

Audit Masters 
—10th Annual Internal Audit Forum — 2025 —

20-21 May, 2025
Rome, Italy



GUARDIANS AND THE GARDENER OF GOVERNANCE

Dr. Rainer Lenz

21 May 2025

“We must transform now or risk becoming irrelevant by 2035.”



Anthony J. Pugliese, CIA, CPA, CGMA, CITP
President and Chief Executive Officer
The Institute of Internal Auditors, Global Headquarters

Internal Audit Foundation (2024): Internal Audit: Vision 2035



My professional journey in life

“Hunting” until 2007



“Gardening” since 2007



Learning objectives

- Understand **GOVERNANCE** as the overarching concept.
- Discover the significance of directors and senior managers as the **GUARDIANS** of an organization, the heart, mind, soul, and conscience (Professor Mervyn King SC).
- Explore the role of effective Internal Auditors as **THE GARDENER OF GOVERNANCE**.
- Gain firsthand insights, conceptually and hands-on guidance into a creative perspective on positioning the effective internal auditor in the **Governance Ecosystem**.

Internal Auditors shall become Strategic Advisors and Catalysts for Change (2035)

TOTAL	Total n=6506	0-9 Years n=3187	10-19 Years n=2129	20-29 Years n=941	30+ Years n=249
Compliance-focused	54%	52%	53%	59%	55%
Independent	51%	45%	53%	66%	70%
As "police"	48%	55%	43%	39%	27%
Objective	43%	35%	45%	58%	64%
Internal consultants	40%	36%	43%	46%	51%
Trusted advisors	40%	33%	45%	51%	52%
Respected	36%	27%	38%	54%	60%
Collaborative	34%	25%	37%	49%	57%
Problem solvers	34%	31%	35%	42%	47%
Valued	28%	21%	31%	41%	50%
Boring	21%	25%	20%	17%	11%
Change agents	21%	17%	23%	27%	27%
Good communicators	20%	17%	19%	25%	32%
Strategic	19%	17%	19%	23%	24%
Holistic thinkers	15%	12%	16%	17%	21%
Curious learners	14%	13%	14%	16%	13%
Dynamic	13%	11%	14%	17%	19%
Technology and data experts	11%	9%	11%	16%	18%

