



Internal Audit Foundation **2019 Year in Review**



You stand for what we believe in.



Your investment at a glance...

There has never been a better time to be an internal auditor! Advancements in technology, rising expectations from stakeholders, and emerging risks offer our profession great challenges and opportunities. Internal audit is being tested like never before; practitioners must get equipped and ready for tomorrow, beginning today.

The Internal Audit Foundation understands the need to support and advance the profession in this dynamic environment. We have positioned ourselves to help you respond to rapid developments and changes in the technology as well as regulatory and corporate environments. We are answering questions such as: What does the audit function of the future look like? What skills do auditors need today for a prosperous tomorrow? How can technology increase the value we offer?"

Researching and understanding new trends have remained crucial since our establishment in 1976. To date, the Foundation has delivered more than 250 complimentary research reports covering the full spectrum of issues facing the profession. The most recent reports and publications are available online through the IIA Bookstore.

The next generation is also a priority! The Foundation empowers future internal auditors by advancing numerous academic initiatives, including the Internal Auditing Education Partnership (IAEP) program; the development of a comprehensive textbook; and the funding of professional development and networking events for educators and students.

This year-end report highlights some of our achievements in 2019. Thanks to the collective generosity and support of our donors, partners, and Leadership Society members around the world, the Foundation was able to develop the research, publications, and activities featured in this report.

We hope you'll consider becoming a knowledge contributor or a philanthropic partner of the Internal Audit Foundation. Your support and involvement are critical to the future of the profession.

With gratitude,



Brian Christensen, CPA, CGMA
President, Internal Audit Foundation



Carrie Summerlin, CCSA
Vice President, Internal Audit Foundation

Because of your support, the Internal Audit Foundation was able to...



Allocate **\$350K** to cutting-edge research and informative publications focusing on innovation, the impact of technology, how to audit culture, agile auditing, and more.

Collaborate with **200+ global professionals**, including authors, researchers, reviewers, editors, advisors, industry partners, and others, to identify and develop research reports and publications. You, too, can become a knowledge contributor. Contact Foundation@theiia.org.



Educate **4,275** students participating in the **52** Internal Auditing Education Partnership (IAEP) global programs and the **21** Academic Awareness schools. IAEP schools offer a robust internal auditing curriculum and prepare students to enter the profession upon graduation.

Award **\$136K in grants and scholarships** for academic advancement. Through our IAEP College & University Grants, Michael J. Barrett Doctoral Dissertation Grant, and Esther R. Sawyer Research Award, we help to advance internal audit education throughout the world.



Shape the future of the practice of the profession through the utilization of our textbook *Internal Auditing: Assurance & Advisory Services, Fourth Edition*, a comprehensive textbook used by **100+ colleges and universities** to teach students the fast-growing global profession of internal auditing.

Educating the next generation of internal auditors...

NEW in 2019!

The Inaugural Larry Sawyer Educators' Symposium

Anaheim, CA, July 2019

The Foundation launched an annual educators' symposium specifically tailored for internal audit educators, researchers, and doctoral students. The symposium provided insights on innovative classroom techniques and inspired robust discussion on ongoing research addressing technology, the future of internal audit, stakeholder relationships, and more.



2019 Internal Audit Student Exchange

Orlando, FL, September 2019

A record number attended this year's event! Internal audit students, educators, and Academic Relations chairs from our IIA affiliates gathered to participate in a unique blend of top-rated presentations from insightful speakers and keynote presenters. Students exchanged ideas and experiences with top internal audit practitioners, and showcased their knowledge and auditing skills during the annual Team Case Competition. Educators were provided with best practices for incorporating internal auditing education in the classroom while Academic Relations chairs learned about new approaches to expand academic engagement activities within their local chapter level.



"I cannot begin to tell you how important an internal audit education was for me. While working on my MBA at an Internal Auditing Education Partnership (IAEP) school, the gate leading to the world of internal audit was opened for me. The skills I learned as a student gave me a strong foundation that has served me well in my career."

Jingwen "Grace" Wu, CIA
Compliance Manager, Silicon Valley Bank, President Elect, IIA San Jose Chapter

Investing in the future of your profession...

New in 2019!

Crowdfunding - Measuring the Value of Internal Audit

The Foundation launched its very first crowdfunding campaign to make it easy for donors to support global research on “Defining and Measuring the Value of Internal Audit.” This research report, to be released in 2020, will explore how value is defined, understood, and measured with audit functions and will provide practical guidance for chief audit executives, practitioners, and stakeholders.

