Internal Audit: The Way Forward
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As Time Passed….

3500 BC
1900s
1940
1970
1980s
1990
Today
Tomorrow

Changing Environment

The Fourth Industrial Revolution
The Global Risks Landscape 2017
Changing Environment
Governance and Stakeholders
Three Lines of Defense

The Line is getting thinner

Adapted from ECIIA/FERMA *Guidance on the 8th EU Company Law Directive, article 41*
Other Considerations
Scope
(Source: 2016 Report to the Nations on Occupational Fraud and Abuse, ACFE)
Social Media
Why costs are increasing?

The average **TOTAL COST** of a breach is **$4 million**...

- up 29% since 2013

48% of breaches are malicious attacks... which **cost more** to remediate

(Source: 2016 IBM Cost of Data Breach Study)
What will the warrior-guardian of the future look like?
Future Technologies

Artificial Intelligence

It's happening

Nanotechnology
THE WAY FORWARD
Way Forward
Modern Internal Auditing, to be successful, must be grounded on management support and acceptance and on imaginative service to management.....The auditor must mount continuing campaign to sell his product to executive management and the products he sells must be of quality that will capture and keep management’s interest.

Larry Sawyer , 1973
There is a need to evolve and innovate
Governance and Methodology
"Insanity is doing the same thing over and over again and expecting different results."

Albert Einstein
Processes
Combined Assurance

Management

Internal Assurance Providers

External Assurance Providers

Risk Areas Affecting the Company

Technology
Human Resources
Perception and Branding (Quality)
Communicate Effectively
In 2017, just 9% consider Internal Audit a Trusted Advisor*

Source: *2017 and 2016 PwC State of the Internal Audit Profession
Causal Relationship of Trust in Leadership
Internal Audit Must Evolve to Keep Pace

Source: 2017 PwC State of the Internal Audit Profession
“It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change.”

~Charles Darwin, 1809
Agility
QUESTIONS