

How to work effectively with key stakeholders (relationship management)

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Who am I?



- I am the Head of Assurance for the States of Guernsey, providing leadership on internal audit, risk management and counter fraud activity.
- I also deliver training, internal audit engagements and external quality assessments of internal audit teams through my company, JC Audit Training Ltd.
- Finally, I undertake a number of volunteer roles for both the Chartered Institute of Internal Auditors and the Institute of Risk Management.

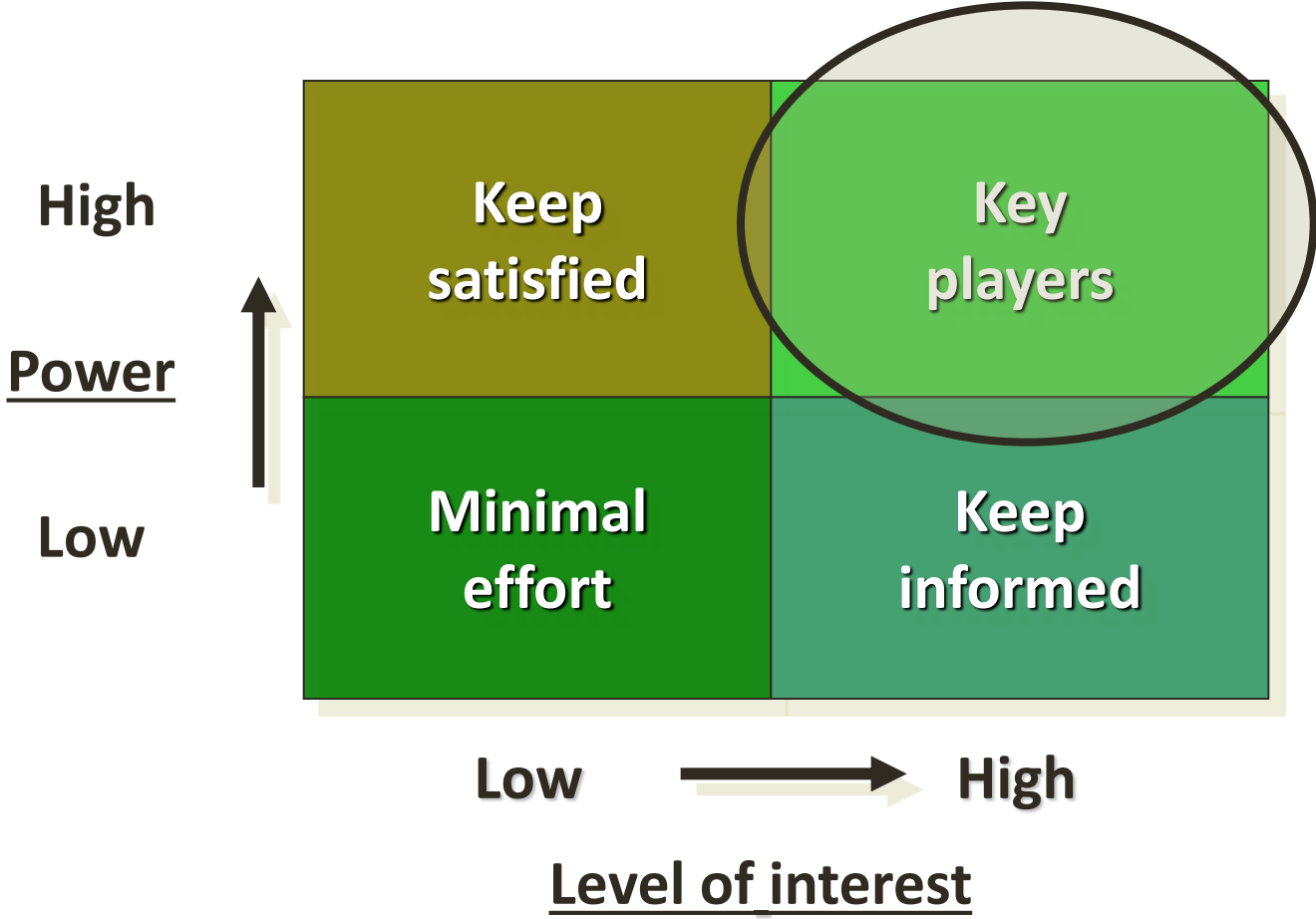
Key stakeholders?