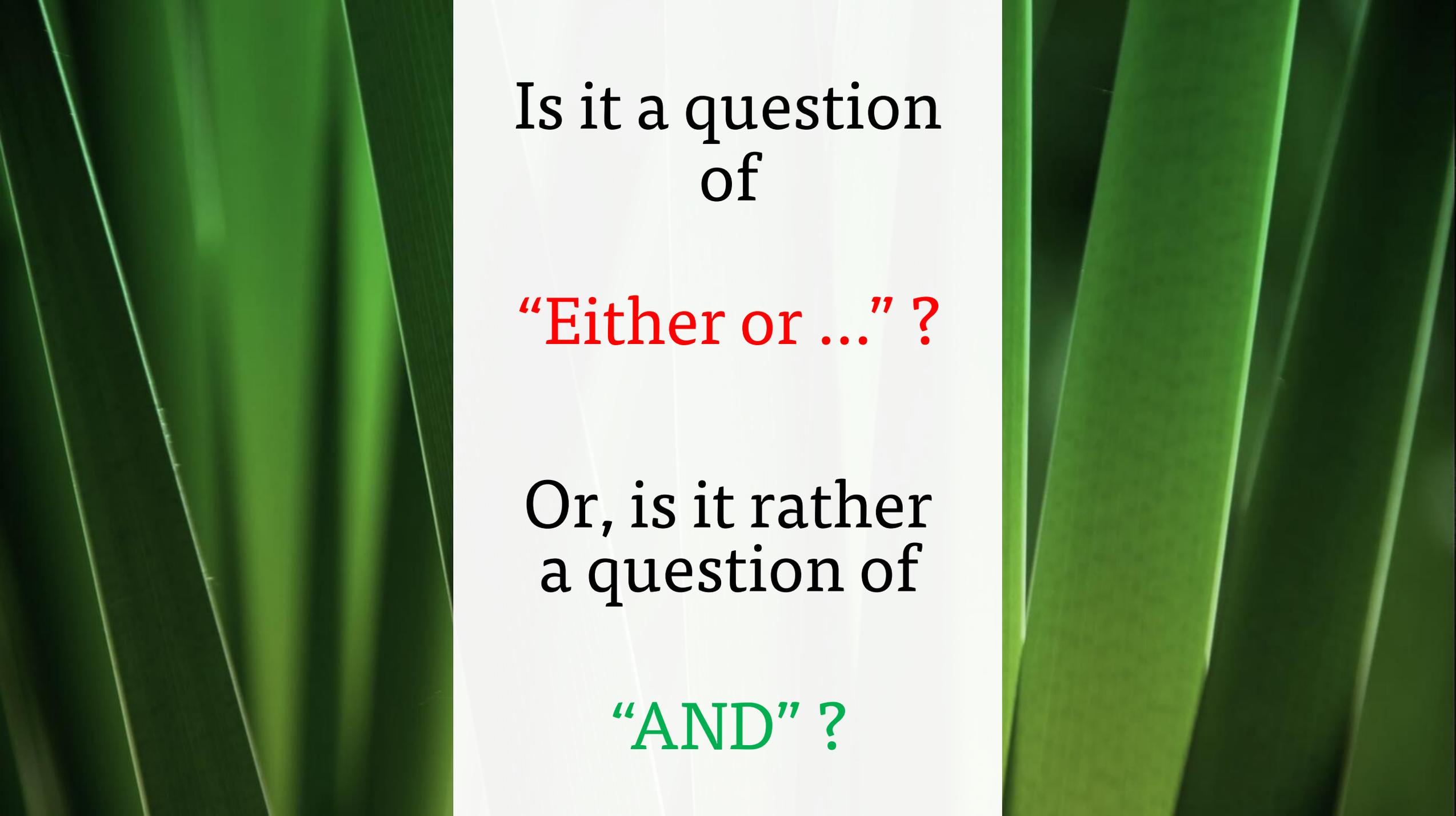


- Misalignment as starting point
- Re-positioning needed
- How can the profession realign efforts toward achieving the envisioned future?
- Is becoming Strategic Advisors and Catalysts for Change the best positioning of Internal Auditors?

Internal Audit Foundation (2024): Internal Audit: Vision 2035



The police is an honorable profession, Much needed indeed.



Is it a question
of

“Either or ...” ?

Or, is it rather
a question of

“AND” ?

It is **not** a
question of

“Either or ...”

**It is a
question of**

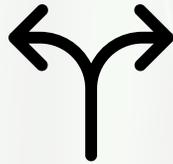
“AND”



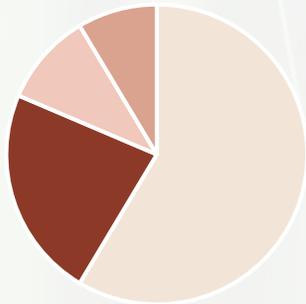
Police



Strategic Advisor /
Change Agent



Roles of Internal Auditors



1 2 3 4

It all depends ...

Internal Audit is a credence good and can mean different things to different people at different times and in different contexts.

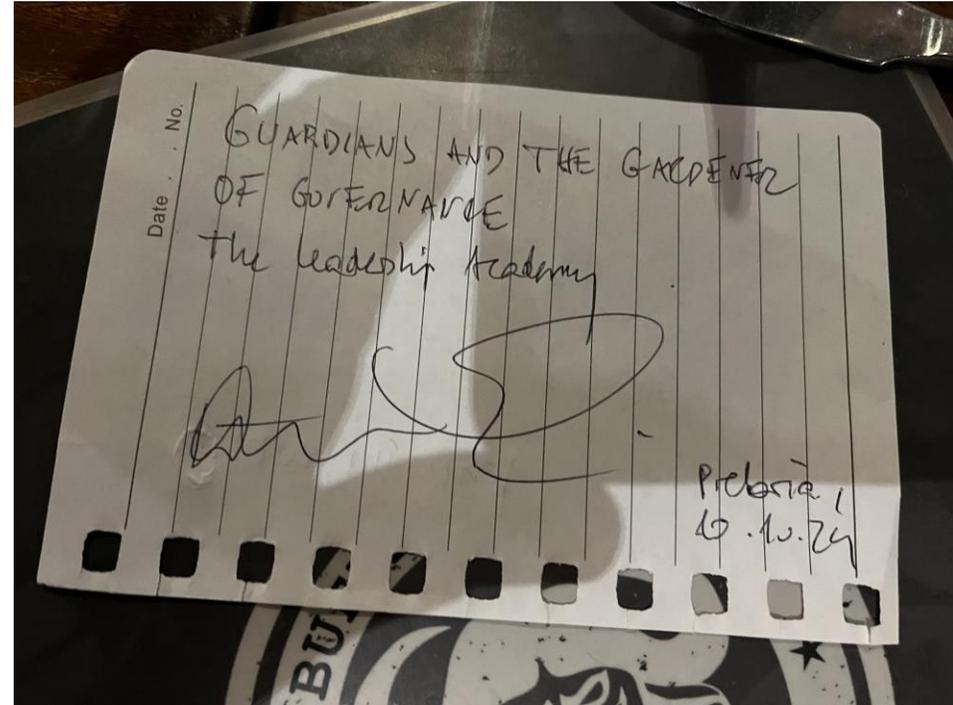
What happened on 10 October 2024?

