Audit Never Sleeps

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The IIA’s beginnings

The IIA’s first annual meeting was in New York City – the city that never sleeps.

Audit Never Sleeps

Our work offers round-the-clock assurance that our organizations are well-positioned to meet the challenges of a dynamic and complex business environment.
Organizations face complex risks

- Cyber breaches
- Increased and evolving regulation
- Reputational harm
- Emerging issues

We have opportunity to add value

How satisfied are you in the value internal audit provides?

40% Satisfied

38% Somewhat Satisfied

9% Not Satisfied

12% Company does not have an internal audit function

We have opportunity to add value

10% agree that internal audit adequately responds to risk

Source: 2015 Global Audit Committee Survey, KPMG's Audit Committee Institute

Source: Seeking value through internal audit, KPMG International, 2016
We have opportunity to add value

58% of stakeholders who believe Internal Audit should be more active with assessing strategic risk

Should internal audit go beyond the basics?

Areas Beyond Assurance that Should Be in Scope for Internal Audit:

- Identify known/emerging risk areas
- Facilitate/monitor effective risk management practices
- Identify appropriate risk management frameworks/processes

85% 78% 78%

Help meet the challenge

- Know the risks. Audit the risks.
  - Audit beyond traditional areas
  - Align with organizational goals
Our stakeholders rely on us

- They demand:
  - No surprises
  - Assurance and advisory services
  - Value

How do we get there?

Fault-finder → Trusted adviser

Communicate well
A trusted adviser communicates well

- Invest in relationships
- Listen actively
- Respect diverse perspectives
- Use formal and informal channels

98% of CAEs say communication skills are essential


Become an integrated auditor

A trusted adviser is an “integrated auditor”

- A diverse set of competences and soft skills
  - Invest in new competences
  - Focus on problem-solving
  - Be able to compromise
Soft skills among internal auditors are lacking

- 65% rated their average audit team member as not at all, slightly, or only moderately proficient in accounting for the organization’s politics.
- 58% rated their average audit team member as not at all, slightly, or only moderately proficient in balancing diplomacy with assertiveness.
- 63% rated their average audit team member as not at all, slightly, or only moderately proficient in managing conflict effectively.

Pulse of Internal Audit, 2016.

Do the right thing

A trusted adviser is transparent

- The audit process:
  - Approved by management, board, audit committee
  - Clearly defined judgement and assessment
  - Clear and precise
  - Well-documented with traceable evidence
  - Tells the truth
A trusted adviser acts with integrity

- Ethical
- Honest
- Diligent
- Responsible
- Respectful
- Trustworthy
- Objective
- Role model

Be strategic and future-focused

- Understand key business risks
- Align audit plan with organization’s strategic path
- Be proactive to advise stakeholders
- Collaborate inside, outside organization
- Benchmark to peers

43% say audit plan is not well-aligned with organization’s strategy.
A trusted adviser is future-focused

- Keep informed
- Anticipate future needs
- Adapt your audit team's skillset

A mission for internal audit

“To enhance and protect organizational value by providing risk-based and objective assurance, advice and insight.”

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