

Clarifying what it takes to be responsible, knowledgeable, and effective



The Institute of Internal Auditors

# THE AUDIT COMMITTEE: PURPOSE•PROCESS•PROFESSIONALISM

AGENDA



# A NEW WORLD OF CORPORATE GOVERNANCE

**T**oday's governance arena requires boards of directors and their committees to be proactive, informed, investigative, and accountable. This, indeed, is good news for stakeholders. After all, isn't it about time that somebody asks the tough questions, looks beneath the surface, and models accountability?

If there is a bad-news side to this new-world story, it's that the stakes are greater than ever. Gone is the day of the "figure-head" board member whose résumé proudly lists — in double digits — the prestigious boards on which he or she sits. And "sitting" hardly describes what takes place in today's boardroom . . .

The public, still reeling from corporate shenanigans brought to light over the past few years, is more demanding and less trusting than ever, and rightfully so. Directors face greater challenges and more liabilities and must err on the side of caution in regard to risk management, ethics, policies, procedures, and organizational leadership. To say the least, their plate is full.

## CLARIFYING GOVERNANCE

Governance is the system by which organizations are directed and controlled. It includes the rules and procedures for making decisions on corporate affairs to ensure success while maintaining the right balance with the stakeholders' interest.

Responsibility for corporate governance is spread among several organizational entities. The cornerstones of effective governance are the board of directors, executive management, the internal auditors, and the external auditors. No single committee of the board is more focused on or better in tune with governance than the audit committee.

What is the audit committee's role in governance? In a nutshell, the audit committee should provide oversight of financial reporting, risk management, internal control, compliance, ethics, management, internal auditors, and the external auditors.

## CLARIFYING LIABILITY

Directors need to be realistic about their own personal liability under state and federal law, neither exaggerating nor ignoring their exposure.

Fiduciary duties — the duties of care and loyalty, and the expectation that directors will act in good faith — are still the primary source of director liability under state law. Although directors are not subject to significantly greater risk of being found liable for a breach of fiduciary duty, rising stockholder-plaintiff activism has increased the risk that directors may need to defend themselves in litigation alleging such a breach.

Board members who wish to become empowered guardians and builders of corporate value must learn and follow best practices, such as avoiding conflicts of interest and paying strict attention to board matters, drawing on appropriate expertise, including their own.

Source: DIRECTOR LIABILITY: MYTHS,  
REALITIES, AND PREVENTION  
National Association of Corporate Directors



# THE AUDIT COMMITTEE: PURPOSE•PROCESS•PROFESSIONALISM



## Some detailed audit committee responsibilities include:

- Ensuring that financial statements are understandable, transparent, and reliable.
- Ensuring the risk management process is comprehensive and ongoing, rather than partial and periodic.
- Helping achieve an organization-wide commitment to strong and effective internal controls, emanating from the tone at the top.
- Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud.
- Reviewing current and pending corporate-governance-related litigation or regulatory proceedings to which the organization is a party.
- Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas.
- Ensuring the internal auditors' access to the audit committee, encouraging communication beyond scheduled committee meetings.
- Reviewing internal audit plans, reports, and significant findings.
- Establishing a direct reporting relationship with the external auditors.

# THE TONE AT THE TOP

Management, the board, and the audit committee all play critical roles in an organization's tone at the top. Based on board expectations, executive management establishes the tone. It is the audit committee's responsibility, though, to monitor that tone as well as oversee the organization's ethical environment and compliance with laws and regulations.

Leading audit committee practices in code-of-conduct oversight include:

- Ensuring that a code of conduct has been developed.
- Reviewing it, approving it, and each year, discussing whether revisions are needed.
- Ensuring that all employees receive the code of conduct, understand it, and obtain appropriate training regarding it.
- Ensuring that the board receives a copy of the code and related training.
- Ensuring that communications channels are working effectively.
- Receiving and reviewing a summary of reported violations and follow-up actions.
- Ensuring that management exhibits ethical behavior in its role of establishing the tone at the top.

Leading audit committee practices in overseeing compliance and ethics programs include:

- Ensuring compliance with laws and regulations.
- Staying informed about how management is monitoring program effectiveness and making changes as necessary.
- Meeting periodically with the program manager to discuss key risks, status, issues, and effectiveness.
- Staying informed on significant issues, investigations, and disciplinary actions.
- Recognizing trends and reviewing management's plans to address them.
- Ensuring management discloses in the financial reports the impact of significant issues.
- Ensuring the internal auditors include assessment of compliance and ethics risks in their audit plan.



