

STRATEGY



# Charities Internal Audit Network Strategy

2021 – 2025

# CIAN Strategy for 2021 – 2025

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# SECTION 1: Context for Setting our Post-2020 Strategy

## 1.1 What is CIAN?

The Charities Internal Audit Network (CIAN) was founded in 1994 by a small number of internal audit professionals employed in the charity sector who recognised the benefits of having a Forum through which all Internal Auditors in the sector could come together and share knowledge and learn from each other. The network has grown over the years and attained charity registration in 2001.

CIAN now has over 170 member charities, many of which are household names, that between them are represented by more than 300 people engaged on internal audit and risk management work, 94 of whom have logged into the CIAN website over the last year.

To support our members, core activities of CIAN include:

- Quarterly Network meetings that include presentations from speakers with expertise in relevant subjects and hot topics, group discussions and informal networking sessions.
- An annual CIAN Benchmarking Survey
- Maintaining a website which includes a forum for our members to share information; a library of audit templates, publications and presentations; and occasional blog posts on relevant topics.
- Subsidised training courses for Internal Auditors at member organisations

## 1.2 CIAN's Objects and Mission

CIAN offers a unique opportunity for internal auditors in the voluntary sector, to share skills and experience through networking, meetings, workshops and training on audit and risk management issues. Our charitable objects are:

*"To advance the education of the public in the field of internal audit and internal control with a view to promoting best practice in internal audit and internal control of charities and not for profit organisations."*

In support of these objects, the CIAN Mission is: **To support members in the effective discharge of their responsibilities and to promote the profession of internal audit in the voluntary sector, thereby helping charities to achieve their objectives.**

Membership of CIAN is free and available to any charity or not for profit organisation. The members are the organisations and they may be represented at CIAN events by individuals with responsibility for internal audit, internal controls or risk management. Membership eligibility criteria set out in our constitution mean that CIAN does not accept as members:

- Trustees, employees or contracted individuals who are not responsible for internal audit, internal control or risk management;
- Professional firms who are engaged to provide internal audit or risk management services to a charity or not for profit organisation.

## 1.3 Progress against 2015-2020 objectives

Objective	Achievements/progress
(i) To maintain and develop membership from amongst UK charities	There has been an approximately 18% net increase in members since December 2014. Further ambitious efforts to increase membership amongst UK charities were planned for 2020 but were de-prioritised as a result of the COVID-19 pandemic.

(ii) To enhance and facilitate wider opportunities for networking	Quarterly networking meetings have been held consistently throughout 2015-2020. Additional networking opportunities have been trialled such as the offer of 'CIAN Social Groups' and virtual forums during 2020. We would like to do more to explore wider opportunities for networking post-2020.
(iii) To maintain and develop CIAN's profile	The introduction of LinkedIn and Twitter profiles has extended CIAN's reach. Additionally, as part of the launch of the new CIAN website in 2019, search engine optimisation features were introduced and utilised which has resulted in higher volumes of traffic to the website.  Relationships with the Chartered Institute of Internal Auditors have been strengthened and this has in turn allowed us to further raise our profile with articles in Audit and Risk magazine. We aim to make further progress in raising the profile of CIAN within the third sector.
(iv) To develop the resources available to members	The website was updated in 2016 and then replaced with a new website in 2019. This has led to increased resources being available to members, and there was specific development of a bank of resources related to COVID-19 during 2020. However, the Committee has had limited bandwidth available to further develop the templates and other resources shared in the members' area of the website.
(v) To enable professional development	CIAN ran 4 training courses in 2010-2014. Since then CIAN has held 2-3 training courses each year (with the exception of 2020 due to COVID-19). Courses have almost without exception received extremely positive feedback. The shorter professional development sessions in the quarterly network meetings have also been very well received by members and we use member feedback to determine topics for future presentations to ensure their relevance.

#### 1.4 Internal Audit's Position in the Charity Sector

Currently, Internal Audit (IA) has a lower profile in the charity sector than in most other sectors such as public sector where there are mandatory internal audit requirements, or Financial Services where the regulator co-wrote and heavily promoted the sector IA Code of Practice for Financial Services. The role of internal audit, and the value of the profession are not consistently understood by charity leaders, and the voluntary nature of Audit Committees in the third sector has contributed to the prevalence of inexperienced audit committee members in some charities and not for profits. This can lead to a lack of support for IA within third sector organisations. This situation has been reinforced by a lack of guidance on IA from regulators such as the Charity Commission and in key documents for the sector such as the Charity Governance Code.

