

CHAPTER 1

KEY ATTRIBUTES OF TRUSTED ADVISORS

IT WAS NEVER my intention to write yet another entry in the already-crowded field of books promising to boil down complex business issues into a neat and tidy roundup of the “top 10.” If business success were as easy as checking items off a list, we’d all be on the cover of *Forbes*.

Before undertaking the important task of writing this book, I asked people exactly what it takes to be an outstanding internal auditor. Working with colleagues, I crafted a survey that was sent to the members of The IIA’s Audit Executive Center (AEC) that contained only one substantive question. We outlined my purpose for writing a book on the traits of outstanding internal auditors and then listed 13 pertinent attributes worthy of consideration, asking respondents to rank the top 10 in order of preference. We also asked them to suggest other attributes, if they felt we had missed any, and explain why they thought they were so critical. I was delighted with the response—hundreds of global CAEs took the time to weigh in. Most simply ranked the list, but one-third of them were passionate enough about the subject to make other suggestions or expand on the traits we had listed.

As I pondered the survey results, I also recognized that these attributes are not exclusive to internal auditors—they apply to business leaders in any field. Internal auditors are hardly alone in seeing the need to understand their industry, think critically, behave ethically, continue

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learning, interact effectively with others, and engage in the other attributes outlined in this book. The examples I describe revolve around internal audit, but the broader business context certainly applies. The insights shared in this book are for those seeking to be trusted advisors in virtually any profession.

MAKING SENSE OF THE DATA

I was pleased to observe that the data confirmed my own conclusions and broadened my perspectives on the topic. I now feel comfortable that the resulting list of attributes represents a strong consensus view of the portfolio of attributes outstanding internal auditors share. Ultimately, I discovered a structure that made sense to me: nine attributes in three categories, each critical to success as an internal auditor—and to becoming a trusted advisor.

ATTRIBUTES OF OUTSTANDING TRUSTED ADVISORS

PERSONAL	Ethical Resilience	Results Focused	Intellectually Curious	Open-Mindedness
RELATIONAL	Dynamic Communicators	Insightful Relationships	Inspirational Leaders	
PROFESSIONAL		Critical Thinkers	Technical Expertise	

I believe the attributes, as displayed, make sense if viewed in a somewhat linear order, starting at the top and working down. Successful internal auditors must possess the attributes in the personal category and apply them in every transaction—and every interaction—with others. The personal attributes are absolutely essential for internal auditors in achieving success.

Moving down the diagram, attributes in the relational category demonstrate that how a person interacts with others conveys how he or she relates with them. I don't mean to suggest that internal auditors should always strive to be liked. Not everyone is going to like you. In fact, I recall one of my blogs that received the most heated responses offered my opinion that "sometimes internal auditors can be right or they can be liked," but not both. Not everyone agreed with me, but I stand by my statement. However, despite how internal auditors might fare in a popularity contest, they should be respected and recognized for their professional courtesy, objectivity, equitable treatment of others, motivational behavior, and ability to speak and write in a way that accommodates and engages their audience.

Then we arrive at the base of the diagram—the professional category. These are the capstone qualities that help them acquire a seat at the table (multiple tables, really, from the boardroom table to the lunch table in the employee cafeteria—each important in its own way). Thus, they have earned the respect that is essential to apply their professional intellectual abilities and well-honed technical skills to address business issues.

Personal attributes. This category focuses on who internal auditors are at the very core of their being. These attributes are ingrained in outstanding internal auditors. They simply can't achieve excellence in the profession without them.

- Ethical resilience
- Results focused
- Intellectually curious
- Open-mindedness

Relational attributes. This looks at how internal auditors deal with others. Internal auditing is a profession that relies on collaboration and effective interaction with all levels of the organizational hierarchy. It is also an exercise that frequently deals with sensitive issues. The attributes in this category help the internal auditor build a team and obtain the information needed to undertake a successful engagement, report the results in a way that is meaningful to a variety of audiences, and

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obtain a consensus on critical solutions. Success in these areas depends on building, fostering, and maintaining good relationships.

- Dynamic communication
- Insightful relationships
- Inspirational leadership

Professional attributes. This category looks at the knowledge and skills outstanding internal auditors leverage in their roles as professionals. They must have a deep understanding of the business of their organizations and the industry in which their organizations operate if they are to offer credible assessments and solutions. Internal auditors have a number of tools that help them get their work done. There are computer-assisted audit techniques, frameworks, standards, guidance—and the list goes on. But it takes certain skills, contained in this category, to understand how, when, and why to use those tools. The best decisions are based on an ability to analyze the problem, identify and evaluate potential solutions, consider the environment, and only then proceed.