## COMPLIMENTARY SUBSCRIPTION

Stay in the know about issues critical to audit committees, boards, and executive management. The Institute of Internal Auditors' corporate governance newsletter — *Tone at the Top* — is available both electronically and in hard copy, free of charge. Contact [pr@theiia.org](mailto:pr@theiia.org) to ensure you receive this timely resource in the format of your choice. Please designate "Code ACB" when you make your request.



# THE AUDIT COMMITTEE:

# PURPOSE•PROCESS•PROFESSIONALISM

## NOSSES IN. FINGERS OUT.

**B**alancing their role as advisor and counselor to management with their fiduciary duty to monitor and oversee management is, to say the least, challenging for most audit committees. They must communicate openly and often with management, carefully review information received, and challenge management as appropriate. They must not, though, play the management role. Some refer to this oversight responsibility as “Noses in; fingers out.”

The lines of authority for audit committees and management should in no way be murky. There should be a clear understanding and consensus regarding where management ends and the audit commit-

tee begins. To ensure this clarity, strong communications are essential both during and outside of committee meetings.

Management should view the audit committee as an asset and seek its input prior to, rather than after making key decisions.

Ongoing communication will help build a trusting relationship between the audit committee and management. However, it requires time and commitment of both parties. To clarify the level of communication that you as an audit committee member should expect, review the “Communications Checklist” below.

### COMMUNICATIONS CHECKLIST

- Management is easily accessible.
- Management reaches out to you regularly.
- Management answers your questions fully and promptly.
- Management provides factual information to support responses.
- Management admits not knowing an answer.
- Management supports the audit committee by contacting additional resources and specialists.
- Management advises you of significant issues in a timely manner.
- Management seeks your input in advance of key decisions.

The audit committee also should ensure the financial leadership team is well-qualified and competent, succession planning issues are addressed, and the entire financial activity is strong.



# KEY ISSUES OF CONCERN

**W**hat keeps audit committee members awake at night? Among at least a dozen things they have (or should have) on their minds are five key issues: financial accuracy, risk management, control assessment, external auditor oversight, and the effective use of internal auditing.

## Financial Accuracy

The primary concerns about financial accuracy include the completeness of financial disclosures, significant business and accounting policy changes, correct and truthful reporting, and interim reviews of financial statements. Audit committee members should know the right questions to ask to build their financial acumen. They should be aware of the thresholds of materiality, compare current accounting policies with other alternatives, review key estimates versus historical data, and discuss the areas most susceptible to fraud. They also should ask for the internal and external auditors' opinions, read and compare the narratives with other information, and use a checklist for meeting disclosure requirements.

## Risk Management

An enterprise-wide risk management process, such as COSO's *Enterprise Risk Management – Integrated Framework* should be implemented, in which key risks to all areas of the organization (strategic, operational, reporting, and compliance) are identified. Enterprise risk management (ERM) is a structured and coordinated entity-wide governance approach to identify, quantify, respond to, and monitor the consequences of potential events. The organization should learn from the past by monitoring the risk realization history, as well as plan for the future by identifying emerging risks. NOTE: All risk is not bad. There must be discussions on the organization's "appetite" for risk, consensus on what is considered the acceptable level of risk, and a process for risk monitoring.

## Control Assessment

For effective control assessment processes, the audit committee should have upfront involvement. It must have an understanding of management's process for assessing internal controls, applicable regulatory controls, and the greatest risks the organization faces. There should be in place a process for assessing and reporting on not only financial controls, but also controls throughout the enterprise. Also, a fraud prevention and detection program should be established. There should be clarification and agreement on terminology, definitions, and issues to be discussed. Inherent in the entire process should be transparency of disclosures, updates, discussions on control impacts, oversight monitoring, a review of the external auditors' assessment plan and discussion of their opinions, and

## CLARIFYING COSO

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) is a voluntary private sector organization dedicated to improving the quality of financial reporting through business ethics, effective internal controls, and corporate governance. COSO comprises the American Accounting Association (AAA), the American Institute of Certified Public Accountants (AICPA), Financial Executives International (FEI), The Institute of Internal Auditors (IIA), and the Institute of Management Accountants (IMA).

Web site: [www.coso.org](http://www.coso.org)



# THE AUDIT COMMITTEE: PURPOSE•PROCESS•PROFESSIONALISM

review of the techniques in place for fraud identification.

NOTE: COSO's *Internal Control – Integrated Framework* is a helpful tool.

