

AUDIT STYLE INDICATOR

Here is a list of assumptions often made by internal auditors. Consider each pair of statements in turn and mark them so that their scores when added together equal 10. Give a higher mark to the statement you more closely agree with.

1	(a)	It is the auditor's sole responsibility to decide on and set the agenda for a piece of audit work.	
	(b)	Audit clients should decide what audit work is needed and how it is to be carried out.	
2	(c)	Managers are the experts on their processes and should be responsible for managing their risks themselves.	
	(d)	Auditors are the experts on business processes and should tell managers how to manage their risks.	
3	(e)	The auditors' status in the organisation must always be higher than the audit clients' because they are the risk and control experts.	
	(f)	The needs of the audit client must always take precedence because they are the people responsible for running the business.	
4	(g)	The auditor must take the lead in the management of risk, identifying, and evaluating risks and creating action plans to reduce risk.	
	(h)	The auditor should act as a resource and facilitator, providing the audit client with the environment to manage risk successfully.	
5	(i)	When an audit reveals a risk management issue this is an opportunity to work together to solve the problem.	
	(j)	When an audit detects a weakness the person responsible should be penalised.	
6	(k)	Independence and objectivity are created by an auditor's attitudes and values.	
	(l)	A strong independent reporting line is required to prevent auditors from conspiring with management to delude the shareholders.	
7	(m)	A strong control environment requires clear responsibilities and reporting lines with single point accountability.	
	(n)	People manage risk and exert internal control when they understand the purpose of the organisation and are committed to its success.	
8	(o)	Every business has its own risk profile and should establish controls and other risk strategies which suit its owners' risk appetite.	
	(p)	It is impossible to define controls for every individual situation so it is best to supply everyone with standard controls and monitor compliance closely.	
9	(q)	Surprise audits should be used as they are the best way to detect managers with poor compliance.	
	(r)	Preparing for an audit jointly will give the audit client an opportunity to manage risk more successfully.	

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10	(s)	The auditor should be the eyes and ears in the system reporting any instances of poor or non compliance to the finance director.	
	(t)	It is most important to help the audit client to achieve sound risk management: reporting that the auditor has done so is of secondary importance.	
11	(u)	The scope of internal audit is any risk to the business and all the mechanisms for managing that risk.	
	(v)	Internal auditors should confine their activities to what they know best: internal financial controls.	
12	(w)	People's attitudes and their relationships with each other have the greatest influence on the effectiveness or otherwise of internal controls.	
	(x)	Well designed tasks and processes with formal internal controls are what is needed to achieve effective risk management.	

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Score Sheet

Enter your score of each statement in the appropriate column below and add them up to get total scores for each of the two internal auditor styles.

Traditional Internal Auditor Style (T)	New Internal Auditor Style (N)
a)	b)
d)	c)
e)	f)
g)	h)
j)	i)
l)	k)
m)	n)
p)	o)
q)	r)
s)	t)
v)	u)
x)	w)
TOTAL T:	TOTAL N:

Subtract the T score from the N score and enter your result on the Auditor Style Continuum line.

Auditor Style Continuum

