



THE ANNUAL INTERNAL AUDIT, RISK & FORENSIC CONFERENCE

Our Conference..



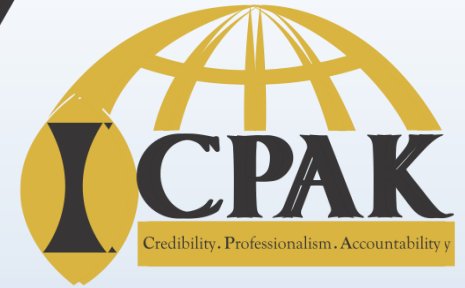
THEME:

***IMPLEMENTATION OF IMPROVED
INTERNAL CONTROLS AND ENHANCED
ORGANIZATIONAL COMPLIANCE***

TOPIC

Implementation of Risk Based Audit Planning -

*Substantive audit procedures for key processes in the
public and private sector audits*



*From **Trusted Advisors** to
Change and Transformation
agents*



“When the winds of change blow, some people build walls and others build windmills.” – Chinese proverb.



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Big Picture




1. More than ever before IA is being called to a role of being *Transformation* or *Change agents* in our organizations.
2. Over the years IA is now a product of change with *accelerating velocity* in recent times.
3. *Hindsight* and *Insight* are no longer enough.
4. Outdated processes impair responsiveness
5. Finally *Independence does not mean Isolation.*



The Context.....



- The World Economic Forum (WEF) has commented on the increasing **volatility, uncertainty, complexity and ambiguity (VUCA)** of the world.
- WEF states that the competitive landscape is defined by one word: ***disruption***. The ideas of ***incremental progress, continuous improvement, and process optimizations*** do not necessarily work anymore.
- ***These practices are necessary, but insufficient. It is now impossible to build enduring success without creating new ideas from within an organisation.***



What has changed?

CORONA

VIRUS

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Our Context Next normal



- ❖ The business operating environment has been disrupted.
- ❖ Strategy has been torn apart or significantly shifted.
- ❖ Operations and processes have been severely altered.
- ❖ Current Risk Management tools are not Robust enough for the next normal.
- ❖ **Therefore in view of the above *ERM has also been disrupted...***
- ❖ ***According to Mckinsey and Company this is the Next Normal***

<https://www.mckinsey.com/Videos/video?vid=6179664830001&plyrid=HkOJqCPWdb&aid=7329D72E-9A50-472C-8702-8CF3F2A5F290>

Lets do some polling



www.menti.com

Passcode : 8911 1210

<https://www.mentimeter.com/>

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Risk Based Audit Planning



- **Why Risk Based?** – *Focus on Creating Value as well as Protecting Value*
- **Why Planning?** – *We need to be Future focussed*

- IIA defines risk based internal auditing (RBIA) as a methodology that **links internal auditing** to an organisation's overall risk management framework
- *In today's unprecedented environment, effective internal auditing requires thorough planning coupled with nimble responsiveness to quickly changing risks.*

Targets for Change in IA




- There are four main targets for change in IA
 - a) Processes
 - b) Work Product
 - c) Skill set
 - d) Mind set
- *Overall there is need to cultivate a culture of Change.*

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Agility and Technology in IA



- 
- A hand is shown pointing towards a digital interface. The interface features a central circular element with the word 'AGILE' in white capital letters on a dark blue background. Surrounding this central element are several smaller circular icons, including a rocket, a refresh symbol, a group of people, and a gear. The background is a blurred, futuristic digital space with various lines and shapes.
- a) Power of an Agile mind-set
 - b) Emergence of agile Auditing
 - c) Agile auditing yields many benefits for the Organization
 - d) Leverage on enabling technology.

Audit data Analytics



- What is Audit data Analytics.
 - Describing What happened – **Descriptive analytics**
 - Explaining Why did it Happen? **Diagnostic Analytics**
 - What Will Happen? **Predictive analytics** - Insight
 - How Can We make it Happen – **Prescriptive analytics**

Lets Watch and Listen to this
<https://youtu.be/9hLaSNkFkNI>

What needs to Change –

IA is not secret service



1. IAs need to recast the IA story
2. IAs need to be indispensable
3. Forge an effective communication strategy
4. Finally update the IA story



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Attributes of change agent



1. Gain general business acumen for the organisation sector and industry the organization is operating in.
 - Know your business and build credibility
2. Become strategic in the IA operation – Have a section's SP.
 - Vision/Perceptiveness/ Assertiveness/Flexibility/Patience
3. Become relationship-centric
 - Openness to Change(Rooted in trust)
 - Invest in the building blocks of Positive relationship
 - Move beyond a trusted advisor tag

NOTE: Not all trusted advisors are Change agents

Future Focussed Auditing



Audit Where The Risk Is Going To Be Not Where It Has Been

- a) Align work to future value – *Get involved in New initiatives.*
- b) Prevent Internal Control or Risk Issues when you can, rather than *identifying them when they already exist.*
- c) Audit the risk that impact today and Tomorrow, *don't focus on what has happened*



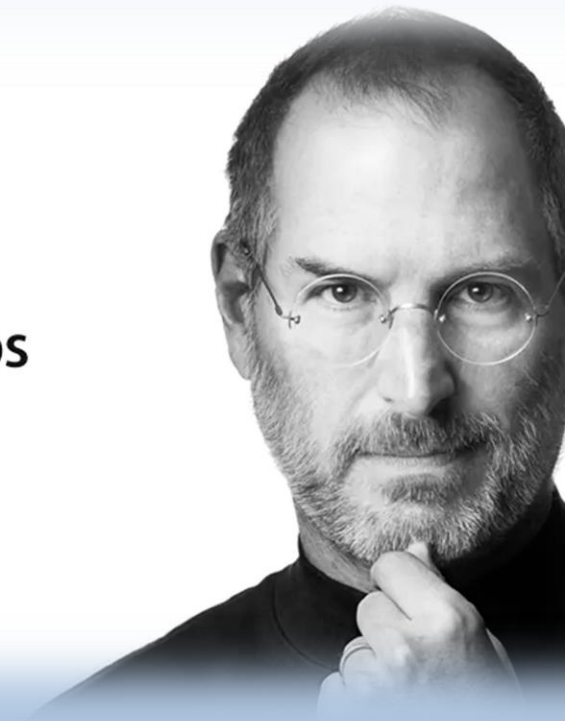
Lastly Remember...



Disruption accelerates Innovation

- Prepare for innovation
- Learn to innovate
- *Covid 19 has forced some of these aspects on organizations*
- *Innovate or become irrelevant*

Steve Jobs
1955-2011



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- Enterprise Risk Management
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- Risk based Strategic Management
- Business Process Analysis
- Retirement Planning
- Crisis Management

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Accredited Training Provider

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Thank You
Q & A time.

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