Dinner in Pretoria



Rudrik du Bruyn, Lana and Barrie Enslin, Kato Plant, and Dirk Strydom

Re-branding suggested



Dr. Rainer Lenz

Agenda

01

Governance

02

Godfather of
Governance

03

Guardians of
Governance

04

The Gardener
of Governance

05

Guardians and
The Gardener
of Governance

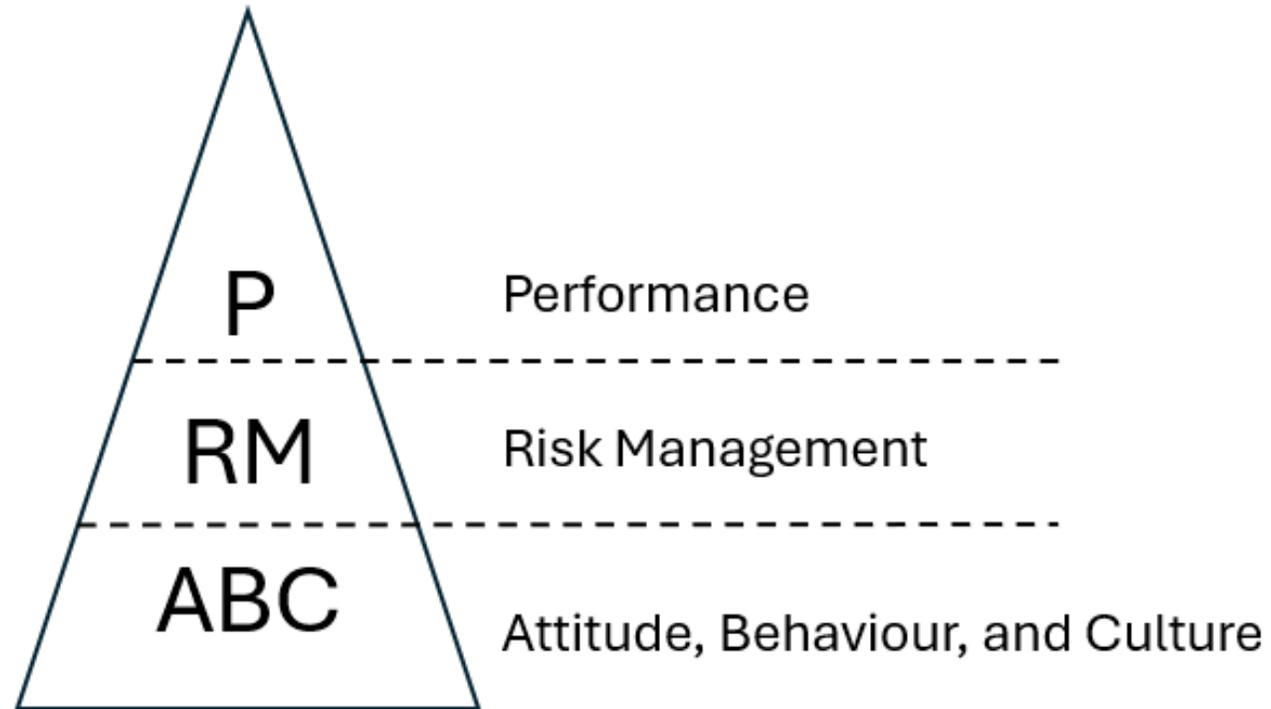
Research Questions

“Not investing in corporate governance will eventually lead to your downfall.”

Pav Gill, 2024

When sharing some Wirecard reflections in an unplanned standup interview with The Banking 50 and Fintech Netherlands, June 2024

My House of Governance



Lenz, R. and Enslin, B. (2025), THE GARDENER OF GOVERNANCE – A Call to Action for Effective Internal Auditing, CRC Press, Taylor & Francis Group

Corporate governance failures “develop over time, often over a number of years.”



“When governance breaks down it is because of too much power concentration or not enough accountability or both.” (Korine 2020)

Professor Mervyn King SC

Godfather of
Governance

Chairman's Guardian of
Governance Award 2024

JNB, 8 October 2024



Dr. Rainer Lenz

Godfather of Governance



Professor Mervyn King SC <https://www.mervynking.co.za/> is a strong candidate for the title of the "Godfather of Governance,"



particularly from the perspective of those who value an **integrated, principle-based approach** to governance



that goes **beyond mere compliance** to encompass **ethical leadership and sustainability**.



His influence, especially through the King Reports, has left an indelible mark on the field of governance globally.

Guardians of Governance

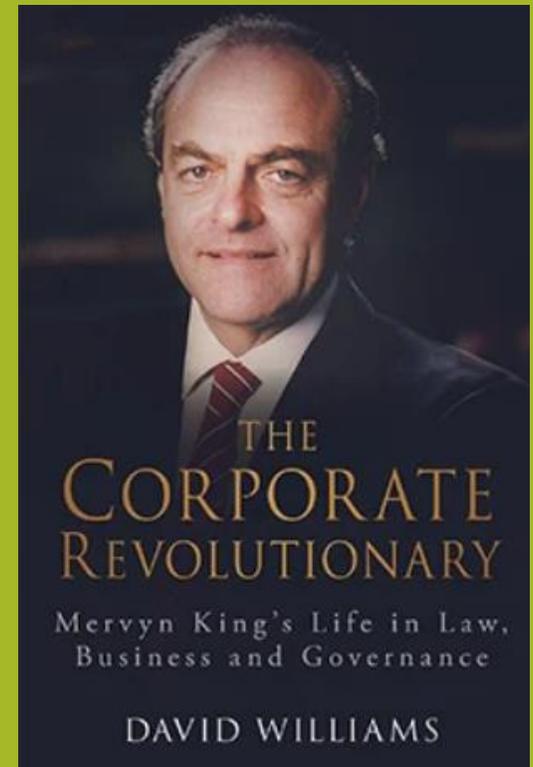
Professor Mervyn King SC views the directors and senior executives as GUARDIANS,

the **“heart, mind, soul and conscience”** of an organization

with the overriding priority **“to ensure the long-term health of the company.”**

This is a beautiful way of making his idea stick.