In the past 12 months, there has been some improvement in both the guidance and recognition available to third sector IA via increased engagement with the sector from the Chartered Institute of Internal Auditors (IIA). This has included the January 2020 publication of the *Internal Audit Code of Practice – Guidance on effective internal audit in the private and third sectors*, which provides clear expectations for IA practice in the third sector. However, it is notable that there has not yet been any endorsement or recognition of the Code of Practice by charity regulators in the UK. We note that for some organisations, the COVID-19 pandemic has resulted in a realisation of the value of internal auditors as individuals with understanding of risk and the big picture became more highly valued. Whilst this is positive, this was not the case in all charities – some of which furloughed internal audit rather than utilising their expertise – and a mixed understanding of internal audit's role and value persists in the charity sector.

#### 1.5 Resources available to CIAN

CIAN is largely reliant on the time volunteered by the 'CIAN Committee' and the generous contributions of partner organisations and speakers. The CIAN Committee act as both executive committee and board of trustees for CIAN – there is no remuneration available for Committee members and all CIAN activity depends

on the Committee generously volunteering their time. Whilst there is much that CIAN can achieve, the reliance donated time from individuals with full-time internal audit roles does limit the activity we can realistically undertake.

Historic surpluses from training courses a number of years ago mean that CIAN has approximately £10k of funds available. This is used to cover the cost of upfront payments to training providers and ongoing costs for the CIAN website and domain. Such surpluses are also used, on occasions, to subsidise those training courses where the numbers attending would not otherwise make the course viable to run. As noted above, membership of CIAN is free. This means we do not have regular income from membership fees. From time to time, we have some income from training courses; however, CIAN training courses are generally run approximately at cost, with some courses making a small profit and others a small loss. The training courses have not been intended as a revenue stream, nor does CIAN have any other existing or planned revenue stream. The existing funds do provide the opportunity for some limited additional expenditure.

In addition to time being volunteered by the CIAN Committee, CIAN is fortunate to have special advisors to the committee on a voluntary basis (currently one each from Sayer Vincent and BDO) as well as the support of a number of accounting firms and the Chartered Institute of Internal Auditors. Pre-COVID, all network meetings, training courses and committee meetings were hosted by either Sayer Vincent, Crowe, BDO, Grant Thornton or Haysmacintyre, with no charge to CIAN; without these firms we would not have venues or refreshments for any physical events/courses.

## SECTION 2: CIAN’s Objectives and Approach for 2021-2025

### 2.1 Key Considerations

In developing CIAN’s Strategy for 2021-2025, the CIAN Committee have primarily considered the objects and mission of the charity, and input from CIAN members on what would best support them in the provision of effective internal audit. We have additionally considered the wider sector context and how this impacts on our members. All objectives have been considered in light of the limitations in CIAN’s ability to deliver activities as a result of the reliance on volunteers and absence of any employees or income.

### 2.2 Summary of objectives for 2021-2025

CIAN’s objectives for 2021-2025 are to:

1. **Raise the profile of internal audit in the third sector**
2. **Provide CIAN members with opportunities for professional development**
3. **Share resources that promote best practice and support effective internal audit**
4. **Provide opportunities for networking amongst members**

### 2.3 Objectives, ambitions and approach

For each of the four objectives identified, we have identified specific ambitions to help us achieve the objective. In this document we have identified key activities for the delivery of each ambition. More detailed information on activities and measurement of outcomes will be included in supporting CIAN Delivery Plans for key areas of CIAN activity including a plan for each of Communications, Membership, Events, Shared Resources and Advocacy.

#### 2.3.1 Objective 1 – Raise the profile of internal audit in the third sector

This objective is driven by a desire and responsibility to improve the visibility and understanding of internal audit in the third sector. Internal audit will struggle to be effective in the absence of sufficient support from governance structures (for example, and audit committee is unlikely to push for increased IA budget if they do not understand the value of IA; IA work will not have maximum impact if charity leaders do not act on the recommendations made). However, currently many charity leaders – and some charity Audit Committees do not have a good understanding of the role and value of IA.

