The Institute of Internal Auditors Research Foundation

Request for Proposal

Responding to Significant Risk Events

INTRODUCTION AND INSTRUCTIONS

The Institute of Internal Auditors Research Foundation (IIARF) is the global leader in sponsoring, disseminating, and promoting research and knowledge resources to enhance the development and effectiveness of the internal audit profession.

The IIARF continually monitors demands by members and stakeholders of the professional to ensure they are receiving relevant and timely information. This request for proposal outlines a topic a topic of interest to The IIARF, and we look forward to receiving your proposal to address this need.

Please refer to the Proposal Submission Guidelines below for detailed instructions. Proposals will be evaluated by a review team; on receipt of proposal we will begin our review process which normally lasts 4-6 weeks, but may take longer.

Return your proposal as a Microsoft Word document via e-mail to research@theiia.org.

ALL RESPONSES TO THIS REQUEST FOR PROPOSAL ARE DUE NO LATER THAN MARCH 12, 2012.

If additional information is needed, please contact The IIA Research Foundation:

Tel: +1-407-937-1356
E-mail: research@theiia.org

Thank you for your interest in The Institute of Internal Auditors Research Foundation. We look forward to working with you.

TOPIC INFORMATION

Priority Topic	**Responding to Significant Risk Events**
Topic Description	The role of internal audit in the risk management lifecycle *after* a significant risk event has occurred.
Product Type	• Research — measure the value that internal audit provides through participation in the risk management process. • Applied research with a view toward the implementation of best practices by internal audit practitioners.

Purpose and Objectives	• Define significant risk event.
	• Evaluate areas that internal audit should focus on following the identification of a significant risk event.
	• Investigate the role of internal audit in crisis management, including any role that internal audit would play in any response plan.
	• Determine how internal audit might identify the occurrence of significant risk events when it does not "have a seat at the table" or is not otherwise informed of such events. Consider how internal audit might then participate in the process.
	• Assess the impact that internal audit has when it has a seat at the table during an organization's management/response to a significant risk event, versus when it is excluded from the process. Possible case studies of both examples, measuring the differences in results.
	• Internal audit's role could differ by company or industry — provide general guidance, suggestions to consider.
	• Evaluate the current paradigm related to risk assessment focus.
	• Evaluate internal audit's role throughout an organization's risk management maturity model:
	  ▪ If an organization's risk management process is developing, internal audit's role may differ from an organization that has a mature risk management process.
	  ▪ Assess the role the audit department plays in the business — (e.g., "cop" versus "partner") — and the impact on its role in risk management after the risk event.
	• After the event has occurred and the response plan has been implemented, assess the role of internal audit:
	  – Consider how to measure the effectiveness of the organization's response.
	  – Describe the impact post mortems have on significant risk events.
	  – Evaluate the role internal audit has in a post mortem.
	  – Evaluate the effects of a significant risk event to determine how they may be prevented or better managed in the future.

	• Develop a collection of case studies that provide examples of internal audit participation in managing through significant risk events. • Focus should be away from material that already exists. Purpose is not to research disaster recovery or business continuity planning but to evaluate internal audit's role and provide examples of its impact on an organization's management of a significant risk event. • Focus should include obtaining feedback from risk managers and stakeholders.
Content Guidelines	The researcher should seek to answer the following questions: • How can internal audit assist an organization in preparing and responding to a significant risk event? • How does the role of internal audit impact its participation in response to a risk event? • What impact does risk velocity have on the response process? • What are the similarities/differences in response to catastrophic risk events (e.g., earthquake, hurricane, significant financial crisis, etc.) versus strategic risk events (e.g., increased commodity costs, supply chain management issues, emergence of new competition, etc.)? • Consider the interrelationship of the risk portfolio — could one significant risk event trigger others? • Is the manner in which risk management is performed changing? • What effect does an effective business continuity management program have on a significant risk event response?
Target Audience	C-Suite/board, chief audit executives, risk management professionals (e.g, chief risk officers, etc.).
Time Frame	Six to nine months
Literature to Consider in Developing Proposal	Enterprise risk management materials, such as: Funston, F., and S. Wagner. *Surviving and Thriving in Uncertainty: Creating the Risk Intelligent Enterprise*, John Wiley and Sons, 2010. Disaster Recovery/Business Continuity Planning Guidance such as Marcella, A., and C. Stucki. *Business Continuity Disaster Recovery and Incident Management Planning: A Resource for Ensuring Ongoing Enterprise Operations*, The IIA Research Foundation, 2004. The current internal audit literature, such as: *Internal Audit Capability Model (IA-CM) for the Public Sector*, The IIA Research Foundation, 2009.
Deliverables	• Whitepaper.

	• Academic article. • *Internal Auditor* article. [ ] A PowerPoint presentation summarizing the major findings and conclusions of the research. May be 10 to 20 slides to use at chapter meetings, an hour for conference presentations, etc. [ ] Other: Ancillary educational product (handbook — 50-100 pp.)

PROPOSAL SUBMISSION GUIDELINES

The Institute of Internal Auditors Research Foundation has been the global leader in sponsoring, disseminating, and promoting research and knowledge resources to enhance the development and effectiveness of the internal audit profession.

Proposals should outline the approach you would take to meet the requirements as stated in the Request for Proposal. Proposals should not exceed **five pages** exclusive of appendices described below, and should contain the following basic elements:

1. Identification of the Priority topic being addressed.
2. A one-paragraph abstract, summarizing the research question, the method to be used and how it will benefit the internal audit profession.
3. Project description including:
    a. A statement of the research issue/question being addressed and how it relates to the internal auditing profession;
    b. A description of previous research, if any, and how your project adds to the previous work;
    c. A statement of research hypotheses being tested, if applicable;
    d. A statement of the research method that will be used;
    e. A statement of the expected results and benefits to the internal audit profession;
    f. A statement of the expected publication output(s) from the project, (e.g., practitioner article, monograph, scholarly journal article, book, etc.);
    g. Itemized timeline and budget, including budget rationale.
    h. Identification of proposed members of the research team including a brief description of their role.
    i. Appendixes:
        i. An appendix containing proposed interview questions/guidelines, and survey or experimental instruments, if applicable.
        ii. Curriculum vitae (CV) for each researcher (3 pages maximum)
        iii. Previous researcher affiliation with The IIA (previous research or educational products produced, volunteer participation, chapter officer, etc.)

Submit proposals by March 12, 2012 via e-mail to: research@theiia.org

Further information:
E-mail: research@theiia.org
Tel: +1-407-937-1356
Fax: +1-407-937-1101