## External Auditor Oversight

The audit committee should own the relationship with the external auditors, who provide an annual opinion on the financial statements. Ownership requires direct reporting, ongoing communication, frequent meetings, and robust discussions about audit scope and results. Oversight issues also include compensation, scope, selection criteria, independence, rotation, monitoring, and performance assessment. If management, rather than the audit committee, owns the relationship with the external auditors, the committee should take immediate steps to claim ownership.

## Effective Use of Internal Auditing

Performed by professionals with an in-depth understanding of the business culture, systems, and processes, the internal audit activity provides assurance that internal controls in place are sufficient to mitigate the risks, that the governance processes are adequate, and that organizational goals and objectives are met.

The audit committee and the internal auditors are interdependent and should be mutually accessible, with the internal auditors providing objective opinions, information, support, and education to the audit committee; and the audit committee providing validation and oversight to the internal auditors.

The Certified Internal Auditor (CIA) demonstrates professionalism and competency, and the *International Standards for the Professional Practice of Internal Auditing (Standards)* outline the tenets of the internal audit profession. The internal audit activity should be conducted in accordance with the Standards, should have in place a Quality Assurance and Improvement Program, and should have and follow an internal audit charter. The work of the internal and external auditors should be coordinated for optimal effectiveness and efficiency.

### CLARIFYING AUDITOR INDEPENDENCE

The external auditors are independent of the organization. By contrast, the internal auditors, who are integral to their organization, demonstrate organizational independence and objectivity in their work approach and are independent of the activity they audit. The internal auditors' reporting relationship to the audit committee is critical to independence of their activity.



# CLARIFYING THE VALUE OF INTERNAL AUDITING

**H**aving an in-depth understanding of internal audit objectivity, reporting structure, independence, staffing, prioritization, and how your internal audit activity adds value will help you stay on purpose.

## Objectivity

To maintain objectivity, internal auditors should have no personal or professional involvement with or allegiance to the area being audited; and should maintain an un-biased and impartial mindset in regard to all engagements.

## Reporting Structure

To ensure transparency and thwart collusion and conflicts of interests, best practice indicates that the internal audit activity should have a dual reporting relationship. The chief audit executive (CAE) should report to executive management for assistance in establishing direction, support, and administrative interface; and to the audit committee for strategic direction, reinforcement, and accountability.

## Independence

The internal audit charter should establish independence of the internal audit activity by the dual reporting relationship. The internal auditors should have access to records and personnel as necessary, and be allowed to employ appropriate probing techniques without impediment.

## Risk Management

Implemented by management, ERM is evaluated by the internal auditors for effectiveness and efficiency. Specifically, risk mitigation and residual risks should be reviewed, and the internal auditors should provide an opinion on the risk management process.

## Staffing

A broad range of skills and expertise, and ongoing professional development are critical to the formation and maintenance of an effective internal audit activity. Essential elements include in-depth knowledge of the organization's industry, and internal audit Standards and best practices; technical understanding and expertise; knowledge on and skills for implementing and improving processes in both financial and operational areas; and strong communication and presentation skills.

Although some co-sourcing and outsourcing might be necessary when unique competencies and specialty skills are not affordable or available, the internal audit activity should be managed from within the organization.

## Prioritization

Effective prioritization involves staying in sync with the organization's risk priorities and taking a risk-based approach to internal audit planning. By continuously monitoring organizational changes that might alter the plan, the CAE should be well equipped and positioned to make informed and educated recommendations to management and the board on the most effective use of internal audit resources.

## Adding Value

Internal auditing serves management and the board, assesses the ethical climate and the effectiveness and efficiency of operations, and provides a safety net for organizational compliance with rules, regulations, and overall best business practices.



## ASKING THE RIGHT QUESTIONS

**B**ecause the audit committee is responsible to the board for oversight of management reporting on internal control, and because the internal auditors play a key role in assessing and reporting on risk management and internal controls, these two entities share a healthy interdependence. The critical connection between audit committee effectiveness and internal auditing mandates that committee members maintain an in-depth understanding of internal audit best practices and how their internal audit activity is functioning.

At the very least, every audit committee member should be able to correctly answer the 20

questions below. These questions will serve as a tool to trigger awareness of the areas for which committee members might need more information. For definitions, explanations on why each topic is important, and best-practice recommendations, please refer to [www.theiia.org](http://www.theiia.org). Enter key words, Audit Committee, in the search engine and review “20 Questions.” Based on the guidance included in the full document, you may determine the need for additional information on your specific organization. Many of the answers you seek will reside with the CAE. You may want to discuss others, however, with your organization’s executive management team.

