ISACA and IIA of Orange County

Present

The Balanced Scorecard

December 3rd, 2013
Objectives

By the end of today’s training you will be able to answer the following questions:

• Where is my department based on the IIA Internal Audit Capability Model (CMM)?

• What are the components of a Balanced Scorecard (BSC) as defined by the IIA?

• What are the steps to implement a BSC based on the CMM?

• What does a completed BSC look like?
Source Material

- IIA – Internal Audit Capability Model

- IIA - A Balanced Scorecard Framework for Internal Auditing Departments

- Additional reference materials available on the IIA’s web site
The balanced scorecard is a strategy-focused approach to performance management that includes non-financial and financial performance measures of efficiency and effectiveness that are derived from the organization’s vision and strategy. It “balances” the following:

- External measures for shareholders and customers with internal measures for internal business processes, innovation, and learning and growth
- Outcome measures (lagging indicators) and measures of future performance (performance drivers or leading indicators)
- Objective and subjective performance measures

**REMEMBER - WHAT GETS MEASURED GETS DONE!**
Benefits of a Balanced Scorecard

Key Benefits:

- Describing and clarifying the departmental strategy and strategic themes
- Communicating departmental strategies and priorities throughout the department
- Aligning performance measures of efficiency and effectiveness to departmental and corporate strategy
- Identifying leading indicators that drive outcome performance measures in internal auditing departments
- Identifying cause and effect linkages between performance measures
- Enhancing the usefulness of benchmarking performance measures from GAIN
- Focusing departmental activities on value-added services and other corporate strategies and priorities
- Using performance measures as a continuous improvement tool
Balanced Scorecard Framework

**Board / Audit Committee**
- Performance Measures
  1. Objective/Subjective Measure
  2. Leading Indicator
  3. Lagging Indicator

**Management**
- Performance Measures
  1. Objective/Subjective Measure
  2. Leading Indicator
  3. Lagging Indicator

**Innovation & Learning**
- Performance Measures
  1. Objective/Subjective Measure
  2. Leading Indicator
  3. Lagging Indicator

**External Customers**
- Performance Measures
  1. Objective/Subjective Measure
  2. Leading Indicator
  3. Lagging Indicator

**Internal Audit Processes**
- Performance Measures
  1. Objective/Subjective Measure
  2. Leading Indicator
  3. Lagging Indicator

Mission & Strategy
Strategic Questions to Address

Do your current metrics and performance measures communicate the following:

1. The value proposition of your team?
2. How your team can fulfill unmet and changing customer needs?
3. How will your team innovate its offerings?
4. How will your team manage its brand?
5. How will your team achieve and measure operational excellence?
6. How will your team partner strategically both internally and externally?
7. How will your team communicate strategically within the department and to clients to build and reinforce its brand and communicate its value proposition?
8. How will your team truly engage employees in achieving the mission and strategy of the department?

If not, then how can you do so?
Evaluation of Current IA Performance Metrics

Consider current departmental metrics (what are they?) and rate each item below for your team according to the categories provided:

<table>
<thead>
<tr>
<th>Performance Measurement Category</th>
<th>Departmental Metrics</th>
<th>Poor – Less than Adequate</th>
<th>Adequate - Good</th>
<th>Very Good - Excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal Process</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Learning and Growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information Technology</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier / Vendor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Steps to Create a Balanced Scorecard

• Step 1 - Identify What Your Customers Want
• Step 2 - Assess Internal Audit’s Capabilities
• Step 3 – Develop Strategic Objectives
• Step 4 – Identify Performance Measures
• Step 5 – Identify Targets & Initiatives
• Step 6 – Develop a Strategic Map
• Step 7 - Develop a Scorecard for Each Category

When you have completed these 7 steps
you will have created a Balanced Scorecard!!!
Step 1 - Identify What Your Customers Want

A Balanced Scorecard provides a framework to develop performance measures which incorporate the attributes, deliverables, and capabilities of Internal Audit key stakeholders value – as well as related shortcomings or advancements in these areas.

