Governance Structures
Level 3 – Integrated
Management Oversight of the IA Activity

Purpose — To establish a mechanism/process within the organization to provide oversight and advice, and review the results of the IA activity to strengthen its independence and ensure appropriate action is taken. Involvement of a variety of managers in the decisions related to the IA activity helps to extend the activity’s support and scope beyond a single individual.

Essential Activities
- Recommend and contribute to the establishment of the appropriate mechanism/process to provide oversight and advice.
- If a committee of senior managers is that mechanism, contribute by recommending membership attributes, assisting in the development of its charter, and providing secretariat support.
- Establish policies and procedures for the IA activity to communicate, interact, and report to the committee of senior managers or other mechanism/process.
- Meet regularly with senior managers to increase management’s awareness about governance, risk assessment, internal auditing, and the value of a strong control environment.
- Encourage senior managers’ support for the independence of the IA activity through their advocacy efforts, such as communicating the IA activity’s mandate, authority, independence, and benefits throughout the organization.
- Coordinate the work of the IA activity and share relevant results and information with other assurance and advisory service providers for the organization.

Outputs
- A mechanism/process within the organization to provide oversight and advice, and review the results of the IA activity.
- Policies and procedures for the IA activity to communicate, interact, and report to the committee of senior managers or other mechanism/process.
- Processes to coordinate and share relevant results of the work of the IA activity and that of other assurance and advisory service providers.

Outcomes
- The independence, objectivity, and effectiveness of the IA activity are strengthened.
- The value of internal auditing is demonstrated through senior management’s support of internal audit’s contribution and impacts.
- Senior management shares in the accountability for the effectiveness of the IA activity.
- Work among assurance and advisory service providers for the organization is coordinated, resulting in less duplication of effort.

Institutionalizing Practice Examples
- Senior management support to establish an appropriate mechanism to provide oversight and advice to the IA activity.
- Legislation requiring an oversight committee.
- Internal audit charter includes reference to internal audit oversight mechanism/process.
- Organizational policies and procedures relating to internal audit oversight.
- Management oversight committee.
- Regular meetings/forums of assurance and advisory service providers.