

De Internal Audit Functie In een disruptieve organisatie



What is disruption?

*How to create
significant value?*

*The impact of emerging
technologies on Internal Audit*

Actions to take today



Disruptie = Opschudden



Disruptie = Innoveren



Disruptie = Agressief marketen



NOKIA

V&D

Well respected companies who went through difficult times

Who will be next?



cool
blue

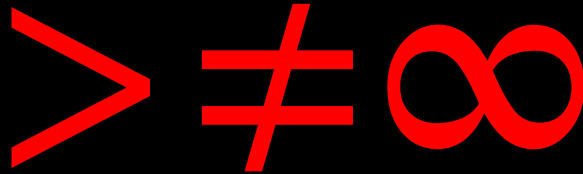
///ACTION



RYANAIR

Disruption \neq start-up's

Shaking up existing markets with new products and services, with innovative business models, with aggressive marketing strategies, and fresh management approaches

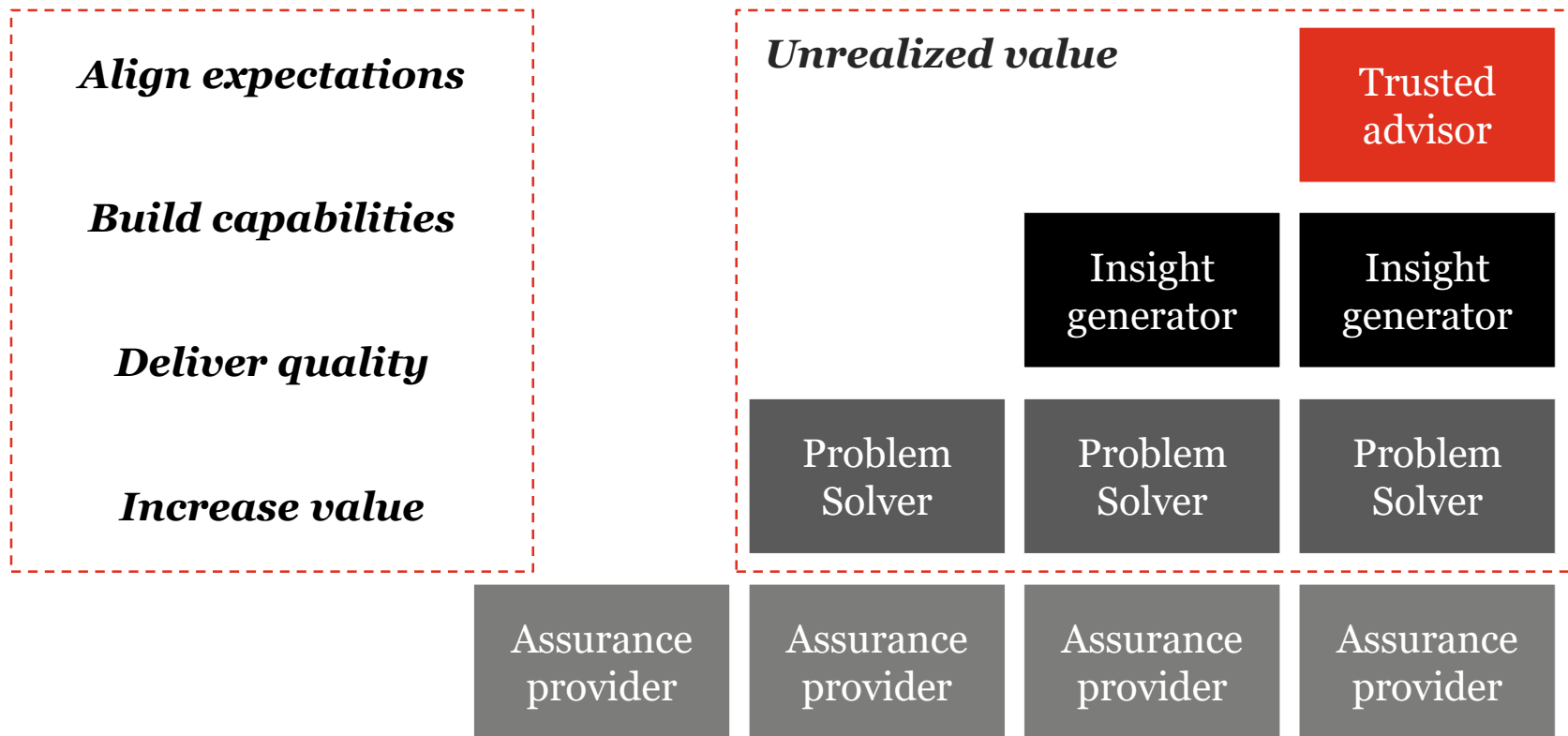




free
record
shop

What do we need to do to not become a
Free Record Shop?

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What do we need to do to not become a Free Record Shop?



What do we need to do to not become a Free Record Shop?

18%

*of the respondents to 2017's PwC survey report that their internal audit function plays a valuable role in helping their companies anticipate and respond to **disruptive** events. We call these Agile IA functions.*

88%