**IA Value Proposition = Product/Service Attributes + Departmental + Customer**

- Functionality
- Quality
- Time
- Cost

**Customer Value Proposition**

<table>
<thead>
<tr>
<th>Basic Requirements</th>
<th>Differentiators</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Efficiency</td>
<td>• Specialized Expertise</td>
</tr>
<tr>
<td>• Objectivity</td>
<td>• Best Practices Knowledge</td>
</tr>
<tr>
<td>• Technical Competence</td>
<td>• Specialized Teams</td>
</tr>
<tr>
<td>• Professional Standards</td>
<td>• Thought Leader</td>
</tr>
<tr>
<td>• Knowledge of Company and Industry</td>
<td></td>
</tr>
</tbody>
</table>
Step 1 - Identify What Your Customers Want

Seek feedback as to the following:

- The purpose and responsibility of Internal Auditing and whether that is understood by different levels within the organization.
- Adequacy of Internal Audit independence and objectivity.
- Target deliverables and expectations of the Internal Audit activity.
- Current or planned business priorities and correlation of those with the activity’s scope, as appropriate.
- Current shortcomings, if any, of the Internal Audit activity.
- Quality and sufficiency of communication from the activity.
- Current level of satisfaction, or lack thereof, with the frequency and nature of engagements planned and performed.
- Current level of satisfaction, or lack thereof, with the Internal Audit activity’s resources.
- Changing needs of business, related risks, and ability of Internal Auditing to provide assurance and consulting services.
Exercise for Step 1

Prepare a listing of Customers and their specific requirements of Internal Audit

Example

<table>
<thead>
<tr>
<th>Customer</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board / Audit Committee</td>
<td>% of audits completed on-time</td>
</tr>
<tr>
<td>Senior Management</td>
<td>Amount of $$$ recovered</td>
</tr>
</tbody>
</table>


Step 2 – Assess Internal Audit’s Capabilities

Utilize the IIA’s Internal Audit Capability Model

What is it?
- A Communication Vehicle – a basis for communicating what is meant by effective internal auditing and how it serves an organization and its stakeholders, and for advocating the importance of internal auditing to decision makers
- Framework for assessment – a framework for assessing the capabilities of an IA activity against professional internal audit standards and practices, either as a self-assessment or an external assessment
- Roadmap for orderly improvement – a road map for building capability that sets out the steps an organization can follow to establish and strengthen its IA activity

A valuable tool that the organization can use to:
- Determine its internal audit requirements according to the nature, complexity, and associated risks of its operations
- Assess its existing internal audit capabilities against the requirements it has determined
- Identify any significant gaps between those requirements and its existing internal audit capabilities and work toward developing the appropriate level of internal audit capability
Step 2 - Internal Audit Capability Levels

**Level 1 - Initial**
No sustainable, repeatable capabilities – dependent upon individual efforts

**Level 2 - Infrastructure**
Sustainable and repeatable IA practices and procedures

**Level 3 - Integrated**
IA management and professional practices uniformly applied

**Level 4 - Managed**
IA integrates information from across the organization to improve governance and risk management

**Level 5 - Optimizing**
IA learning from inside and outside the organization for continuous improvement
### Internal Audit Capability Model Matrix

<table>
<thead>
<tr>
<th>Level</th>
<th>Services and Role of IA</th>
<th>People Management</th>
<th>Professional Practices</th>
<th>Performance Management and Accountability</th>
<th>Organizational Relationships and Culture</th>
<th>Governance Structures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1 – Initial</td>
<td>Ad hoc and unstructured; isolated single audits or reviews of documents and transactions for accuracy and compliance; outputs dependent upon the skills of specific individuals holding the position; no specific professional practices established other than those provided by professional associations; funding approved by management, as needed; absence of infrastructure; auditors likely part of a larger organizational unit; no established capabilities; therefore, no specific key process areas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level 2 – Infrastructure</td>
<td>Compliance Auditing</td>
<td>Individual Professional Development</td>
<td>Professional Practices and Processes Framework</td>
<td>IA Operating Budget</td>
<td>Managing within the IA Activity</td>
<td>Full Access to the Organization’s Information, Assets, and People</td>
</tr>
<tr>
<td>Level 3 – Integrated</td>
<td>Advisory Services Performance/Value-for-Money Audits</td>
<td>Team Building and Competency</td>
<td>Quality Management Framework</td>
<td>Performance Measures</td>
<td>Coordination With Other Review Groups</td>
<td>Management Oversight of the IA Activity</td>
</tr>
<tr>
<td>Level 4 – Managed</td>
<td>Overall Assurance on Governance, Risk Management, and Control</td>
<td>IA Contributes to Management Development</td>
<td>Audit Strategy Leverages Organization’s Management of Risk</td>
<td>Integration of Qualitative and Quantitative Performance Measures</td>
<td>CAE Advises and Influences Top-level Management</td>
<td>Independent Oversight of the IA Activity</td>
</tr>
<tr>
<td>Level 5 – Optimizing</td>
<td>IA Recognized as Key Agent of Change</td>
<td>Leadership Involvement with Professional Bodies</td>
<td>Continuous Improvement in Professional Practices</td>
<td>Reporting of IA Effectiveness</td>
<td>Effective and Ongoing Relationships</td>
<td>Independence, Power, and Authority of the IA Activity</td>
</tr>
</tbody>
</table>

