



How *OnRisk 2020: A Guide to Understanding, Aligning, and Optimizing Risk* Supports Successful Internal Audit Practices

IIA Quality Services' assessment teams evaluate various internal audit activities each year to assess the efficiency and effectiveness of risk management within a comprehensive quality assurance and improvement program (QAIP) as related to conformance with the *Standards*. The scope of internal audit must provide for a holistic evaluation of risks and controls across the organization.

The subtitle of The IIA's OnRisk 2020 publication — [*A Guide to Understanding, Aligning, and Optimizing Risk*](#) — clearly identifies its value to internal auditors and their organizations. Indeed, internal audit's mission is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. OnRisk provides insights into 11 key risks for 2020 and how the three pillars of risk management — the board, executive management, and internal audit — can best understand, manage, and align on these risks.



Encompassed within the 11 risks is **Board Information**: As regulators, investors, and the public demand stronger board oversight, boards place greater reliance on the information they are provided for decision-making. **Standard 2420: Quality of Communications** indicates that it is the responsibility of the CAE to ensure boards are receiving complete, timely, transparent, accurate, and relevant information such that strategic decisions around risk mitigation can be made.

An established QAIP that is communicated as per **Standard 1320: Reporting on the QAIP** can provide assurance to executive management and the board for reliance on internal audit. Noteworthy areas for communicating include:

- Reporting on ongoing monitoring of performance on at least an annual basis.
- Reporting on periodic internal assessments and external assessments as they occur.
- Reporting status of all items associated with high and medium observations, including an aging component, as a component of the periodic reporting process.
- Communicating internal audit performance relative to the audit plan and other matters.
- Communicating the impact of resource limitations on the annual audit plan to allow for the most appropriate decisions regarding resources and coverage of risk areas.
- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters.



NEED FURTHER INSIGHT INTO QUALITY ASSESSMENT?

Let IIA Quality Services be your trusted advisor. Our experts can assist you in determining which option — quality assessment or self-assessment with independent validation — best suits your needs.

Contact us at Quality@theiia.org or **+1-407-937-1399**.

ABOUT IIA QUALITY SERVICES

IIA Quality Services' mission is to elevate professionalism within internal auditing and conformance to the *International Standards for the Professional Practice of Internal Auditing* by providing knowledge resources to internal audit activities. IIA Quality Services' experts provide full-scope quality assessments, validations of self-assessments, and readiness assessments.