

Dear Q&A

**I've heard of the concept of using guest auditor specialists from within the business to bring technical expertise to audits? Wouldn't this be a problem from an independence perspective?**

**Answer**

Though not a widespread practice, there are internal audit functions that use in-house subject matter specialists from other business units as short-term guest auditors. Many internal audit functions already seek technical specialists from service provider firms where there are no in-house internal auditors with necessary skills for specialist audit topics.

Use of in-house guest auditors can be a cost-effective method for an internal audit function to obtain specialist skills to supplement internal audit knowledge, subject to independence issues being addressed. Subject matter specialists with strong technical knowledge can assist in adding more value from internal audit work, with potential to provide a more credible and effective audit reporting outcome for audits of technical areas.

The issue of independence needs to be carefully considered each time a guest auditor is selected, which has been achieved in many organisations where guest auditor programs have been successfully implemented.

Our observations indicate internal audit functions operating in partnership with management are the ones that are generally more respected, and where management are more likely to provide the best people as guest auditors.

An advantage of these approaches is development of ambassadors for governance, risk management and control within the organisation.

To be successful, strong senior management support is required to identify talent and provide support for a guest auditor program.

Some internal audit functions include a structured training program for guest auditors, using an internal audit engagement case study approach to teach internal audit techniques before working on a 'live' audit.

Likewise, secondment of internal audit staff to business areas could be considered to refresh staff experiences, broaden business knowledge, and create temporary development opportunities within the internal audit function.