Guardians of
Governance

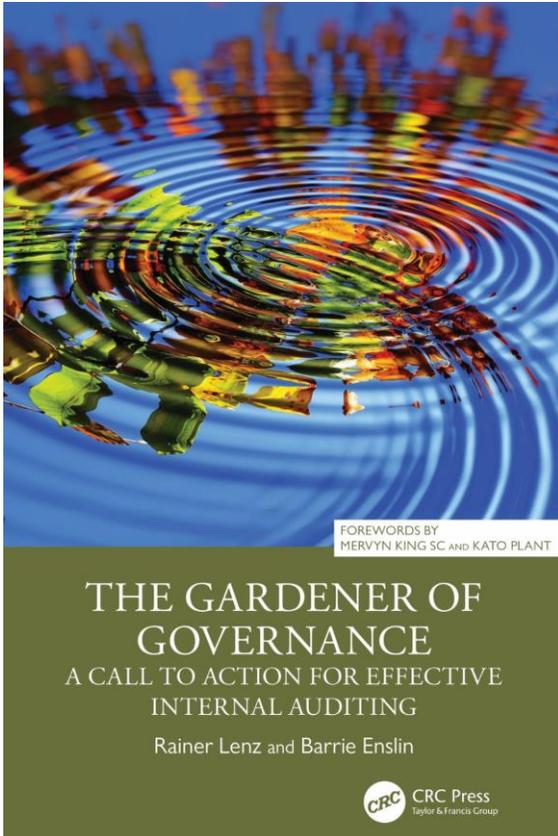


Williams, D. (2024), *The Corporate Revolutionary: Mervyn King's Life in Law, Business and Governance*, Tafelberg, 1. Edition (5. Juli 2024)

**“One cannot successfully
run an organization
without strong internal
auditing.”**

Prof Mervyn King SC

Lenz, R. and Enslin, B. (2025), THE GARDENER OF GOVERNANCE – A Call to Action for Effective Internal Auditing, CRC Press, Taylor & Francis Group, Foreword: Prof Mervyn King SC



The Gardener of Governance

The Gardener
of Governance

We suggest the THE GARDENER OF GOVERNANCE metaphor as purposeful for the effective internal auditor.

Lenz, R. and Enslin, B. (2025), THE GARDENER OF GOVERNANCE – A Call to Action for Effective Internal Auditing, CRC Press, Taylor & Francis Group

The Gardener of Governance



RESPECTFUL towards nature



Creating the right ENVIRONMENT to GROW



SOW the SEEDS, fertilize, water and nurture the plants



Continuously CHECK the weather FORECAST and adapt plant nurture to this



Occasionally WEED the weeds, patient and humble... but also Result-driven and outcome focused



WORK indirectly and so their impact is through others



Corporate Governance is by definition “THE SYSTEM BY WHICH COMPANIES ARE DIRECTED AND CONTROLLED” (Cadbury, 1992)



Governance = an umbrella term, should INCLUDE the E and S of ESG.



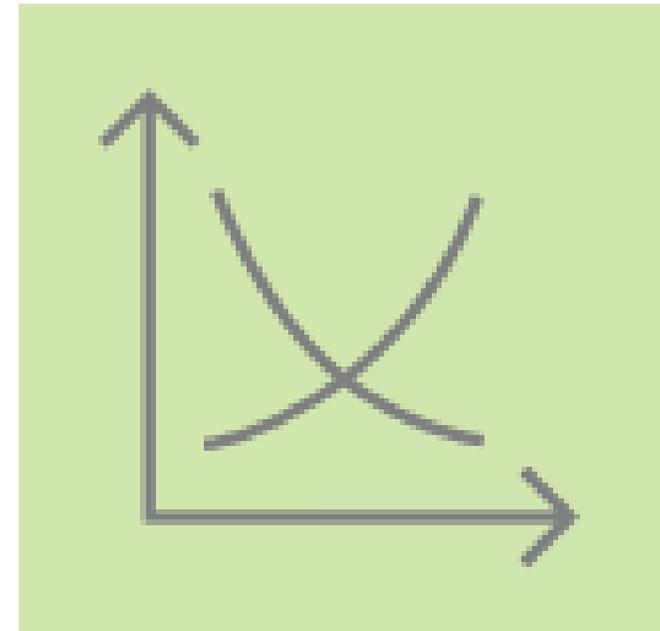
Is the CORE TERRITORY of internal audit, helping to AVOID OVERPROMISING and underdelivering.