### Levels and Capabilities:

- **Level 1 – Initial**:
  - Services and Role of IA: Ad hoc and unstructured; isolated single audits or reviews of documents and transactions for accuracy and compliance; outputs dependent upon the skills of specific individuals holding the position; no specific professional practices established other than those provided by professional associations; funding approved by management, as needed; absence of infrastructure; auditors likely part of a larger organizational unit; no established capabilities; therefore, no specific key process areas.

- **Level 2 – Infrastructure**:
  - Compliance Auditing
  - Individual Professional Development
  - Skilled People Identified and Recruited
  - Professional Practices and Processes Framework
  - Audit Plan Based on Management/ Stakeholder Priorities
  - IA Operating Budget
  - IA Business Plan
  - Managing within the IA Activity
  - Full Access to the Organization’s Information, Assets, and People
  - Reporting Relationships Established

- **Level 3 – Integrated**:
  - Advisory Services Performance/Value-for-Money Audits
  - Team Building and Competency
  - Professionally Qualified Staff
  - Workforce Coordination
  - Quality Management Framework
  - Risk-based Audit Plans
  - Cost Information
  - IA Management Reports
  - Coordination With Other Review Groups
  - Integral Component of Management Team

- **Level 4 – Managed**:
  - Overall Assurance on Governance, Risk Management, and Control
  - IA Contributes to Management Development
  - IA Activity Supports Professional Bodies
  - Workforce Planning
  - Audit Strategy Leverages Organization’s Management of Risk
  - Integration of Qualitative and Quantitative Performance Measures
  - CAE Advises and Influences Top-level Management
  - Independent Oversight of the IA Activity

- **Level 5 – Optimizing**:
  - IA Recognized as Key Agent of Change
  - Leadership Involvement with Professional Bodies
  - Workforce Projection
  - Continuous Improvement in Professional Practices
  - Strategic IA Planning
  - Reporting of IA Effectiveness
  - Effective and Ongoing Relationships
  - Independence, Power, and Authority of the IA Activity

### Key Process Areas:

- **Level 5 – Optimizing**
  - IA Recognized as Key Agent of Change
  - Leadership Involvement with Professional Bodies
  - Workforce Projection
  - Continuous Improvement in Professional Practices
  - Strategic IA Planning
  - Reporting of IA Effectiveness
  - Effective and Ongoing Relationships
  - Independence, Power, and Authority of the IA Activity

- **Level 4 – Managed**
  - Overall Assurance on Governance, Risk Management, and Control
  - IA Contributes to Management Development
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  - IA Business Plan
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  - Full Access to the Organization’s Information, Assets, and People
  - Reporting Relationships Established

- **Level 1 – Initial**
  - Ad hoc and unstructured; isolated single audits or reviews of documents and transactions for accuracy and compliance; outputs dependent upon the skills of specific individuals holding the position; no specific professional practices established other than those provided by professional associations; funding approved by management, as needed; absence of infrastructure; auditors likely part of a larger organizational unit; no established capabilities; therefore, no specific key process areas.
Exercise for Step 2

Identify and mark the Current State (C) and Future State (F) for each Element utilizing the IA-CM Self-Assessment Tool

**Example**

<table>
<thead>
<tr>
<th>Internal Audit Capability Model Matrix</th>
<th>Services and Role of IA</th>
<th>People Management</th>
<th>Professional Practices</th>
<th>Performance Management and Accountability</th>
<th>Organizational Relationships and Culture</th>
<th>Governance Structures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 5 – Optimizing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Future</td>
<td></td>
</tr>
<tr>
<td>Level 4 – Managed</td>
<td>Future</td>
<td>Future</td>
<td>Future</td>
<td>Future</td>
<td>Future</td>
<td>Current</td>
</tr>
<tr>
<td>Level 3 – Integrated</td>
<td>Current</td>
<td>Future</td>
<td>Current</td>
<td>Current</td>
<td>Current</td>
<td></td>
</tr>
<tr>
<td>Level 2 – Infrastructure</td>
<td></td>
<td>Current</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level 1 – Initial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**REF:** IIA – Internal Audit Capability model (IA-CM), Exhibit I.8
Step 3 – Develop Strategic Objectives

Consider the identified value propositions and critical success factors for each area of the Balanced Scorecard (Audit Committee, External Customers, Internal Audit Processes, Innovation & Capabilities, and Management) and develop strategic objectives to leverage strengths, address weaknesses, harvest opportunities and attack threats.