Global Scope

The Internal Audit Foundation partners with researchers and authors from around the world to identify opportunities to support the professional needs of internal auditors globally. Our Committee of Research and Education Advisors (CREA) oversees the development of resources that address the needs of internal auditors and global stakeholders. As a separate 501(c)(3) organization, the Foundation supports the internal audit profession through generous contributions from individuals, organizations, and our global affiliates.

Invest in your profession.

Make a donation today at www.theiia.org/foundation.

“The Internal Audit Foundation relies on individual and corporate sponsorships to fund the development of publications and research opportunities. With a donation to the Internal Audit Foundation, you’re not only advancing your own career by ensuring there is continued access to knowledge on topics that can shape the IA function, but you’re also investing in innovative solutions to advance the profession around the world. I see my involvement and my donations as a smart and purposeful investment in the future of our profession.”

Tania Stegemann, CIA, CCSA, CRMA, Director of Compliance for Catholic Professional Standards Limited, Chair of The IIA’s Committee of Research and Education Advisors (CREA), Leadership Society Member

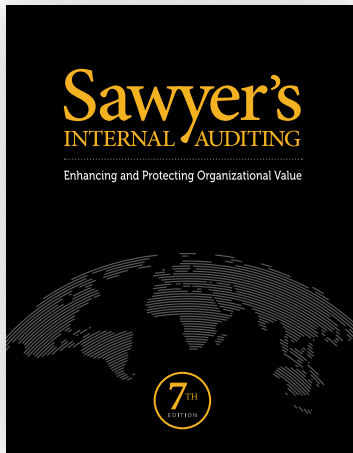


“The IIA Chicago Chapter has sponsored many of the Foundation’s resources and publications. The chapter leadership is proud to be able to give back to the profession. But it also is important that we participate at an individual level. This year I decided to join the Leadership Society. I am proud to be able to step up and support the Foundation’s mission. With today’s corporate changes, internal auditors need to invest in innovative solutions to drive our profession forward.”

Nicholas C. Saracco, CIA, Advisory Principal, Grant Thornton
Vice President of Operations and Certification - IIA Chicago Chapter, Leadership Society Member



2019 year in review — research and educational products...



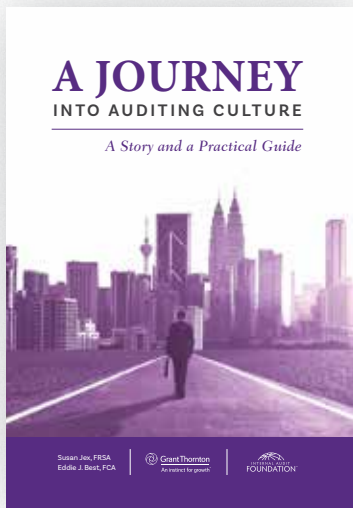
1. Sawyer's Internal Auditing: Enhancing and Protecting Organizational Value, 7th Edition

Dan Clayton, CIA, CPA, CKM et al.

(release date February) (400 pages)

Sponsored by the following IIA chapters: IIA–Albany, IIA–Central Kentucky, IIA–Edmonton, IIA–Houston, IIA–Kansas City, IIA–Memphis, IIA–Oklahoma City, IIA–Phoenix, IIA–Salt Lake City, IIA–Topeka, IIA–Toronto, IIA–Tulsa, IIA–Vancouver

When the first version of Sawyer's was published in 1973, it was viewed by many as a much-needed, up-to-date reference book. Larry Sawyer's insights and principles offered guidance to countless internal auditors and helped to shape the profession for many years. This seventh edition builds on Sawyer's legacy by looking at internal auditing from a business perspective. Considered the gold standard of the profession, Sawyer's is an indispensable tool for every internal auditor.



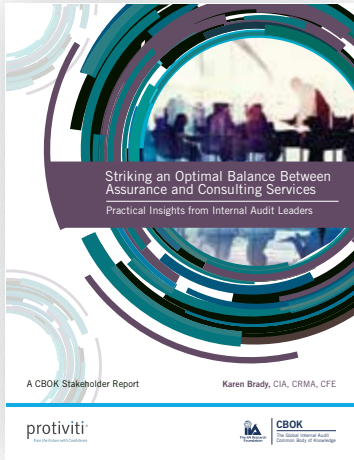
2. A Journey into Auditing Culture: A Story and a Practical Guide

Susan Jex, FRSA, and Eddie J. Best, FCA

(release date March) (88 pages)

Sponsored by Grant Thornton

Produced in collaboration with Grant Thornton, this book offers research and technical tools, key success factors, and important questions internal auditors should be asking when they audit culture in their own organizations. Culture itself is dynamic and changes over time, and we can see this as we explore how to audit it. Part of the book is the story of Alex, the head of internal audit for a global organization, who is asked by his CEO to audit culture. Like many of us, he is unsure where to start. Each chapter is structured to cover both Alex's challenge and his journey of exploration into this fascinating new area for internal audit.