The suggested “HEARTLAND” of internal audit covers a broad arena, it is not too abstract and does not have too little content, either, just right sized, the recommended focus of internal audit.

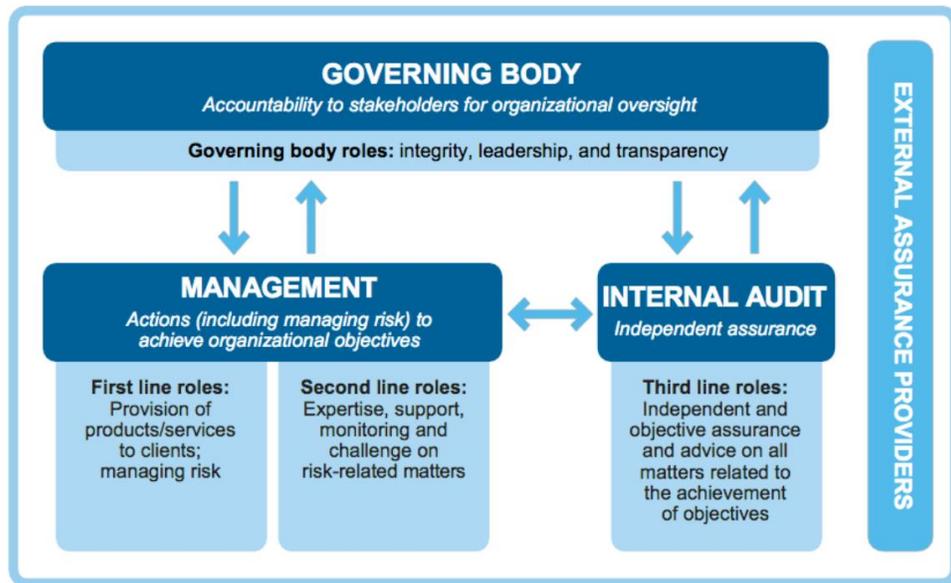
The “heartland” of Internal Audit can be hazy to some degree

- What is the USP of the IA profession? What is the “heartland” of IA, that is, “work over which [IA] has complete, legally established control.” (Abbott, 1988, The System of Professions);
- Extreme abstraction vs. too little abstraction; there can be too much and too little content (knowledge);
- IA is still typically subordinated to EA (ref. nurses : doctors). EA has a much narrower focus and is legally mandated;
- IA is a contractual obligation; EA is a legal obligation.



I advocate a new paradigm: the blossom.

The IIA's Three Lines Model



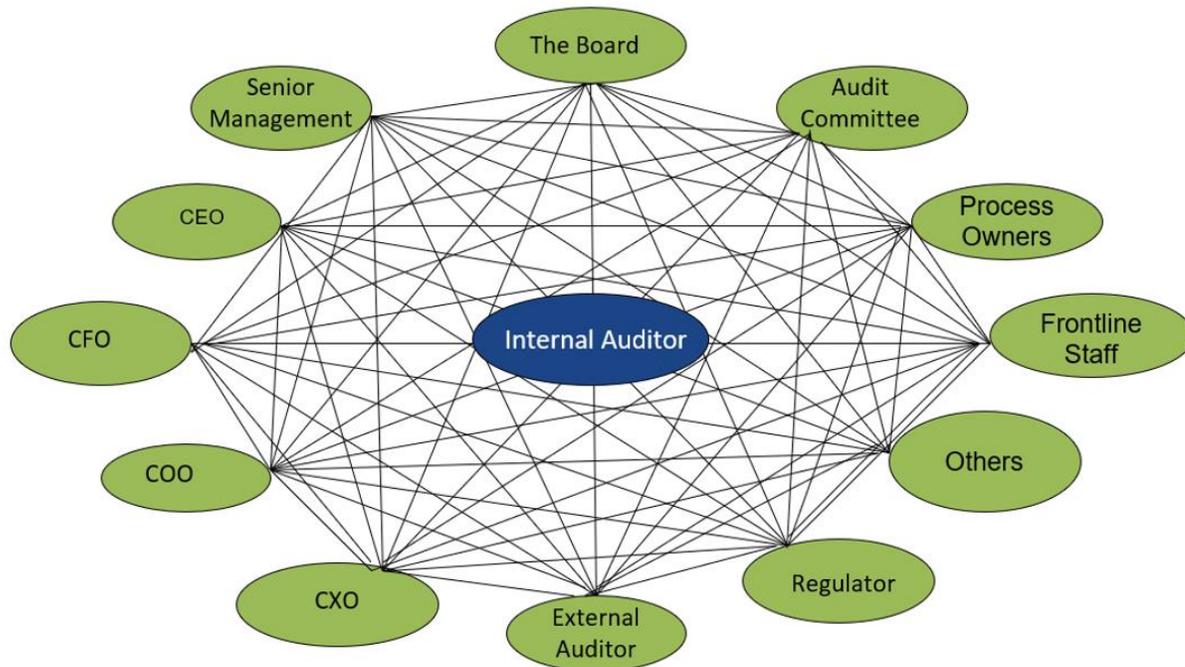
KEY: ↑ Accountability, reporting ↓ Delegation, direction, resources, oversight ↔ Alignment, communication coordination, collaboration