Strengths & Weaknesses

*Internal*

Opportunities & Threats

*External*

Strategic Objectives
Exercise for Step 3

Based upon the Customer Needs, prepare a listing of strategic objectives.

Example

<table>
<thead>
<tr>
<th>Objective</th>
<th>Measure</th>
<th>Schedule</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal audit will have appropriate levels of resources to perform their</td>
<td>Staff headcount, rotations, and turnover</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>fiduciary responsibilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal audit will have appropriate professional qualifications and</td>
<td>Staff experience and qualifications</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>competencies to perform their duties</td>
<td>Staff certification</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Staff training</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Internal audit identifies key issues and works with management to</td>
<td>Agreed actions summary</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>facilitate/cause corrective action to be taken</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal audit provides appropriate coverage to all aspects of the</td>
<td>Audit plan completion</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>company’s business activities</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: IIA – A Balanced Scorecard for Internal Audit Departments
Step 4 – Identify Performance Measures

Consider the identified strategic objectives and develop one or more performance measures for each objective. Performance measures can be either objective or subjective as well as either leading or lagging indicators of performance. In addition, they should reflect the mandate and role of the Internal Audit activity.

- Strengths & Weaknesses
  - Internal

- Opportunities & Threats
  - External

- Strategic Objectives
- Performance Measures

Examples:
- IIA Professional Standards
- Budgets
- Customer Surveys
- GAIN Benchmarks
Below is an example of leading and lagging indicators associated with several critical performance categories:

<table>
<thead>
<tr>
<th>Leading Performance Measures</th>
<th>Lagging Performance Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation &amp; Learning</td>
<td>Internal Audit Processes</td>
</tr>
<tr>
<td>Number of Process Improvements</td>
<td>Percentage of Audit Recommendations Implemented</td>
</tr>
<tr>
<td>Number of Major Audit Findings</td>
<td>Number of Management Requests</td>
</tr>
<tr>
<td>Training Hours Per Internal Auditor</td>
<td>Auditee Satisfaction Survey</td>
</tr>
<tr>
<td>Management</td>
<td>Lagging Performance Measures</td>
</tr>
</tbody>
</table>
Exercise for Step 4

Prepare a listing of the performance measures for Internal Audit and its related strategic objective.

Example

<table>
<thead>
<tr>
<th>Overall Ranking</th>
<th>Performance Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Staff experience</td>
</tr>
<tr>
<td>2</td>
<td>Role of internal auditing viewed by the audit committee</td>
</tr>
<tr>
<td>3</td>
<td>Management expectation of internal auditing</td>
</tr>
<tr>
<td>4</td>
<td>Percent of audit recommendations implemented</td>
</tr>
<tr>
<td>5</td>
<td>Auditor education levels</td>
</tr>
<tr>
<td>6</td>
<td>Auditee satisfaction survey</td>
</tr>
<tr>
<td>7</td>
<td>Importance of audit issue</td>
</tr>
<tr>
<td>8</td>
<td>Training hours per internal auditor</td>
</tr>
<tr>
<td>9</td>
<td>Audit committee satisfaction survey results</td>
</tr>
<tr>
<td>10</td>
<td>CAE reporting relationships-functional</td>
</tr>
</tbody>
</table>

Source: IIA – A Balanced Scorecard for Internal Audit Departments
Performance measures driven by strategic objectives should similarly drive targets and their corresponding initiatives.

- Strategic Objectives
- Performance Measures
- Targets
- Initiatives
Exercise for Step 5

Prepare a listing of the targets and initiatives for Internal Audit and its related performance measure.

