**Internal Auditors: The Architects of Trust**

By Richard L. Ratliff and David J. Ratliff

 Bob Dylan’s classic “The times, they are achanging” turned 60 years old this year, but this titular statement from the 1960’s seems almost an understatement in today’s world. As for just about everything else, so it is for internal auditing, as it must be. You see, internal auditing, by its very nature, must respond to the world it serves. It is that world that depends upon internal auditing for assurance of integrity in its operations and information. And that world is riding winds of change that may seem more like a cyclone than a refreshing ocean breeze. But when a cyclone blows through, society rebuilds where it finds a sure foundation. We build on the ground that we can trust and the infrastructure that we know will support our progress. Where we don’t trust, we don’t build.

Please indulge an old man a moment to reminisce. As I look back, I believe the single most influential idea in my career has been the simple principle that healthy relationships are less costly and more beneficial than unhealthy relationships. And healthy relationships are founded on mutual trust. While this may seem trite and simplistic, this single idea forms the core purpose of the entire internal auditing profession. Within society, where we don’t trust, we can’t prosper.

Market economists use supply and demand graphs to demonstrate the gains from trade. Interestingly, most of these models ignore the cost of doing business. They assume perfect information. What happens to these models when you can’t trust the information in the market? Akerlov predicted that without the ability to verify information, the entire market can disappear. Where we don’t trust, we don’t trade.

If we don’t know if we can trust, what do we do? We audit. We audit financial statements. We audit production processes. We audit people. We audit anything that we don’t trust. When society doesn’t know who to trust, who do they call? They call us. They call the auditors. They call the architects of trust. Our work, our evidence, our processes and products become the foundation society uses to build upon in the face of the unknown.

 The pace of change in the world is accelerating. The supply of bad information is increasing at least as quickly as the supply of good information. As the architects of trust, we become the experts relied on by government, by businesses, by entrepreneurs, by legal systems, by banks, by individual families seeking to make ends meet, and by visionaries seeking to change the world. Our role as truth tellers is more important than ever. Because where we trust, we trade. Where we trust, we build. A society built on trust can be a society that prospers.

 As innovators in deception take advantage of the increasingly complex information landscape, innovation, creativity, and technical mastery remain essential characteristics of the auditor of the future. The future is coming fast, and we must be prepared to meet it. We will find the truth. We will speak the truth. We will shape the information environment. We will build the architecture necessary for trust, and society will continue to prosper.