European Internal Audit and Corporate Governance Conference



Lenz, R. and Enslin, B. (2025), THE GARDENER OF GOVERNANCE – A Call to Action for Effective Internal Auditing, CRC Press, Taylor & Francis Group

Internal Audit can champion the Aligned Assurance Program



- Internal Audit as connector, match-maker
- Stakeholder mapping
- Strength / quality of relationships
- Shared goals
- Shared knowledge
- Mutual respect
- Effective communication (frequent, timely, accurate, and problem solving minded)

RCT (Gittel)

The Gardener of Governance: Pyramid of competences



Effective Internal Auditors “must-have” strong human skills, including authenticity

Internal Auditing is contextually bound.

“Courage is resistance to fear, mastery of fear – not absence of fear.”
- Mark Twain

“Learn-it-all” helping to overcome the four barriers to learning and change.

“Treat People With Kindness” (Harry Styles); Collaboration and communication are indispensable skills; “Fingerspitzengefuehl”; “Swimming in the organisation“

Three Types of Internal Auditors



Type	Lenz 2021	Internal Audit Foundation 2024		GIAS 2024
3	Surfer	Proactive	9%	Foresight
2	Swimmer	Practicalist	54%	Insight
1	By-Stander	Purist	37%	Hindsight

GIAS 2024	The profession applies its mind to ...
Foresight	...the future outcomes of the company's product and the long-term health of the company.
Insight	...making suggestions as how to improve the systems within the company making its product.
Hindsight	...work out a system that did not result in some wrongful doing recurring.

Sources: Lenz, R. (2021), There are three types of internal auditors: Which one are you? Blog in Internal Auditors 360, December; The Internal Audit Foundation (2024), Internal Audit: Vision 2035, US, Lake Mary, July; The Institute of Internal Auditors (2024), Global Internal Audit Standards, US, Lake Mary, January; Lenz, R. and Enslin, B. (2025), THE GARDENER OF GOVERNANCE – A Call to Action for Effective Internal Auditing, CRC Press, Taylor & Francis Group, Foreword: Prof Mervyn King SC

Meeting Prof Mervyn King SC in JNB

Guardians and
The Gardener
of Governance



Dr. Rainer Lenz

Guardians and The Gardener of Governance



The concept of ****directors and senior executives as Guardians of Governance**** combined with ****the effective internal auditor as The Gardener of Governance**** offers



a **robust and comprehensive** approach to corporate governance.



This combination emphasizes both **strategic oversight and continuous improvement**, fostering a governance culture that is both proactive and resilient.