Who are our stakeholders?

Which ones are key?

Have you formally identified and documented your
(and your team's) stakeholders?

Power/Interest matrix



Who wants what?

What do they want from us?

How do we really know?

What do we want from them?

What do our IPPF and PSIAS say?

Implementation Standard 2010.A1: The internal audit function's plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process.

Performance Standard 2020: The CAE must communicate the function's plans and resource requirements, including significant interim changes, to senior management and the board for review and approval.

What do our IPPF and PSIAS say?

Performance Standard 2050: The CAE should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimise duplication of efforts.

Performance Standard 2060: The CAE must report periodically to senior management and the board on the internal audit function's purpose, authority, responsibility and performance relative to its plans.

Why are effective relationships vital?

As a result, there are many important reasons why we should, as heads of internal audit, develop effective relationships with senior management and other key stakeholders.

Working in pairs, share your ideas and jot down your top three reasons...



What about the barriers?

- Physical
- Systems based
- Perceptual
- Cultural
- Interpersonal



Top tips for stakeholder relationship management

Once again, working in pairs, discuss what you do to help manage stakeholder relations and work effectively with key stakeholders.

...and record what you think are the three most effective things you do to manage stakeholder relations...



Top tips for stakeholder relationship management

Internal audit provides value to the organisation and its stakeholders when it delivers objective and relevant assurance, and contributes to the effectiveness and efficiency of governance, risk management and control processes.

To achieve this aim the head of internal audit must have an internal audit plan that reflects the things that are important to stakeholders.

The head of internal audit must invest time in knowing what is important to their key stakeholders. This must be a continuous process, rather than a one off or annual activity.

Top tips for stakeholder relationship management

- Develop an induction programme for new audit committee members, senior managers and external stakeholders.
- Organise separate management meetings and earmark sessions during audit committee meetings to provide updates and relevant information.

This could include changes in legislation, regulation, risk management and professional internal audit practice and how this might impact the organisation and the delivery of internal audit.

Top tips for stakeholder relationship management

- Put together an intranet or internet site that contains useful and relevant information making sure it is kept to update. This might include, for example, coverage of internal audit services, governance information, or contact details.
- Prepare and issue an internal audit newsletter or brochure containing information about the service.
- Prepare short guides relating to the internal audit process, internal audit involvement in projects, internal audit's role with regard to risk management etc.

Top tips for stakeholder relationship management

- Schedule periodic meetings with key stakeholders, even when there is no direct engagement activity in their area, to keep alive to business change and the potential for new and emerging risks that might call for a revision to the audit plan.
- Organise formal, one-to-one internal audit planning discussions with senior executives.
- Set up separate 'audit planning days' with the chair of the audit committee and audit committee members outside the formal meeting schedule.

Top tips for stakeholder relationship management

- Prepare monthly activity reports or regular briefings for audit committee members requesting feedback. This might include a balanced scorecard or dashboard to show progress on a number of important activities.
- Meet informally or call your audit committee chair between meetings and before each meeting.
- Schedule planning and update meetings with external stakeholders e.g. external audit.

Top tips for stakeholder relationship management

- Establish regular meetings with the risk management team to maintain awareness of risk events and issues.
- Keep in touch with other assurance providers to share information.
- Build time into follow-up reviews with managers to understand changing risks profiles.
- Schedule informal, short 'catch up' meetings or phone calls with managers to keep up with changes and developments in the organisation.

Concluding thoughts...

Our Mission

To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

About the mission

The Mission Statement to the IPPF provides a clear and succinct description of what internal audit aspires to achieve within organisations.

If we can deliver against our mission, beneficial and effective relations with key stakeholders are much more likely!

Concluding thoughts...

Richard Chambers, President and CEO of the Global IIA:

“A great chief audit executive creates value throughout the organisation by solving problems and helping management and the board to achieve business and personal objectives, completing critical work, and assuming and relieving some of the burden of worry that their stakeholders may feel.

Along the way, relationship acumen becomes even more important, because the quality of the relationship between the CAE and these stakeholders becomes less transactional and more collaborative”.

Any questions?



If you have any questions in the future then please get in touch and I will do my best to assist.

My email address is: chessh@hotmail.co.uk

I am also on LinkedIn if you wish to make contact via that group.