1. Should we have an internal audit activity?
2. What should our internal audit activity do?
3. What should be the mandate of our internal audit activity?
4. What is the relationship between the internal auditors and the audit committee?
5. To whom should the internal auditors report administratively?
6. How is the internal audit activity staffed?
7. How do the internal auditors get and maintain the expertise they need to conduct their assignments?
8. Are the activities of our internal auditors appropriately coordinated with those of the external auditors?
9. How is the internal audit plan developed?
10. What does the internal audit plan not cover?
11. How are internal audit findings reported?
12. How are our corporate managers required to respond to internal audit findings and recommendations?
13. What services do our internal auditors provide regarding fraud?
14. How are we assured of internal audit effectiveness and quality?
15. Does our internal audit activity have sufficient resources?
16. Does our internal audit activity have appropriate support from the CEO and senior management team?
17. Are we satisfied that this organization has adequate internal controls over its major risks?
18. Are there any other matters that should be brought to our attention?
19. Are there other ways in which we and our internal auditors might support each other?
20. Are we satisfied with our internal audit activity?

SOURCE: Adapted from “20 Questions,” originally produced by the Canadian Institute of Chartered Accountants

### BEING ON PURPOSE

As a member of the audit committee, you serve as a part of an independent oversight subset of the board of directors. Your role is critical to ensuring the organization has strong and effective processes relating to independence, internal control, risk management, compliance, ethics, and financial disclosures. Working toward goals that are consistent with those of the audit committee, the internal auditors aid in the execution of your committee’s corporate governance responsibilities. In fact, their primary purpose is to help ensure that management and the board meet organizational objectives. To do this, their scope of work should include evaluation of risk in regard to legal and regulatory compliance, conflicts of interest, unethical behavior, and fraudulent activities; and investigation of such initiatives as company whistleblower hotlines.

# CHARTING THE COURSE

**H**ow does the audit committee go about living up to its significant governance responsibilities, achieving its goals, fulfilling its purpose, and meeting the high expectations of the board of directors, shareholders, and other outside parties?

The audit committee's charter is its blueprint for operations. Highly customized to best meet the needs of an organization's industry, mission, and culture, the charter should clearly delineate audit committee processes, procedures, and responsibilities that have been sanctioned by the entire board. In short, it "charts" the committee's course for the year.

The audit committee charter should define membership requirements, include a provision for a financial expert, allow for

yearly reviews and changes, designate the minimum number of meetings to be conducted, accommodate executive sessions with appropriate entities, and allow for engaging outside counsel as needed. The charter also should outline the committee's responsibilities in regard to risk management, compliance issues, and review of its own effectiveness; identify the specific areas the audit committee should review as well as with whom those reviews will be conducted; and include such specific roles as annual report preparation oversight and yearly agenda planning.

In addition and very important, the charter should delineate the audit committee's relationships with the internal and external auditors, including responsibility for reviewing and concurring on the selection or

dismissal of the CAE; appointing, evaluating, setting time limits for, and discharging (with the concurrence of the full board) the external auditors; and evaluating the independence of both the internal and external auditors.

No sample charter encompasses all activities that might be appropriate to a particular audit committee, nor will all activities identified in a sample charter be relevant to every committee. Accordingly, the following charter is a starting point and can be tailored to any committee's needs and governing rules. It is based on an audit committee charter issues matrix developed for The Institute of Internal Auditors Research Foundation by James Roth, Ph.D., CIA, CCSA, and Donald Espersen, CIA.

## SAMPLE AUDIT COMMITTEE CHARTER

### PURPOSE

To assist the board of directors in fulfilling its oversight responsibilities for (1) the integrity of the company's financial statements, (2) the company's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications and independence, and (4) the performance of the company's internal audit function and independent auditors. The audit committee will also prepare the report that regulatory rules require be included in the company's annual proxy statement.

### AUTHORITY

The audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- Appoint, compensate, and oversee the work of the public accounting firm employed by the organization to conduct the annual audit. This firm will report directly to the audit committee.
- Resolve any disagreements between management and the auditor regarding financial reporting.
- Pre-approve all auditing and permitted non-audit services performed by the company's external audit firm.
- Retain independent counsel, accountants, or

others to advise the committee or assist in the conduct of an investigation.

- Seek any information it requires from employees – all of whom are directed to cooperate with the committee's requests – or external parties.
- Meet with company officers, external auditors, or outside counsel, as necessary.
- The committee may delegate authority to subcommittees, including the authority to pre-approve all auditing and permitted non-audit services, providing that such decisions are presented to the full committee at its next scheduled meeting.