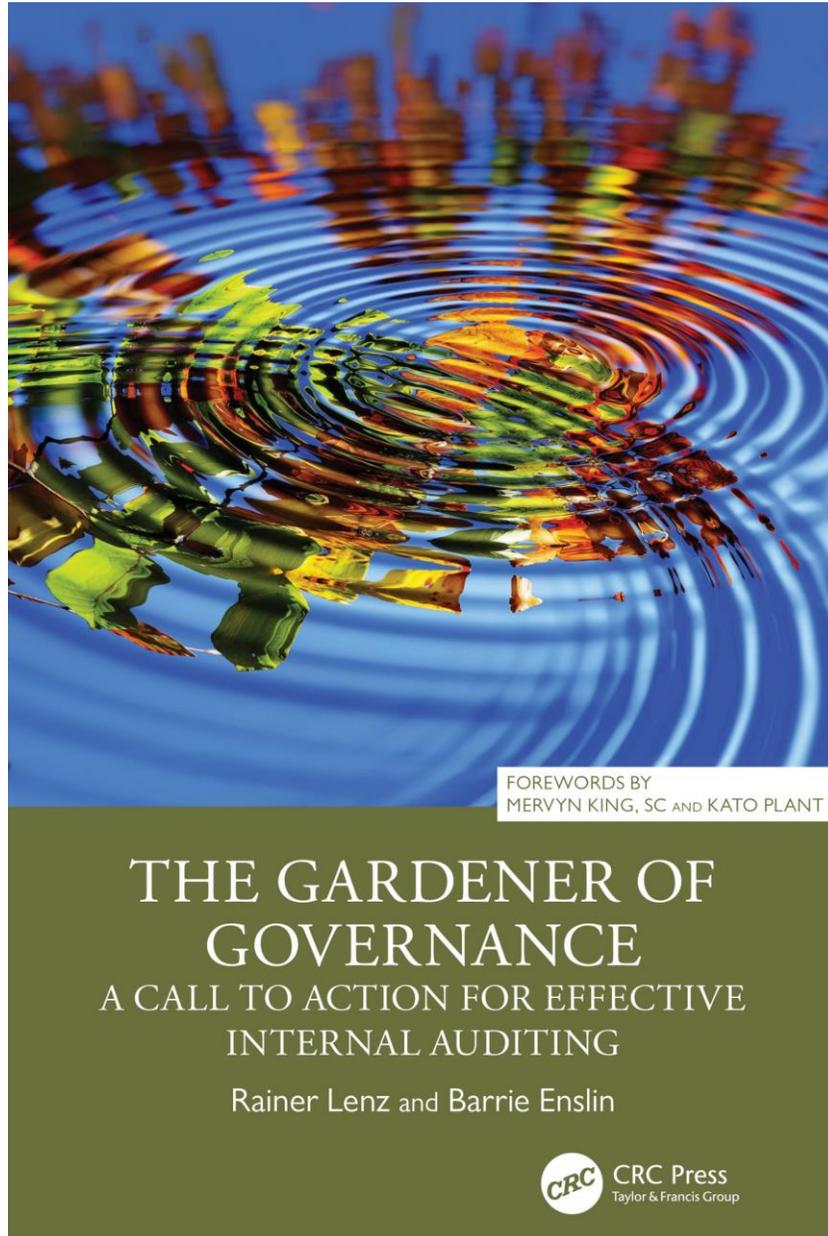


By working together, these roles can ensure that governance frameworks are not only **well-designed** but also **effectively implemented and adapted** to meet the evolving needs of the organization.



This synergy has the potential to significantly enhance the effectiveness and sustainability of corporate governance practices.

Guardians and The Gardener of Governance



Book reviews & endorsements



[Paulina A. Pietrasik | https://lnkd.in/eAkb7JD7](https://lnkd.in/eAkb7JD7)



[Manja Knevelbaard | https://lnkd.in/e__pDk42](https://lnkd.in/e__pDk42)



[Dr. Suhaily Shahimi | https://lnkd.in/gz2MNCbj](https://lnkd.in/gz2MNCbj)



[John Chesshire | https://lnkd.in/eQ8dkU8x](https://lnkd.in/eQ8dkU8x)



[Hervé Gloaguen | https://lnkd.in/ebM5MpdB](https://lnkd.in/ebM5MpdB)



[Prof Arno Nuijten | https://lnkd.in/ehWZSDvF](https://lnkd.in/ehWZSDvF)



[David J. O'Regan, FCA LittD | https://lnkd.in/enxYdpbf](https://lnkd.in/enxYdpbf)



[Bhaskar Subramanian | https://lnkd.in/ee9_26ni](https://lnkd.in/ee9_26ni)

Please see section Critics' Reviews

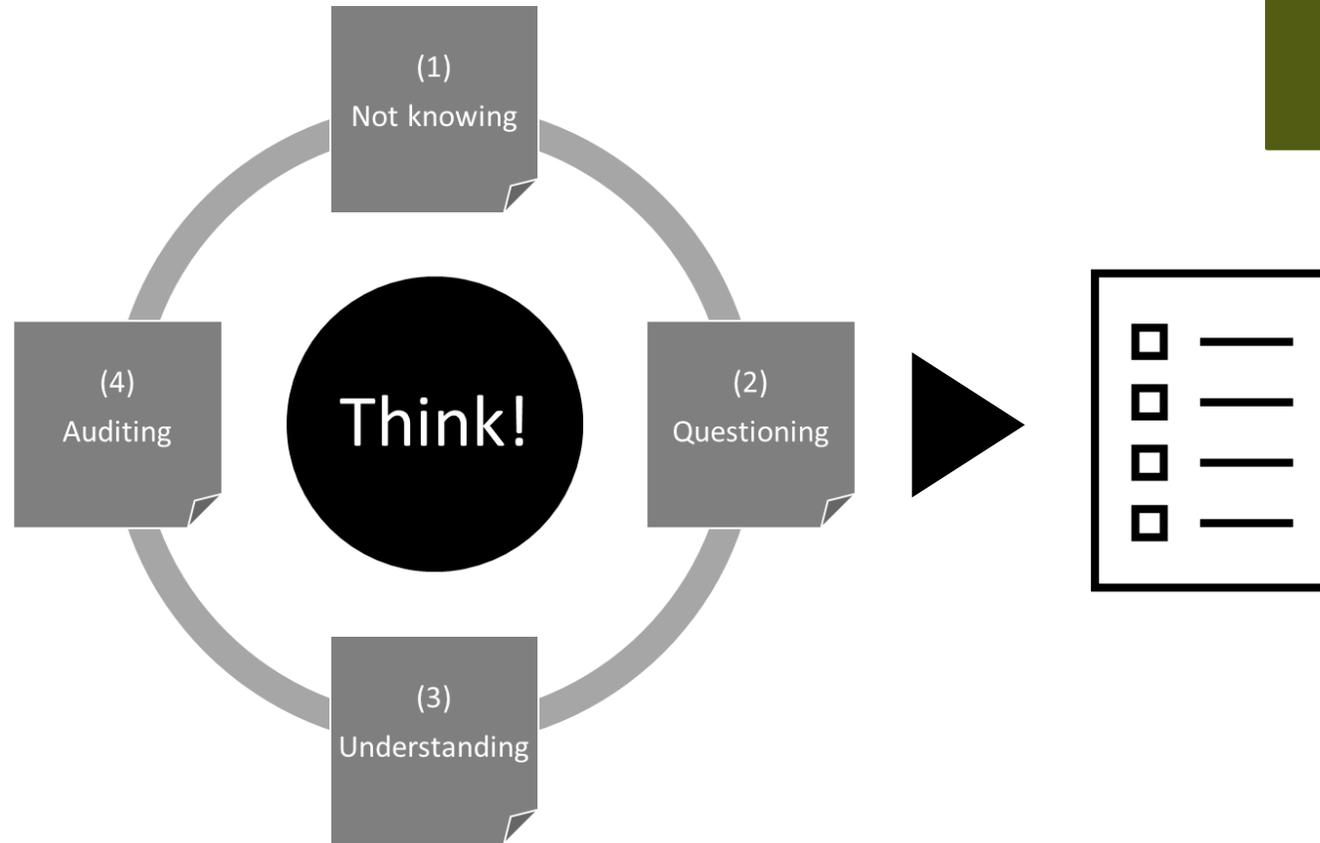
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Think!



