The Institute of Internal Auditors Research Foundation

Request for Proposal

Common Body of Knowledge (CBOK) Study

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.

In 2010, The IIARF — under the auspices of the William G. Bishop III, CIA, Memorial Fund — commissioned two components of the CBOK study:

- **The IIA's Global Internal Audit Survey**
  A global study was conducted to understand the current state and future expectations of the internal audit profession.
- **Stakeholders' Expectations and Perceptions Study**
  This study focused on the value of internal audit from the perspective of its stakeholders and included executive leadership of organizations and audit committee members. It was the first time The IIARF administered a survey of stakeholders. This pilot was administered in the United States.

In early 2011, six reports were published, including results of both surveys:

- *Characteristics of an Internal Audit Activity*
- *Core Competencies for Today's Internal Auditor*
- *Measuring Internal Auditing's Value*
- *What's Next for Internal Auditing?*
- *Imperatives for Change: The IIA's Global Internal Audit Survey in Action*
- *A Call to Action: Stakeholders' Expectations and Perceptions Study*

At this time, The IIARF is soliciting proposals for the following topics based on *the use of data from the CBOK 2010 and 2006 studies*:

1. Internal Audit Around the World: A Perspective on Global Regions
2. Internal Audit in the Public Sector [TO BE RELEASED IN Q3 2012]
3. Internal Audit and IT
4. Internal Audit: Quality Assurance and Improvement

Please refer to the following pages for details on these four topics. You will find proposal submission guidelines on page 10.

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

Thank you for your interest in The IIARF. We look forward to reviewing your proposal(s).

TOPIC INFORMATION

CBOK Topic 1	Internal Audit Around the World: A Perspective on Global Regions
Topic Description	This research project focuses on internal audit (IA) practices in the seven regions as identified and used throughout CBOK 2010: Africa, Asia Pacific, Europe and Central Asia, Western Europe, Latin America and the Caribbean, Middle East, and North America. When looking at the regions as delineated in the survey, it should be recognized that they may include countries with various degrees of IA maturity: • Countries with mature governance and internal control infrastructures • Countries with less mature governance and internal control infrastructures To illustrate the delineation, we can look at Europe, where countries can be divided into two significant groups: Western Europe and Eastern Europe/Central Asia — countries with noticeable differences in terms of cultural variables, legislation, size of companies, ownership structure, corporate governance systems, and the length of time that an IA profession has existed. It is deeply felt that providing a globally regional perspective will be beneficial for IA practitioners working in, and within, these international environments. It also will assist in gaining insights into the status of the profession and the challenges/opportunities lying ahead in a practical and useful way.
Purpose, Objectives, and Key Concepts/Questions *Proposals with a* ***global research team*** *are encouraged and will receive preferred review status.*	The analysis of the CBOK 2010 data by these global regions highlights the presence of some similarities across the seven geographical areas for technical and behavioral skills, competencies, and tools and techniques already adopted. At the same time, significant differences have been found. In particular, the IA profession differs widely across the seven regions in the degree of compliance with The IIA's *International Standards for the Professional Practice of Internal Auditing* (*Standards*), the expected trends of IA roles and activities, and for the tools and techniques that will be used in the upcoming five years. **Objective 1**: Determine the current state of the IA profession and how it has changed between 2006 and 2010. Examine IA roles, activities, and tools and techniques in the seven regions to address two main research questions: • Have IA practices in these regions changed significantly between 2006 and 2010? If so, how? • Which factors have driven the change of IA activities? Note: These trends should, of course, also incorporate a relative positioning to the overall findings. **Objective 2**: Conduct a cross-globally regional comparison with the purpose of identifying significant differences in IA practices. The researchers intend to investigate whether IA practices seem to be converging across the regions to address four main research questions: • Do IA practices among these regions differ significantly? • Is there a convergence process of IA activities in place across these regions? • Which factors could enhance or impede this convergence process? What factors could explain these differences? • Are there any relevant differences in IA practices between these regions and the practices shown by global data in CBOK 2010?

CBOK Topic 1	Internal Audit Around the World: A Perspective on Global Regions
	Objective 3: An analysis of the relationship between the capability of IA to add value to the organization and a range of variables that address the internal control context of the organization, IA activities, and IA tools and techniques. The research questions that refer to this objective are, is there an association between the capabilities of IA to add value and the: • Internal control context? • Activities performed? • Tools and techniques adopted? • Skill sets needed?

