



For Immediate Release

March 10, 2015

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Political Pressure Intense on Internal Audit

IIA research report reveals pervasive efforts to influence internal audit findings

LAS VEGAS (March 10, 2015) — Internal auditors have made great strides to bring an objective voice to corporate governance, but political pressures that threaten that objectivity remain extensive and pervasive, according a new research report released by The Institute of Internal Auditors Research Foundation (IIARF).

The Politics of Internal Auditing provides important insight into what it found to be continuing efforts within companies to manipulate internal audit functions and findings and how heads of audit must learn to recognize and cope with such adverse influences so that they can fulfill their true mission. The report was authored by Patricia K. Miller, CIA, QIAL, CRMA, CPA, CISA, former IIA global chairman and Deloitte & Touche LLP partner; and Larry Rittenberg, Ph.D., CIA, CPA, University of Wisconsin Professor Emeritus.

Based on a survey of about 500 North American chief audit executives (CAEs), in-person interviews with heads of audit around the world, and focus group interviews, the research report reveals a startling level of political pressure on internal auditors. According to the report:

- Nearly 55 percent of North American CAEs surveyed reported being directed to omit or modify an important audit finding at least once.
- 49 percent reported being directed to not perform audit work in high-risk areas.
- Nearly 32 percent reported being directed to work in low-risk areas so an executive could investigate or retaliate against another individual.

Political pressures, according to the report, come in many forms. Some are overt, including physical threats or threats of being fired, while others are more subtle, such as cuts in internal audit staff and budgets.

The Politics of Internal Auditing is more than just a recounting of war stories from scarred internal auditors. The report offers key lessons learned through a series of case studies based on

experiences shared by interviewees. Additionally, the report provides insight into recognizing, dealing with, and managing political pressure.

The report is available through The IIARF [Bookstore](#) and at Amazon.com.

About The IIA

The Institute of Internal Auditors (IIA) is the internal audit profession's most widely recognized advocate, educator, and provider of standards, guidance, and certifications. Established in 1941, The IIA today serves more than 180,000 members from more than 170 countries. The association's global headquarters are in Altamonte Springs, Fla. For more information, visit www.theia.org.