Lenz, R. and Enslin, B. (2025), THE GARDENER OF GOVERNANCE – A Call to Action for Effective Internal Auditing, CRC Press, Taylor & Francis Group



Research Questions

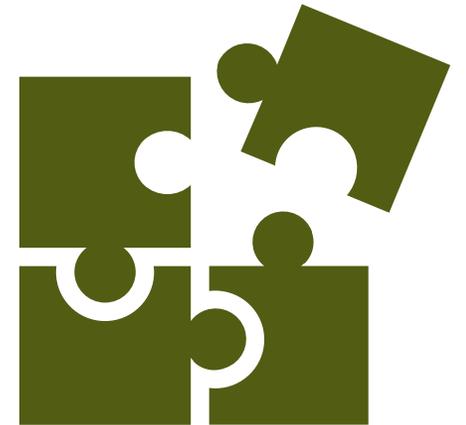
Research Questions

- RQ1
- RQ2
- RQ3
- RQ4
- RQ5

(...)

- (1) **How can the profession realign efforts toward achieving the envisioned future?**
- (2) **Is becoming Strategic Advisors and Catalysts for Change the best positioning of Internal Auditors?**

Lenz, Nuijten,
Plant + XY 2025
(forthcoming)





University of Pretoria



Prof Kato Plant



Kato Plant • 1.

Associate Professor at the University of Pretoria

22 November 2024

The Department of Auditing at the [University of Pretoria](#) is proud to introduce the DR RAINER LENZ - THE GARDENER OF GOVERNANCE AWARD which will be sponsored by the [Würth Group](#) for 2025 to 2027.

With this award we honour and mirror the life of [Dr. Rainer Lenz](#) who is both a pioneering practitioner and impactful researcher.

We thank [Timo Neumann](#) for the great support and sponsorship.

Watch this space for details of the award winner (to be announced in March 2025)!

Student Award



DR RAINER LENZ - THE GARDENER OF GOVERNANCE AWARD
For excellence in internal audit research and practice

Best Performance

in

Research in Internal Auditing (IAU700) +

Internal Financial Control (Capstone module, IAU704)

Dr Rainer Lenz:

This award honours and mirrors the life of Dr Rainer Lenz who is both a pioneering practitioner and an impactful researcher. His work is recognised globally in the internal audit landscape. Dr Lenz is a finance and corporate audit executive with over 30 years of international experience. Since 2007, Chief Internal Auditor with over 300 assignments in more than 50 countries. He has a PhD in Economics and Management Science from the Louvain School of Management in Belgium. Dr Lenz has earned several awards for exceptional contributions to the Internal Audit Profession. He also teaches corporate governance and auditing and has been an independent board member.

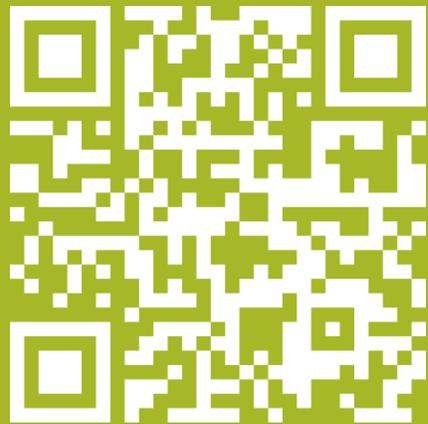
The WÜRTH Group:

The WÜRTH GROUP will sponsor this award from 2025 to 2027. Headquartered in Künzelsau, Germany, the Group operates globally (20,396 million € in consolidated sales in 2023) and includes over 400 companies with 2,700 pick-up shops in 80 countries—from the US, Greenland, Europe, and South Africa to India, China, and New Zealand. Wuerth South Africa (Pty.) Ltd. also operates in various locations within the country.



Let's discuss.

Please connect



<https://www.linkedin.com/in/rainerlenz/>