	<b>Ambition</b>	<b>Primary activities</b>
<b>a.</b>	Promote awareness and understanding of internal audit amongst charity leaders and the third sector more generally	Advocacy; Communications
<b>b.</b>	Encourage Official endorsement by third sector regulatory bodies of the Internal Audit Code of Practice	Advocacy
<b>c.</b>	Drive inclusion of expectations for audit committees and internal audit in the Charity Governance Code	Advocacy

#### 2.3.2 Objective 2 – Provide CIAN members with opportunities for professional development

This objective is driven by the importance of professional development for effective practice. We recognise that our members face particular challenges in obtaining training budgets and therefore seek to provide both free and low-cost opportunities. We additionally note that internal auditors are being asked to provide



assurance in an ever-increasing number of technical areas (e.g. cyber; sustainability; equity, diversity & inclusion) and not all organisations have sufficient co-source budget to bring in outside expertise for all audits they would like to – it is therefore important for CIAN to keep on top of key assurance areas and on topics that our members would like training on.

Ambition		Primary activities
a.	Continue to hold free quarterly meetings with professional development presentations on topics relevant to members	Network meetings
b.	Continue to hold at least one, and preferably two relevant and affordable full day training courses per year (subject to sufficient funds being available).	Training courses
c.	Investigate with Chartered Institute of Internal Auditors, options for getting affordable access for members to CIAA conferences and training.	Advocacy
d.	Continue to post details of relevant free professional development opportunities (such as webinars) in the CIAN website members' forum – and improve consistency of these posts	Communications via website, mailing list and social media

### 2.3.3 Objective 3 – Share resources that promote best practice and support effective internal audit

This objective is driven by the known scarcity of resources in third sector internal audit. In many third sector organisations, this can result in IA functions with both limited headcount and limited access to external expertise. The sharing of resources can benefit our members in multiple ways including sharing of good practice; increasing efficiency (for example via provision of templates), facilitating benchmarking and providing a source of information. As noted above, internal auditors are being asked to provide assurance in an ever-increasing number of technical areas – it is therefore important for CIAN to continue to consult members on the assurance topics they would like information on.

Ambition		Primary activities
a.	Increase number of audit programme templates on the resources area of the website	Resource development and sharing
b.	Increase awareness and use of available resources	Communications
c.	Build a suite of resources for charities starting an IA function from scratch	Resource development and sharing

### 2.3.4 Objective 4 – Provide opportunities for networking amongst members

Similarly to objectives 2 & 3, this objective is focused on good practice in internal audit. Networking facilitates the sharing of experiences and good practice. Complimentary to professional development and sharing of resources, opportunities for members to share experiences and knowledge can increase the quality of audit provision. Further the support members can provide each other, especially in cases of one-person audit functions, can be invaluable and we are keen to encourage informal support networks (and facilitate where resources allow). We note that the need for rapid adaptation and flexibility in ways of working as a result of the pandemic have made networking all the more valuable.

Ambition		Primary activities
a.	Increase member attendance at webinars / network meetings / socials / other CIAN events	Member engagement / communications; development of events based on feedback
b.	Increase engagement of CIAN members with the member forums	Member engagement
c.	Increase participation in CIAN benchmarking surveys	Member engagement
d.	Increase opportunities for informal information sharing / networking between members	Member engagement; review/development of opportunities for member interaction.
e.	Increase (active) membership of CIAN	Promotion of CIAN to eligible organisations

#### 2.4 Other CIAN activities

This document focuses on CIAN’s strategic objectives. Alongside these strategic objectives there will necessarily be operational objectives determined by the Committee on an ongoing basis. For example, the Committee currently plans to undertake a body of work to:

- Review and update CIAN Committee roles to reflect current needs of CIAN; and
- Document key processes and expectations of the revised committee roles.

Continuous improvement of CIAN ways of working will be ongoing, with prioritisation of processes and activities that are most important to achieving strategic objectives.

There are additionally a small number of low-resource activities undertaken by CIAN which may not directly support the strategic objectives but will be continued as they support our member organisations as follows:

- Advertisement of charity internal audit jobs (free to members)
- Promotion and sharing of campaigns, organisations, resources or information that support good practice in charities but may not be directly focused on IA practice, such as Charity Fraud Awareness week



## SECTION 3: Strategy Monitoring & Update

### 3.1 Monitoring

The Committee is responsible for monitoring progress towards the achievement of the objectives and ambitions set out in this strategy. It does this by receiving and reviewing reports from individual members of the Committee who are tasked with specific responsibilities in relation to the delivery of the strategy. The Committee will develop and monitor Delivery Plans for key areas of activity, including outcome metrics as appropriate.

### 3.2 Updating the strategy

The strategy covers the five-year period 2021-2025. There will be a formal review after 3 years. Otherwise, the need for it to be revised before the end of that period will be determined by the CIAN Committee, taking into account relevant factors such as progress against objectives and changes in the landscape.

The CIAN membership will be consulted on any significant changes to the strategy.