Suggested Methodology	Given the global nature of the work to be done, the research should be undertaken by a team that understands and can evaluate the multinational/multicultural nature of the review.
	The research team will rely upon the available 2006 and 2010 CBOK data in conjunction with each of the five CBOK reports. As to the North American region, it will also use the sixth report and supporting data, namely "A Call to Action: Stakeholders' Expectations and Perceptions Study."
	The team is advised to specifically address:
	• Going beyond the descriptive differences.
	• Explaining and interpreting the regional differences with relation to the appropriate criteria to be defined, such as:
	  ○ The positioning versus the levels of maturity.
	  ○ The economic development.
	  ○ The corporate governance practices.
	  ○ The influence of government and regulatory factors.
	  ○ The influence of organizational factors.
	The research team may be coming up with a best practices framework that would help at least one global region position itself and set the direction for the profession.

Target Audience	• Primary target audience: Mid- to senior-level practitioners. • Secondary target audience: Audit committee and other board members, academics, doctoral students, and entry-level practitioners.
Time Frame	March 2012 – March 2013
Data Available	• CBOK 2006 and 2010 data. • Literature review of IA regional publications or publications by country on the state/future of the profession.
Deliverables	• A report that provides insightful and practical information for internal audit practitioners. • An article suitable for *Internal Auditor*, other IIA publications, and/or The IIARF website. • An academic article (researcher discretion). • A PowerPoint presentation summarizing the major findings and conclusions of the research. May be 10 to 20 slides to use at institute/chapter meetings, an hour for conference presentations, etc. • Webcasts/pods and other media distributions.

CBOK Topic 3	Internal Audit and IT
Topic Description	There are very few organizations today that are not reliant on some kind of IT infrastructure. Not only is there reliance, but the complexity and ever-evolving change — both in nature and speed — make it imperative for internal audit to understand the environment and be able to evaluate it. To do so requires many and certain types of skills. For internal audit to add value and contribute to the success of the organization, it must understand the expectations — both current and emerging — and ensure the skills are in place to execute the audit activity. We need to ask ourselves what skills do we have, what skills do we need, and how are we going to attain them? Once the skills challenges are resolved, we need to position ourselves to execute and evaluate the IT environments and do so a quicker pace. We need to ask ourselves: How are we going to execute and deliver meaningful internal audit responses? What tools and techniques must we deploy? How do we stay current with the rapid speed of change that is unprecedented? How do we stay in front of emerging trends when our IT departments struggle with that same question? How do we add value in the IT space?
Purpose, Objectives, and Key Concepts/Questions *Proposals with a **global research team** are encouraged and will receive preferred review status.*	• How does internal audit address the current IT Internal audit needs of the organization? • How is internal audit identifying the emerging and future IT internal audit needs of their organizations for generalists and IT specialists? • What skill sets are needed? • How is the IT risk assessment performed? • What are the challenges around attaining and sustaining those skill sets? • What are leading practices in delivering IT internal audit services for the new, emerging, and future IT environments within organizations? • What must internal audit do well to be considered "adding value"? • Do the stakeholders have the same perceptions of the evolving role of IT internal audit? • How do we stay abreast of the speed of change and, therefore, of expectations? • What tools and techniques are used (i.e., co-sourcing)?
Suggested Methodology	In addition to the use of the available 2006 and 2010 CBOK data, the research team is advised to conduct additional literature research.
Target Audience	• Primary target audience: Chief audit executives (CAEs) and mid- to senior-level practitioners. • Secondary target audience: Audit committee and other board members, IT audit managers and staff, and entry-level practitioners.
Time Frame	March – December 2012
Data Available	• CBOK 2006 and 2010 data.
Deliverables	• A report that provides insightful and practical information for internal audit practitioners. • An article suitable for *Internal Auditor*, other IIA publications, and/or The IIARF website.

CBOK Topic 3	Internal Audit and IT
	• An academic article (researcher discretion). • A PowerPoint presentation summarizing the major findings and conclusions of the research. May be 10 to 20 slides to use at institute/chapter meetings, an hour for conference presentations, etc. • Webcasts/pods and other media distributions.