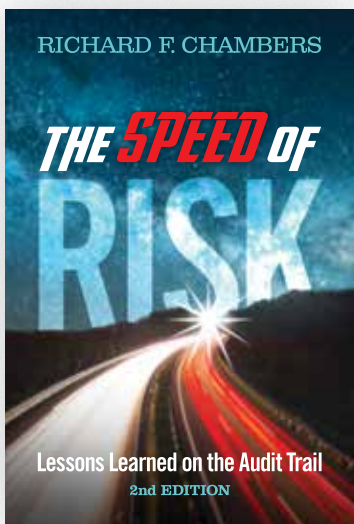
3. Striking an Optimal Balance Between Assurance and Consulting Services: Practical Insights from Internal Audit Leaders (CBOK)

Karen Brady, CIA, CRMA, CFE

(release date March) (12 pages)

Sponsored by Protiviti

This CBOK Stakeholder report, prepared in collaboration with Protiviti, looks at internal audit's role in the areas of assurance and consulting. It addresses what it means to provide consulting, compliance, and assurance services as an internal audit professional, what is the right balance, and how to pursue it in the right way within an organization without owning management's responsibilities.



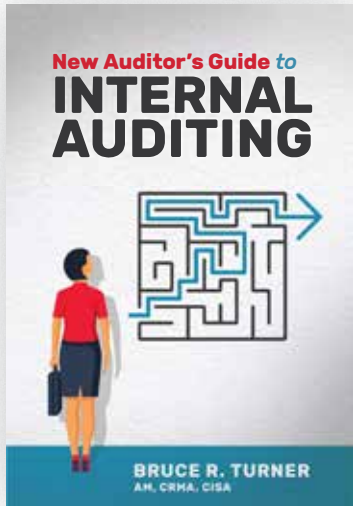
4. The Speed of Risk: Lessons Learned on the Audit Trail, 2nd Edition

Richard F. Chambers, CIA, QIAL, CGAP, CCSA, CRMA

(release date March) (256 pages)

Sponsored by IIA–Chicago and Paul J. Sobel, CIA, QIAL, CRMA

In 2014, IIA President and CEO Richard Chambers shared what he believed were the most important lessons from almost 40 years as an internal audit professional in the first edition of *Lessons Learned on the Audit Trail*. Since then, he has shared numerous new lessons across various content media and written more than 200 blogs and articles. The “speed of risk” has been a recurring theme in the messages he has delivered to the profession since 2014, and it is a theme that is prominent in this updated edition.



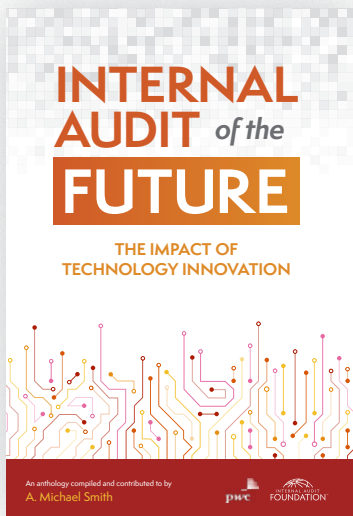
5. New Auditor's Guide to Internal Auditing

Bruce R. Turner, AM, CRMA, CISA

(release date May) (264 pages)

Sponsored by IIA–Toronto

The twenty-first century is offering up fresh challenges due to rapid business changes, global connectivity, emerging technologies, and increasingly complex economic, regulatory, and operating environments. This book incorporates insights, stories, and tips for new auditors in their first two years in the profession. It also accommodates the many different pathways that people follow to move into an internal audit role at all levels — from auditors to CAEs. It meets the specific needs of new auditors as well as educators and others who support them.



