Performance Management and Accountability
Level 5 – Optimizing
Public Reporting of Internal Audit Effectiveness

Purpose — To report publicly on the effectiveness of the IA activity to demonstrate transparency and accountability to the organization’s stakeholders and the public, and identify the contribution and impact made by the IA activity with the resources provided.

Essential Activities
- Establish impact measures.
- Collect the relevant data.
- Identify organizational-level impact of the IA activity, including:
  - Risks mitigated.
  - Cost saving opportunities.
  - Financial recovery opportunities.
- Report to external stakeholders and the public.
- Obtain and use feedback from external stakeholders to improve the effectiveness of the IA activity.

Outputs
- A publicly available report on the effectiveness of the IA activity.

Outcomes
- The IA activity demonstrates that it, like other parts of the organization, is responsible for contributing to the organization’s success and performance and is held accountable for results.
- The IA activity’s value-added contribution to improving the organization’s governance, risk management, and control processes is demonstrated.
- The significance of the benefit provided by the IA activity’s contribution to organizational objectives is demonstrated.
- Citizens are engaged and the public more clearly understands the distinct and different roles and responsibilities that internal auditing and management have in meeting organizational objectives.
- External stakeholders have timely and relevant performance information to make appropriate decisions.

Institutionalizing Practice Examples
- Visible senior management support and commitment to report on the effectiveness of internal auditing to the public.
- Organization’s annual/periodic report to the public.
- IA activity’s periodic report on achievements.
- System to follow up impacts from implementation of internal audit recommendations.
- Performance measurement system.
- Client surveys.
- Formal assessment of the results achieved by the IA activity by the audit committee, senior management, and other partners.