Services and Role of Internal Auditing
Level 4 – Managed
Overall Assurance on Governance, Risk Management, and Control

Purpose — To conduct sufficient work to provide an opinion on the overall adequacy and effectiveness of the organization’s governance, risk management, and control processes. The IA activity has coordinated its audit services to be sufficiently comprehensive that it can provide reasonable assurance at a corporate level that these processes are adequate and functioning as intended to meet the organization’s objectives.

Essential Activities
• Include the authority to express an organization-wide opinion in the internal audit charter.
• Ensure that the scope of the IA activity encompasses the whole of the organization’s governance, risk management, and control processes.
• In accordance with its risk-based audit plan, review sufficient elements of the governance, risk management, and control processes to express an opinion on the whole scope.
• Support the overall opinion with audits conducted over a specific period of time (usually annually).
• Express an opinion for each individual audit engagement performed during the specific period of time.
• Support the opinions with sufficient and competent audit evidence gathered in accordance with the Standards.
• Perform an annual corporate governance audit, if necessary, to support the overall opinion.
• Perform an annual enterprise-wide risk management audit, if necessary, to support the overall opinion.
• Attest to the reasonableness of management’s assertion or representation (if available) on the effectiveness of its governance, risk management, and control processes in supporting the achievement of objectives by:
  o Reviewing the adequacy and results of management’s monitoring activities.
  o Assessing the transparency, fairness, and consistency of management’s conclusions with respect to the results.
• Drawing upon management’s monitoring results, internal audit’s own risk assessments and audit activities, and results of relevant assessments performed by others, provide an independent opinion on the overall effectiveness of governance, risk management, and control processes in supporting achievement of objectives.
• Communicate the overall opinion and what it means to senior management, including concepts such as “reasonable assurance” and “positive” or “negative” assurance opinion.
• Reinforce the notion that overall responsibility for effective governance, risk management, and control processes over operations, compliance, and financial reporting rests with management.

Outputs
• Internal auditing expresses an opinion whether the organization’s governance, risk management, and control processes are effective in providing reasonable assurance that the organization’s objectives are met.

Outcomes
• Board and stakeholder confidence that the organization’s governance, risk management, and control processes are adequate and functioning as intended to meet the organization’s objectives.
• Board and relevant stakeholders are able to deliver on their corporate governance obligations.
• Knowledge acquired by the IA activity is used by the organization to strengthen its governance, risk management, and control processes.

Institutionalizing Practice Examples
• Senior management support for the IA activity’s role in providing an organization-wide opinion.
• Internal audit charter includes the authority to express an organization-wide opinion.
• Guidance on providing overall assurance on governance, risk-management, and control.
• Risk-based audit and services plan.
• Internal audit training relevant to auditing governance, risk management, and control processes.
• Organization’s annual statement of internal control.