Services and Role of Internal Auditing
Level 3 – Integrated
Advisory Services

**Purpose** — To analyze a situation and/or provide guidance and advice to management. Advisory services are directed toward facilitation rather than assurance and include training, systems development reviews, performance and control self-assessment, counseling, and advice.

**Essential Activities**
- Include in the internal audit charter the authority to perform advisory services and the types of advisory services.
- Develop appropriate policies and procedures for conducting advisory services.
- Ensure that the CAE retains the prerogative of establishing the audit techniques and the right of reporting to senior management when the nature and materiality or results pose significant risks to the organization.
- Implement practices to ensure that the independence and objectivity of internal auditors conducting the engagement are not impaired, and if so, ensure that appropriate disclosure is made.
- Ensure that internal auditors exercise due professional care in conducting advisory-service engagements.
- With respect to each individual advisory service:
  - Determine the methodology and type of advisory service; e.g., will it be combined with an assurance engagement or be performed separately?
  - Communicate to management and obtain agreement on the principles and approach that the IA activity will employ in performing and reporting on the advisory service.
  - Obtain assurance that management will be responsible for decisions and/or actions taken as a result of advice provided through advisory services.
  - Perform the advisory service.
  - Communicate the results of the advisory service.

**Outputs**
- Provision of guidance or advice to management.

**Outcomes**
- Influencing change to improve the organization’s operations.
- Added value by management acting on the results of advisory services or through such “partnering” relationships.

**Institutionalizing Practice Examples**
- Senior management support for the conduct of advisory services by the IA activity.
- Internal audit charter includes the authority to perform advisory services and the types of advisory services.
- Documented guidelines for the performance of advisory services.
- Internal audit training on relevant types of advisory services.

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1These services are referred to as “Consulting Services” in the Definition of Internal Auditing found in the International Professional Practices Framework. The Standards includes implementation standards relating to consulting services.