Auditing Culture: Challenges and Proven Techniques

About This Course

Course Description
Organizational culture has become an increasingly important issue for internal auditors, in light of corporate scandals in which culture is typically at the root of unethical behavior and practices. Over 90 percent of CEOs and CFOs see culture as critical and believe improving corporate culture would increase value in their organizations (Corporate Culture: Evidence from the Field; Duke University, 2015).

The role of internal audit in assessing organizational culture has not always been clearly defined, and culture is not an easy area to audit using traditional audit approaches. Results from The IIA’s 2016 North American Pulse of Internal Audit report indicate that only 42 percent of internal auditors are addressing culture within their organizations, yet more than half of CAEs see organizational culture as high risk.

The increasing attention to and need for auditing culture requires an understanding of effective strategies and practical considerations for internal audit. This course gives participants a solid understanding of the challenges involved in auditing culture. They will take away proven evaluation tools and techniques for assessing culture, examples of audit reports addressing cultural issues, and techniques for gaining support from leadership.

This course is designed for CAEs, internal audit managers, and internal audit supervisors who want to develop or enhance their audit strategy as it relates to organizational culture.

Course Objectives
- Explain why evaluating organizational culture is a best practice.
- Recognize focus areas that can be assessed using current professional guidance.
- Identify tools, techniques, and strategies for auditing organizational culture.
- Describe strategies for gaining acceptance and support from management.
Course Topics

*Why Evaluate the Risk Culture?*
- Risk culture – a growing concern for internal audit’s stakeholders
- What The IIA’s *Standards* and the real world say

*Challenges, Potential Pitfalls, Keys to Success*
- Cultural trade-offs
- Challenges: complexity and subjectivity of culture; resistance of key players
- Keys to success
- Executive workshop using a maturity model

*Focus Areas*
- Focus areas identified by the professional guidance and methods to assess them
- Metrics that give perspective on the risk culture
- A working inventory of soft controls and cultural attributes

*Approaches and Techniques*
- Tips for scope, execution, reporting, and audit staffing
- Approaches to auditing culture
- Current practices for evaluating culture

*Audit Project Evaluation Techniques*
- Key to success: participative auditing
- Essential principles for evaluating aspects of culture during audit projects
- Using the organization’s values as audit standards
- Bringing cultural issues into the risk assessment
- Guidelines for evaluating risk culture during audit projects
- Interpreting and following up on survey responses
- Guidelines for developing and administering audit project surveys

*Entitywide Evaluation Techniques*
- Structured interview guides
- Proven entitywide surveys
- Guidelines for developing, advising, assessing, and using entitywide surveys
- Advantages/disadvantages of each cultural evaluation technique

*Reporting Cultural Issues*
- Key to success: participative reporting
- Audit report techniques that lower the defensiveness of local management
- Audit rating systems that include “management awareness of risk”
- Audit report comments on cultural issues
Course Information

Course Duration: 2 Days

CPE Hours Available: 16

Knowledge Level: Intermediate

Field of Study: Auditing

Prerequisites: At least three years of internal auditing experience

Advance Preparation: None

Delivery Format: On-site Training (Group-Live); Seminar (Group-Live)