

Frequently Asked Questions

Briefings from the Internal Audit Standards Advisory Board

Managing communications in an environment of transparency

Internal auditors in the public sector must always have regard to the Committee on Standards of Public Life's *Seven Principles of Public Life*. These set out requirements for all public servants in relation to selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

The requirements for accountability and openness mean that public servants, including chief audit executives (CAEs), work in an environment that demands transparency. For CAEs this may include presenting reports and taking questions in public meetings. Even if not consciously placed there, much of the information held by public authorities can enter the public domain in response to Freedom of Information (FOI) requests and similar routes. These could also potentially involve access to internal correspondence and documents not written with eventual publication in mind.

This may sometimes place the CAE in a difficult position. Being able to communicate results is crucial to the independence and objectivity of an effective, professional service. Where those results set out criticism or disagreement this can create extra sensitivity, especially where it reflects on senior members of the leadership team, elected members or political appointees. That sensitivity can rapidly increase when part of a public, or potentially public, discussion.

So how should this affect the CAE? What are the key issues they should consider?

The principles are clear. The CAE should act with independence and objectivity in seeking to deliver effective assurance and insight.

These principles apply to all communication of results, whether formal or informal, and including opinions on specific engagements and in annual reports.

When there is scope for more public discussion, the CAE needs to take extra care, being especially mindful of the possibility of having their words misinterpreted. Not all parties in the public domain act in good faith. Interested parties may seek to promote their own agenda, irrespective of the message intended by internal audit. Making findings and their implications plain and clear takes on an even greater importance when they may reach a wider audience. It may be equally important to say what findings *do not mean* and to set out the *limits of conclusions*. A lack of clarity can also undermine views on internal audit's competence and reduce the impact of audit findings.

Where a CAE regularly reports in public, it may be appropriate to develop a separate and specific communications policy and procedure.

How does legal privilege affect communications?

Where audit findings reflect information which is legally privileged, this will constrain the scope of public communication, and it will normally be advisable for the CAE to consult with their legal team or other legal counsel.

(Accessing information which is legally privileged raises a number of issues which go beyond managing transparency, including that internal audit need to be careful to handle the information with increased regard for confidentiality and in a way which does not inappropriately or unnecessarily result in a a loss of legal privilege).

The bottom line

The CAE's responsibilities are not diminished by transparency. The key factors that they need to remember are that the CAE

- acts ethically and with integrity
- communicates the results of internal audit work
- respects requests for privacy and confidentiality, but does not allow these to be used to suppress audit findings