Professional Practices
Level 5 – Optimizing
Strategic Internal Audit Planning

Purpose — To understand the organization’s strategic directions and emerging issues and risks, and change the IA activity’s skill sets and audit services to meet potential future needs.

Essential Activities
- Keep abreast of the organization’s internal and external environment to identify and assess emerging trends, issues, and risks.
- Work closely with senior management to understand the organization’s current and future strategic directions.
- Conduct a comprehensive assessment to identify gaps in practices, tools, and skill sets that need to be addressed to respond to current and emerging issues and risks to the organization.
- Assess options to address the gaps, such as revised or additional procedures, practices, and/or tools, additional and/or different staff, co-sourcing, or outsourcing arrangements.
- Ensure that all internal auditors follow a rigorous continuing education and professional development program.
- Revise the periodic internal audit and services plan, if necessary, and obtain senior management and/or board approval.

Outputs
- A flexible audit approach and dynamic audit and services plan that aligns with the organization’s strategic directions and addresses emerging and potential issues and risks.

Outcomes
- The IA activity has achieved organization-wide respect for demonstrating value in anticipating the organization’s needs and contributing to the achievement of strategic and organizational objectives.
- Knowledge acquired from looking at the external environment is incorporated into internal audit planning.

Institutionalizing Practice Examples
- Strategic planning process in place within the organization.
- Senior management commitment to support internal audit’s contribution to the achievement of strategic and organizational objectives through strategic internal audit planning.
- Formal internal audit strategic plan.
- IA activity participates on top-level strategic management committees.
- Ongoing assessment of the IA activity identifying strengths, weaknesses, gaps, and constraints (e.g., SWOT analysis).
- Training and professional development plans.