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Attitude drives the Quality of Internal Auditing



“As human beings, our greatness lies not so much in being able to remake the world - that is the myth of the atomic age - as in being able to remake ourselves.”

- M.K. Gandhi

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May I humbly ask,

Are we wearing the right Internal Auditor-Attitude?



Positivity of Internal Auditors Correlates with their Audit Output

Internal auditing is a complex affair. Each stakeholder in this process has a set of unique and demanding expectations on the skills and competence of the internal auditor.

Internal auditors must develop a **‘never say die’** attitude to succeed.

They generally work on an unpredictable pitch. In their role as assessors, they find it challenging to uncover their auditees' thoughts.

Thus, the need to cultivate good habits that create a value system for them. They can achieve this by developing a positive attitude towards internal audit activities and situations. Champion Internal Auditors have a dream, a goal, a vision, and positivity.

Those charged with governance should undoubtedly be concerned about each aspect of the internal audit function. The key ones are economic needs, physical and mental well-being, social behaviour, a sense of purpose, confidence in the company's business initiatives, etc. Each of these elements can impact the internal auditor's attitude.

The What, Where, How, Why & Which of 'Attitude'

An attitude of WHAT

- Staying on guard for an

unpredictable risk event and providing real-time assessment.

- Identifying new risk areas in the annual risk-based planning exercise.
- Giving a constructive challenge to the status quo in a process walkthrough discussion.
- Developing a comprehensive audit recommendation after thinking through the cost-benefit analysis.
- Writing reports that generate actions and not merely theoretical value.
- Building collaborative partnerships with auditees.

An attitude of WHERE

- Demonstrating positive intent and effective communication with the audit committee.
- Persevering and tracking prior period un-implemented audit recommendations.
- Making a personal impact on auditees while executing internal audits.

- Speaking up the truth whenever an occasion demands.
- Not yielding to unethical matters and staying morally upright.
- Providing thought leadership in public forums.
- Playing in a team format.

An attitude of HOW

- Being focused on the agenda and being 'to the point' in audit discussions.
- Spotting opportunities for automation and cost-saving.
- Spotting exceptions in data and comparisons.
- Being punctual in meetings and timely in audit output.
- Experimenting with technology to force multiply audit performance.
- Adhering to standards of internal audit.

An attitude of WHY

- Supplier of meaningful insights to effectively manage reputation and sustain the ongoing concern.
- Cleaner of ethical mess in the company.
- Confidence-builder by assuring process performance.
- Risk-isolator and ring-fencer to protect the company.

An attitude of WHICH

- Pointer of internal control, process and system deficiencies.
- Pointer of suspicious accounting balances.
- Early indicator of non-compliances and policy





exceptions.

- Learner of lessons from audit history, peers and own mistakes.

Soft skills are the competitive differentiator

Global research suggests two key factors that need monitoring and evaluation by the Audit Committee or Board as far as auditors (including internal auditors) are concerned.

Auditors tend to express negative views, and this impacts their work attitude. Balancing this equation with credit, where due, would help auditors acquire positive attributes in the auditees' minds.

Familiarity and longevity may breed negligent behaviour in auditors. Therefore, encouraging professional scepticism by the Head of audits would go a long way in keeping the audit team alert.

Internal auditors are a critical pillar in the governance systems of an organisation. A learning attitude will cascade them towards acquiring soft-skill competencies around adaptability, critical thinking, risk curiosity, communication, relationship-building, asking the right questions to the auditees, empathy etc. Such qualities ensure auditee trust and audit success.

Auditors are often confused that each audit output line item should carry the acceptance tag from the auditee. Instead, the auditor may sometimes accept such disagreements as an exception. This would bring in a diversity of thought and fun at work. As M. K. Gandhi said, "Honest differences are often a healthy sign of progress".

A positive attitude drives successful internal auditing and helps convert a

struggle into victory. Global research suggests a direct correlation between individual characteristics, professional attitude and audit quality.

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