Professional Practices
Level 4 – Managed
Audit Strategy Leverages Organization’s Management of Risk

Purpose — To link the IA activity’s periodic audit and services plan with the organization’s enterprise risk management strategies and practices.¹

Essential Activities
- Understand the organization’s enterprise risk management strategies and practices through consultation with management and key stakeholders and review of relevant documentation, internal and external to the organization.
- Translate the organization’s risk management strategies into operational terms; consider external influences, such as the organization’s overall environment (e.g., legislation or culture) and key stakeholders’ needs, and internal influences, such as management priorities, business processes, and the organization’s operations.
- Include in the internal audit and services plan those areas identified as high risk by management, if appropriate, and those identified by the IA activity.
- Continually monitor the organization’s risk profile and revise the internal audit and services plan, if necessary, and obtain senior management and/or board approval.
- Consider performing a periodic enterprise-wide risk management audit.

Outputs
- An IA activity periodic audit and services plan aligned with the organization’s enterprise risk management strategies and practices.

Outcomes
- The IA activity aligns its work with key business risks, recognizing that the audit universe should fully address the organization’s major risks and cover all its operations.
- The IA activity contributes to enterprise risk management by supporting the organization’s identification of risks, understanding its risk appetite, ensuring risks are integrated and aggregated, and making appropriate recommendations.

Institutionalizing Practice Examples
- Enterprise risk management strategy and practices in place within the organization.
- Senior management support for the alignment between the IA activity’s periodic audit and services plan with the organization’s enterprise risk management strategies and practices.
- IA activity participates on key and critical management and operational committees.

¹Enterprise risk management strategies and practices refers to formal and documented processes put in place by the organization to identify risks, and manage those risks within its risk appetite, thus providing reasonable assurance that the organization’s objectives will be achieved.