### COMPOSITION

The audit committee will consist of at least three and no more than six members of the board of directors. The board nominating committee will appoint committee members and the committee chair.

Each committee member will be both independent and financially literate. At least one member shall be designated as the "financial expert," as defined by applicable legislation and regulation. No committee member shall simultaneously serve on the audit committees of more than two other public companies.

### MEETINGS

The committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via tele- or video-conference. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will meet separately, periodically, with management, with internal auditors and with external auditors. It will also meet periodically in executive session. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

### RESPONSIBILITIES

The committee will carry out the following responsibilities:

#### Financial Statements

- Review significant accounting and reporting issues and understand their impact on the financial statements. These issues include:
  - Complex or unusual transactions and highly judgmental areas
  - Major issues regarding accounting principles and financial statement presentations, including any significant

# THE AUDIT COMMITTEE:

# PURPOSE • PROCESS • PROFESSIONALISM

- changes in the company's selection or application of accounting principles
- The effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the company.
- Review analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered. This review will include any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management.
- Discuss the annual audited financial statements and quarterly financial statements with management and the external auditors, including the company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
- Review disclosures made by CEO and CFO during the Forms 10-K and 10-Q certification process about significant deficiencies in the design or operation of internal controls or any fraud that involves management or other employees who have a significant role in the company's internal controls.
- Discuss earnings press releases (particularly use of "proforma," or "adjusted" non-GAAP, information), as well as financial information and earnings guidance provided to analysts and rating agencies. This review may be general (i.e., the types of information to be disclosed and the type of presentations to be made). The audit committee does not need to discuss each release in advance.

## Internal Control

- Consider the effectiveness of the company's internal control system, including information technology security and control.
- Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

## Internal Auditing

- Review with management and the chief audit executive the charter, plans, activities, staffing, and organizational structure of the internal audit function.
- Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief audit executive.
- Review the effectiveness of the internal audit function, including compliance with The IIA's International Standards for the Professional Practice of Internal Auditing.
- On a regular basis, meet separately with the chief audit executive to discuss any matters that the committee or internal auditing believes should be discussed privately.

## External Auditing

- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal auditing.
- Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors. In performing this review, the committee will:
  - At least annually, obtain and review a report by the independent auditor describing the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review,

or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the company.

- Take into account the opinions of management and internal auditing.
- Review and evaluate the lead partner of the independent auditor.
- Present its conclusions with respect to the external auditor to the board.
- Ensure the rotation of the lead audit partner every five years and other audit partners every seven years, and consider whether there should be regular rotation of the audit firm itself.
- Present its conclusions with respect to the independent auditor to the full board.
- Set clear hiring policies for employees or former employees of the independent auditors.
- On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

## Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Establish procedures for: (1) The receipt, retention, and treatment of complaints received by the listed issuer regarding accounting, internal accounting controls, or auditing matters; and (2) The confidential, anonymous submission by employees of the listed issuer of concerns regarding questionable accounting or auditing matters.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the code of conduct to company personnel, and for monitoring compliance therewith.
- Obtain regular updates from management and company legal counsel regarding compliance matters.

## Reporting Responsibilities

- Regularly report to the board of directors about committee activities and issues that arise with respect to the quality or integrity of the company's financial statements, the company's compliance with legal or regulatory requirements, the performance and independence of the company's independent auditors, and the performance of the internal audit function.
- Provide an open avenue of communication between internal audit, the external auditors, and the board of directors.
- Report annually to the shareholders, describing the committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
- Review any other reports the company issues that relate to committee responsibilities.

