5. **Proposal Evaluation and Award Process**

The IAF will evaluate submitted proposals based on a number of factors:

a. Researcher’s experience and knowledge of internal audit management
b. Researcher’s familiarity with performance and monitoring metrics and tools
c. Researcher’s proposed research methodology, both in general and with detailed specifics regarding whether the approach is qualitative, quantitative, or a combination. Include information on specifics regarding sample size, demographics, and sampling procedures.
   Note: The IAF may be able to collaborate with The IIA to facilitate surveying a relevant segment of its membership (more than 195,000).
d. Researcher’s proposal
e. Researcher’s proposed research questions and objectives
f. Researcher’s proposed data collection and analytics tools
g. Researcher’s references

6. **Key Contacts and Project Management**

Interested parties should submit proposals, using the attached Proposal Submission Guidelines, by no later than March 4, 2019, to:
The Internal Audit Foundation
Attn: Carrie Summerlin, Vice President
1035 Greenwood Blvd.
Suite 401
Lake Mary, Fl 32746
Foundation@theiia.org

To learn more about the IAF go to www.theiia.org/Foundation.