- Critical thinking
- Technical expertise

Looking at our diagram from the top down, and considering it in the most simplistic terms, we can conclude that outstanding internal auditors are effective within themselves, within their communities, and within their jobs. Just like business leaders in all professions.

USING THE BOOK

Each chapter in this book examines an attribute in detail, why the attribute is important, and how it's evidenced in the workplace. At the conclusion of the book is a recommended list of resources for readers who wish to strengthen their skills in these attributes. I would have greatly appreciated this sort of guidance when I was new to the internal audit ranks. Back then, I concentrated extensively on learning the technical skills of the profession—how to develop an audit plan for every engagement, document the results of the audit, and craft

a well-written audit report. I certainly don't regret the time I spent polishing those skills; they served me well throughout my career. However, I would have welcomed the information in this book to help me balance the scales, which brings me back to why I wrote this book.

We can't just show up, articulate our views about future risks, and expect people to heed our advice without first earning their trust. Neither can we expect them to respond favorably to our assurance work.

Let's say you write an audit report in which you identify deficiencies and offer recommendations for remedial action—recommendations on which you believe the report's readers should take swift action. They are much more likely to do so with greater commitment if they trust you, believe that you know what you are talking about, and consider the work you do to be sound, fair, and objective (as opposed to doing so only because corporate policy requires it or the audit committee is breathing down their necks).

I hope readers around the world will use this book as a path to becoming trusted advisors and to make an impact on their organization—a goal I believe most internal auditors aspire to achieve. I hope they use it as a guide for self-analysis and introspection and a source they can use to benchmark themselves and validate their professional strengths and the areas that need improvement.

What I *don't* want to happen is for readers to start thinking of their shortcomings and come to the conclusion that they are inadequate in their roles. People can't excel at everything, but they can still find ways to be effective as they progress.

The book can be especially useful for CAEs by identifying not only the traits they should model but also those they should be looking for when building their internal audit teams. Knowing which attributes outstanding professionals share should prove quite useful when preparing position descriptions and interviewing candidates.

STARTING THE JOURNEY

Like other professions, internal auditing is populated by practitioners with a broad range of skill and commitment levels. The traditional bell curve is in play. A small percentage of internal auditors are on the left end of the curve, representing those who are not well suited for the

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profession or have not made the commitment to be so. The vast majority of internal auditors fall in the middle of the curve, doing the job quite competently. And the remaining few are on the right end of the curve, where the truly outstanding professionals reside. This book is about them and the shared attributes that make them outstanding internal auditors. They have always inspired me, and I hope learning more about what makes them tick will inspire others to start their own personal journey to the right side of the curve.

Becoming an outstanding internal auditor takes years of experience, ongoing training, and an awareness of emerging trends in the professional environment. Most of all it takes passion. I've been fortunate to know a lot of outstanding internal auditors during my more than four-decade career. Invariably, they bring to their role more than just expertise, although that is certainly important. They bring a sense of enthusiasm and commitment that separates them from the crowd. They truly believe in the contribution internal audit makes and take great pride in being part of that good work. They become change agents in their organizations, their work is impactful and generates value, and their performance acquits the internal audit profession well in the eyes of stakeholders. They are true masters in the field.

We should never abandon our aspiration to continue to grow, improve, and strengthen ourselves. In his book, *Good to Great: Why Some Companies Make the Leap...and Others Don't*, Jim Collins opened a lot of eyes by describing the many small but consistent ways the companies he and his team studied moved themselves from mediocrity to consistent outperformance of the market. These companies studiously avoided the usual “big bang” approaches to try to inspire change. They didn't capitalize on (or create) a crisis, nor did they conduct a formal and splashy campaign, complete with taglines and logos, designed to rally the troops. Instead, these companies undertook very pragmatic and consistent processes focused on achieving excellence in small, attainable, and sustainable chunks. They adhered with unfailing discipline to a companywide framework to keep employees—from top to bottom—on track with the plan. They built their success day by day.¹ Making progress on building outstanding attributes requires a similar approach: slow, steady, unflinching, and goal-focused.