## Other Responsibilities

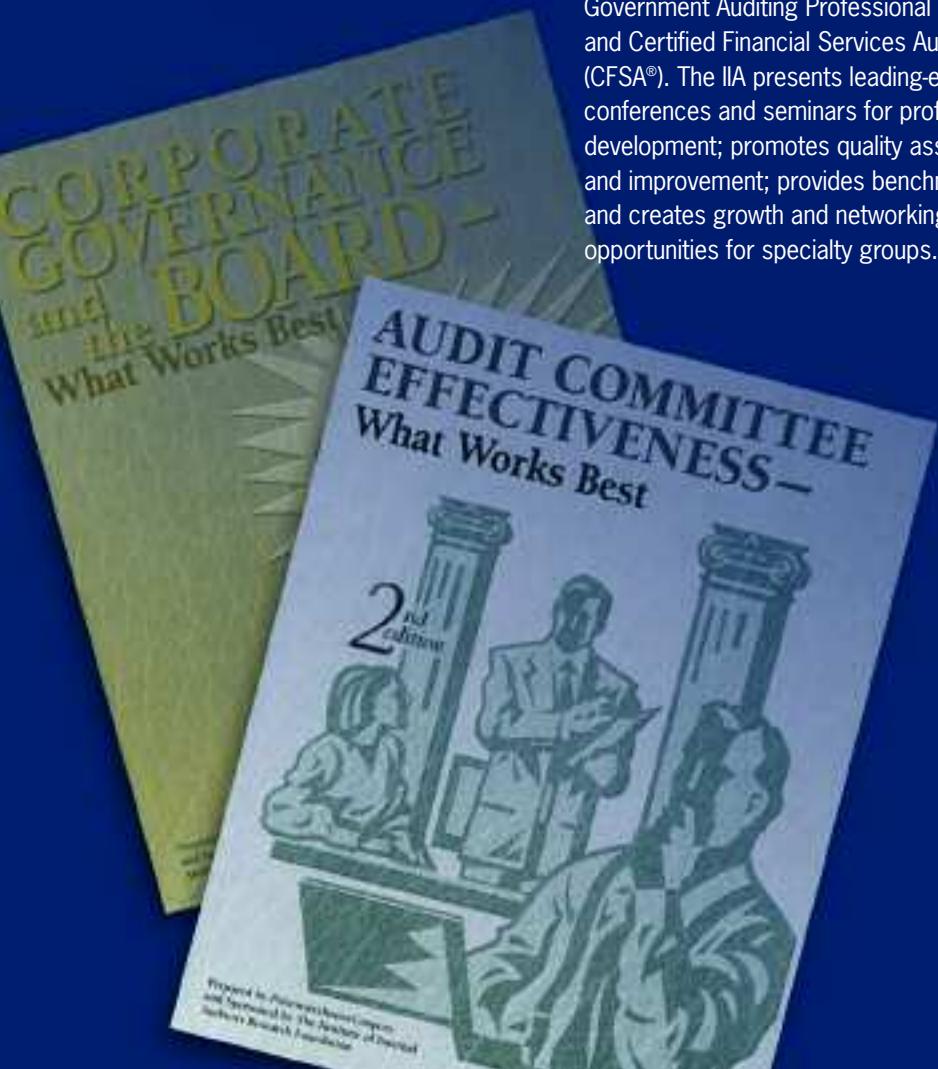
- Discuss with management the company's major policies with respect to risk assessment and risk management.
- Perform other activities related to this charter as requested by the board of directors.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the committee charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the committee's and individual members' performance at least annually.

**T**HE INSTITUTE OF INTERNAL AUDITORS (IIA) is the acknowledged leader, recognized authority, and chief educator for the profession worldwide. Established in 1941, The IIA has 246 affiliates around the world and serves more than 115,000 members in internal auditing, risk management, governance, internal control, IT audit, education, and security in 160 countries.

The world's leader in certification, education, research, and technical guidance for the profession, The Institute sets the *International Standards for the Professional Practice of Internal Auditing* and provides leading-edge guidance. Serving as internal auditing's global professional association, The IIA certifies professionals through the stringent Certified Internal Auditor® (CIA®) program and specialty certification programs, such as the Certification in Control Self-Assessment (CCSA®), Certified Government Auditing Professional (CGAP®), and Certified Financial Services Auditor® (CFSAs®). The IIA presents leading-edge conferences and seminars for professional development; promotes quality assurance and improvement; provides benchmarking; and creates growth and networking opportunities for specialty groups.

The IIA Research Foundation produces forward-thinking educational products and works in partnership with experts from around the globe conducting valuable research projects on the top issues affecting the business world today. The IIA also brings great value to its members through *Internal Auditor*, the award-winning professional magazine, and other outstanding periodicals that address the profession's most pressing issues and challenges and present viable solutions and exemplary practices.

As the global voice of the profession, The IIA promotes quality, professionalism, effective governance, ethical business practices, and world-class internal auditing. Dedicated to providing extensive support and services to help internal auditors add value across the board, The Institute delivers best-practice guidance to internal audit practitioners, executive management, boards of directors, and audit committees all around the world.



247 Maitland Avenue  
Altamonte Springs, FL 32701-4201 USA  
Fax: +1-407-937-1101  
Tel: +1-407-937-1100  
Web: [www.theiia.org](http://www.theiia.org)