CBOK Topic 4	Internal Audit: Quality Assurance and Improvement
Topic Description	According to Attribute Standard 1300, *"The chief audit executive must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity."* A quality assurance and improvement program is designed to enable an evaluation of the internal audit activity's conformance with The IIA's Definition of Internal Auditing and *Standards* and whether internal auditors apply The IIA's Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. Based on the recent CBOK (2010) study, we know that this standard is typically the one with the lowest compliance score, which suggests that not many internal audit activities invest in a quality assurance and improvement program. The overall objective of this study is to find out why internal audit activities invest or do not invest in quality assurance and improvement, and for those that do, what kind of initiatives are taken to monitor and improve the quality of the internal audit activity?
Purpose, Objectives and Key Concepts/Questions *Proposals with a* ***global research team*** *are encouraged and will receive preferred review status.*	• What are the drivers for an internal audit activity to invest in quality assurance and improvement programs as defined by The IIA? • What are the perceived benefits? • What are the challenges? • What are the reasons for an internal audit activity *not* to invest in a quality assurance and improvement program as defined by The IIA? • What initiatives are taken to monitor and improve the quality of the internal audit activity on an ongoing basis (internal assessment)? • What initiatives are taken to monitor and improve the quality of the internal audit activity on a periodic basis (internal assessment)? • How important are external assessments for the internal audit activity from a practitioner's perspective? • What is the motivation for conducting or not conducting a quality assurance review? • Does infrastructure influence whether a quality assurance review is performed or not performed? • Are there global, regional, or country differences? If so, what and why do they occur? • How important are external assessments from a stakeholder's perspective (including audit committee, board, CEO, and others)? • How are external assessments organized? • What causes some internal audit activities to opt for a self-assessment with independent validation rather than a full external assessment? • What are the CAE's expectations and perceptions about quality assurance and improvement? • What are specific outcomes of investing in quality assurance and improvement?
Suggested Methodology	In addition to the use of the available 2006 and 2010 CBOK data, the research team is advised to conduct additional literature research in quality management. Besides the available CBOK data that provide only very limited information on quality assurance and improvement, it is highly recommended that the research team develops a new questionnaire that can be sent to CAEs. To identify the most

CBOK Topic 4	Internal Audit: Quality Assurance and Improvement
	relevant questions for this questionnaire, exploratory interviews can be done.
Target Audience	• Primary target audience: CAEs and mid- to senior-level practitioners. • Secondary target audience: Audit committee and other board members, academics, doctoral students, and entry-level practitioners.
Time Frame	March – December 2012
Data Available	• CBOK 2006 and 2010 data. • IIA GAIN survey data, if applicable. • Two IIA surveys on quality assessment topic from 2009.
Deliverables	• A report that provides insightful and practical information for internal audit practitioners. • An article suitable for *Internal Auditor*, other IIA publications, and/or The IIARF website. • An academic article (researcher discretion). • A PowerPoint presentation summarizing the major findings and conclusions of the research. May be 10 to 20 slides to use at institute/chapter meetings, an hour for conference presentations, etc. • Webcasts/pods and other media distributions.

TO THE NEXT SECTION, PROPOSAL SUBMISSION GUIDELINES

The Institute of Internal Auditors Research Foundation

PROPOSAL SUBMISSION GUIDELINES

The Institute of Internal Auditors Research Foundation (IIARF) 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 plan to 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. Title of aforementioned subject(s) on page 1 to which the proposal pertains.
2. A one-paragraph abstract summarizing the research question and the method to be used.
3. Proposed methodology for conducting any additional research, if applicable.
4. A statement of the expected publication output(s) from the project (e.g., practitioner article, monograph, scholarly journal article, book, etc.).
5. Itemized timeline and budget, including budget rationale.
6. Identification of proposed members of the research team, including a brief description of their role.
7. Appendices should include:
    a. An appendix containing proposed interview questions/guidelines and survey or experimental instruments, if applicable.
    b. Curriculum vitae (CV) for each researcher (three pages maximum).
    c. Previous researcher affiliation with The IIA (previous research or educational products produced, volunteer participation, chapter officer, etc.).

Proposal Review Process
Proposals will be evaluated by an independent review team. The review process normally lasts four to six weeks.

Submit proposals by MARCH 12, 2012, via email to: research@theiia.org

Any questions may be sent to this email address as well.

Thank you for your interest in The IIARF. We look forward to reviewing your proposal(s).