Organizational Relationships and Culture
Level 5 – Optimizing
Effective and Ongoing Relationships

Purpose — To use strong relationship management skills of the CAE for maintaining appropriate visibility and alignment with key stakeholders, management, and audit committee needs and expectations.

Essential Activities
- Proactively communicate key strategic and operational issues to management and other key stakeholders and make recommendations.
- Participate on or be an observer at all of the organization’s mission-critical committees.
- Facilitate organizational learning by identifying changes in the global business environment that impact the organization.
- Consistently link all services of the IA activity to its vision, values, and strategic objectives.
- Maintain and foster the mutually respectful relationship with the organization’s external auditor.
- Contribute to audit committee effectiveness (e.g., refinement of its charter, committee member training, etc.).

Outputs
- A process/mechanism for regular interaction/briefings with key stakeholders, management, and audit committee members.

Outcomes
- Key stakeholders, management, and audit committee members understand and value internal auditing.
- The IA activity is seen as a credible business partner throughout the organization.
- The IA activity’s vision and values are consistent with that of the organization and aligned with key stakeholders.
- The IA activity plays a key role in development of the “tone from the top.”
- The external auditor relies on the work of the IA activity.

Institutionalizing Practice Examples
- Visible commitment and support from senior management to foster such ongoing relationships.
- Internal audit charter includes a formal process/mechanism for regular interaction and communication with and feedback from management, key stakeholders, and audit committee members.