Example

<table>
<thead>
<tr>
<th>Strategic Objective</th>
<th>Performance Measure</th>
<th>Frequency/Type</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>The audit function maintains independence within the organization.</td>
<td>Reporting to an appropriate level of management determined by organizational structure/reporting lines.</td>
<td>Ongoing - leading (on changes from current status)</td>
<td>CD</td>
</tr>
<tr>
<td>Internal audit provides adequate coverage to all appropriate aspects of Morgan Stanley’s business activities.</td>
<td>Annual and long-term plan and risk assessment reviews. Comparison of planned to actual coverage.</td>
<td>Annual - leading</td>
<td>LD</td>
</tr>
<tr>
<td>Internal audit identifies key issues and works with management to facilitate/cause corrective action to be taken.</td>
<td>Analysis of issues raised by tier, issues closed, issues remaining open/past due.</td>
<td>Quarterly - lagging</td>
<td>LD</td>
</tr>
</tbody>
</table>

Source: IIA – A Balanced Scorecard for Internal Audit Departments
What are the benefits of Strategy Mapping?

- Strategy maps are used to develop strategic objectives for key strategic themes.
- Strategic objectives are linked and organized within the four perspectives of the balanced scorecard.
- Performance measures for the strategic objectives are identified and baseline performance and targets are established.

**Remember - Performance Measures are:**

- *Specific*
- *Measurable*
- *Attainable*
- * Relevant*
- *Time-bound*
Exercise for Step 6

Develop a Strategic Map

Example

Source: IIA – A Balanced Scorecard for Internal Audit Departments
Step 7 - Develop a Scorecard for Each Category

For each critical performance category, develop a scorecard noting the relevant performance measures to be communicated.

<table>
<thead>
<tr>
<th>Critical Performance Category: Audit Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Objective</strong></td>
</tr>
<tr>
<td>Internal Audit provides appropriate coverage to all aspects of the company’s business activities</td>
</tr>
<tr>
<td>Internal Audit will have appropriate professional qualifications and competencies to perform their duties</td>
</tr>
<tr>
<td>Internal Audit will have appropriate levels of resources to perform their fiduciary responsibilities</td>
</tr>
<tr>
<td>Internal Audit should meet the expectations of various constituencies, including: the AC, BU management, audit staff, external auditors and regulators.</td>
</tr>
<tr>
<td>Periodic evaluation of the Internal Audit function</td>
</tr>
</tbody>
</table>
Exercise for Step 7

Prepare a Scorecard for each Performance Category

Example

<table>
<thead>
<tr>
<th>Schedule Number</th>
<th>Benchmark</th>
<th>Audit Director Frequency</th>
<th>CAE Frequency</th>
<th>Board Package</th>
<th>Client Package</th>
<th>P,C,&amp;I Package</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Staff Headcount, Rotations and Turnover</td>
<td>Monthly</td>
<td>Monthly</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Staff Experience and Qualifications</td>
<td>Annually</td>
<td>Annually</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>3</td>
<td>Staff Certification</td>
<td>Annually</td>
<td>Annually</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>4</td>
<td>Staff Training</td>
<td>Quarterly</td>
<td>Annually</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>5</td>
<td>Agreed Actions Summary</td>
<td>Quarterly</td>
<td>Quarterly</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>6</td>
<td>IAD Committee/Work Group Participation</td>
<td>Quarterly</td>
<td>Annually</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>7</td>
<td>Time Spent on Special Projects</td>
<td>Quarterly</td>
<td>Annually</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>8</td>
<td>Declined Special Project Requests</td>
<td>Quarterly</td>
<td>Annually</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>9</td>
<td>Audit Plan Completion</td>
<td>Quarterly</td>
<td>Annually</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>10</td>
<td>Number of Integrated Audits</td>
<td>Annually</td>
<td>Annually</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

Source: IIA – A Balanced Scorecard for Internal Audit Departments
A good performance measurement system for internal auditing departments should have certain characteristics:

- Performance measures are driven by mission, vision, and strategy.
- Performance measures should represent a balanced set of performance measures that reflect operational effectiveness and strategy.
- Performance measurement systems should include:
  - Cause and effect linkages (strategic map)
  - Leading indicators (performance drivers)
  - Linkages to outcome performance measures (lagging indicators)
- Unique/customized to a department.
- Performance measurement systems require continuous refinement.

*Did We Answer All the Strategic Questions?*
• Leadership at the top is crucial for setting a clear message that metrics are key to success.
• Metrics should be made available to all appropriate persons, including all auditing members, so that improvements in performance can be made.
• Quality metrics should be specific and appropriate for each organization and should be based on the organization’s goals and strategic plan.
• Quality measures do not necessarily measure productivity. Rather, they measure performance against a standard.
• Accurate audit data must be maintained by auditors, and standards must be established so that the measures apply equally to everyone.
• Quality measures should be visually displayed so that they can easily be analyzed.
Questions?

Thank you for being a member of ISACA and IIA of Orange County.

We look forward to seeing you again soon!