6. Internal Audit of the Future: The Impact of Technology Innovation

A. Michael Smith

(release date May) (88 pages)

Sponsored by PwC

Our heavy reliance on technology, its overwhelming benefits, and its commercial success depend on trust. That trust requires assurance that technology is soundly designed and functioning as intended. This is where internal audit comes in. The near real-time effects of transaction processing and the functions of many new technologies require a fundamental shift in internal audit philosophy and execution. One of the takeaways from this book is to keep a sharp eye on the future. Before diving deep into the technical topics, think first about designing audit functions that thrive in states of technological evolution.

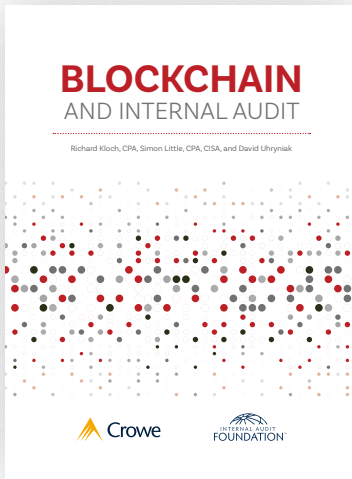


7. Internal Auditors' Response to Disruptive Innovation

Margaret H. Christ, PhD, CIA, Marc Eulerich, PhD, and David A. Wood, PhD

(release date May) (80 pages)

Organizations are embracing innovation and disruptive technology at breakneck speed. While these changes have many positive effects, they are also associated with new and sometimes unknown risks. As competent assurance providers, internal auditors can provide meaningful input to the innovation decision and should be relied upon to ensure emerging risks are effectively mitigated. This report explores the innovations and disruptions that organizations are currently facing and how internal audit is evolving to react to these changes.



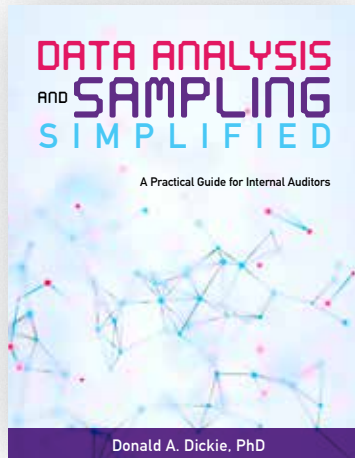
8. Blockchain and Internal Audit

Richard Kloch, CPA, Simon Little, CPA, CISA, and David Uhryniak

(release date July) (20 pages)

Sponsored by Crowe

Written in collaboration with Crowe, this research report will help internal auditors assess their current level of preparedness regarding blockchain technology and provide them with a road map for developing audit plans that address blockchain issues they encounter while auditing. The report also is intended to help internal auditors understand specific risks and threats and help them see that proper controls are developed, implemented, and operating effectively.



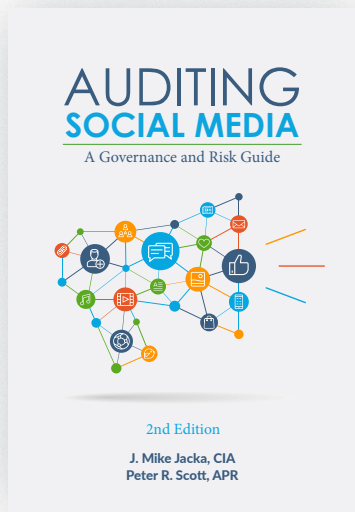
9. Data Analysis and Sampling: A Practical Guide for Internal Auditors

Donald A. Dickie, PhD

(release date August) (182 pages)

Sponsored by IIA–Edmonton

This is a book about data — about how to reduce large data sets down to the critical few high-risk subsets and how to select items or transactions for testing. Most of the book is devoted to data analysis, or what is more formally described as analytical procedures. The author offers useful tips for internal auditors who are faced with a large data set wondering how to proceed. Numerous exhibits and case studies are included in each chapter, helping the reader review practical applications of the concepts presented.



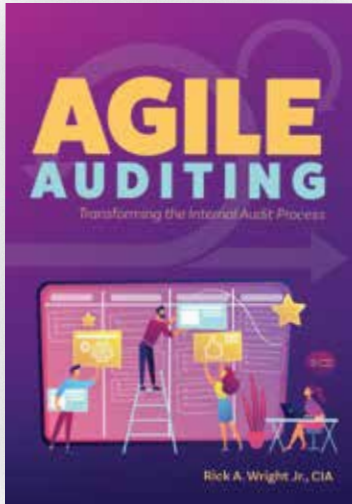
10. Auditing Social Media: A Governance and Risk Guide, 2nd Edition

J. Mike Jacka, CIA, and Peter R. Scott, APR

(release date September) (202 pages)

Sponsored by IIA–Edmonton and IIA–Toronto

A robust update to the first edition, this new book addresses the rapid changes in technology and communications. It has new and updated information on areas such as monitoring and listening to the social media conversation, protecting the organization's brand on social media, developing effective and compliant social media policies, and decommissioning social media accounts. It has particular value for the practitioner who audits social media, and for the organization's board, C-suite, and executive management. Included is a sample audit program and useful web links to popular social media tools and resources.



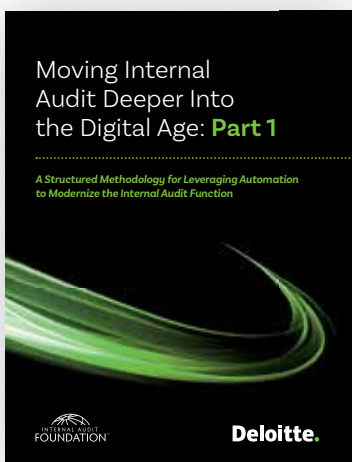
11. Agile Auditing: Transforming the Internal Audit Process

Rick A. Wright Jr., CIA

(release date October) (148 pages)

Sponsored by IIA–Chicago and IIA–Kansas City

Becoming a more agile internal audit function means different things to different organizations. As the fourth industrial revolution swiftly and irreversibly transforms the risk landscape, one method internal audit functions are using to adapt their value proposition in a meaningful way is Agile internal auditing (Agile IA). Agile IA is an innovative approach that uses Agile software development values, principles, and practices to transform how internal audit engagements are executed. This methodology enhances the internal audit value proposition by facilitating a more agile approach to addressing organizational risk dynamics.



12. Moving Internal Audit Deeper Into the Digital Age: Part 1 A Structured Methodology for Leveraging Automation to Modernize the Internal Audit Function

(release date October) (20 pages)

Sponsored by Deloitte

Robotic process automation (RPA) is among the most prominent disruptive technologies on the market. Some internal audit (IA) organizations have automation plans and are well on their way toward executing them, while others are still contemplating how to embed RPA into their IA functions. In either case, now is the time for IA departments to accelerate their progress. This is the first in a three-part series of reports on RPA and cognitive intelligence (CI) produced by the Internal Audit Foundation and Deloitte Development LLC.

2020 in progress

(titles and dates subject to change)...

1. Fraud and Bribery

In collaboration with Duff & Phelps
(estimated release date February 2020)

2. Practical Approaches to Auditing Corporate Culture

Angelina Chin
(estimated release date March 2020)

3. Measuring Internal Audit's Value

Marc Eulerich
(estimated release date March 2020)

4. Moving Internal Audit Deeper Into the Digital Age: Part 2

In collaboration with Deloitte
(estimated release date March 2020)

5. CRMA Study Guide

(estimated release date April 2020)

6. Team Leader's Guide to Internal Auditing

Bruce R. Turner
(estimated release date May 2020)

7. Moving Internal Audit Deeper Into the Digital Age: Part 3

In collaboration with Deloitte
(estimated release date June 2020)

8. Audit Report Writing of the Future

(estimated release date August 2020)

9. Building an Agile Internal Audit Function

Tim Berichon
(estimated release date September 2020)

10. Privacy and Data Protection: Internal Audit's Role in Establishing a Resilient Framework

In collaboration with Crowe
(estimated release date September 2020)

11. The State of the Internal Audit Profession in Latin America

Latin American Foundation of Institutes of Internal Auditors (FLAI)
(estimated release date October 2020)

12. How to Audit IT

Terry Grafenstine and Randy Soper
(estimated release date October 2020)

And more...

With gratitude to our Leadership Society members...

The Leadership Society was established to recognize, engage, and appreciate the Internal Audit Foundation's most dedicated and visionary supporters. Its members are a distinguished group of individuals who are true partners in helping forge the future of internal auditing.

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CGAP, CRMA

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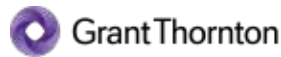
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Generous contributions are instrumental for the Internal Audit Foundation to conduct groundbreaking research, publish invaluable thought leadership, and forge new partnerships to elevate the profession.

For more than 40 years, the Foundation has served the internal audit profession by:

- Delivering timely tools and research to help boost career growth.
- Providing educational products to empower internal auditors.
- Filling the employment pipeline with qualified candidates.

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