of stakeholders with Agile IA Functions report Internal Audit is contributing significant value compared to 41% of stakeholders with less agile Internal Audit functions

Agile = Prepared + Adaptive

Internal audit functions most advanced in their technology journey are:



Evolving their
technology and
talent model in
lockstep



Fusing these
capabilities to create
internal audit
functions where
technology-enabled
talent is the norm



Contributing greater
value to the
organization than
those with less of a
technology focus

A man wearing a VR headset and holding a controller, standing in a dark room with a spotlight on him.

The impact of emerging technologies on Internal Audit



***A few examples of emerging
technologies***



What boards want

- Have a perspective on the risks that new technologies bring
 - Provide advice on new technologies



What internal audit should have

- Emerging technology skill sets
 - New audit approaches
- Using innovative technologies

“

Failing to improve Internal Audit's technology adoption will diminish its value to their organization (56% agrees)

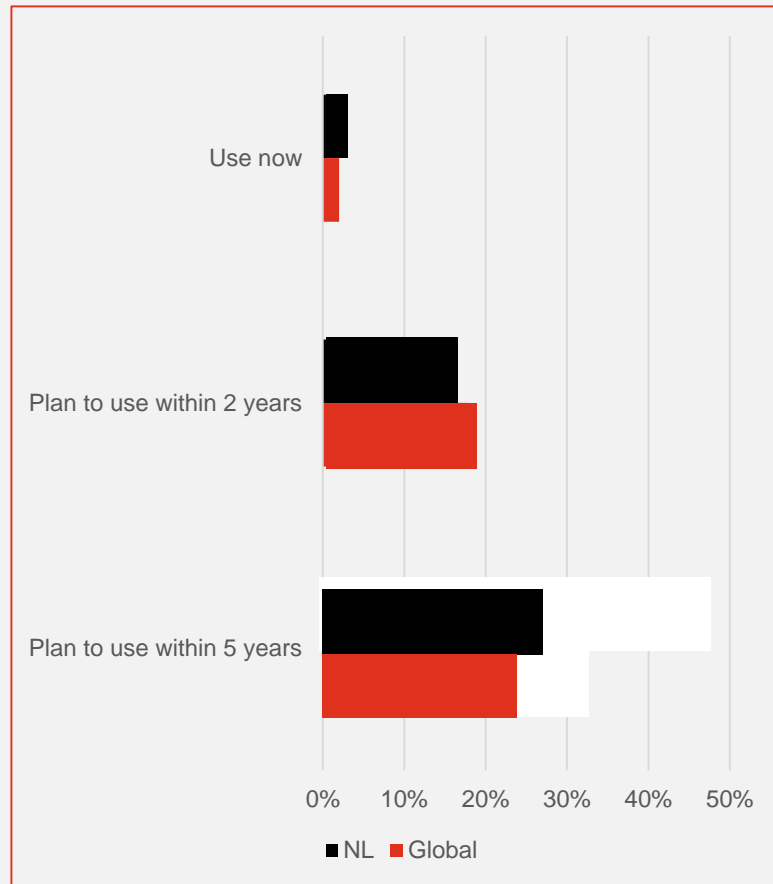
STATE OF THE INTERNAL AUDIT PROFESSION
PwC



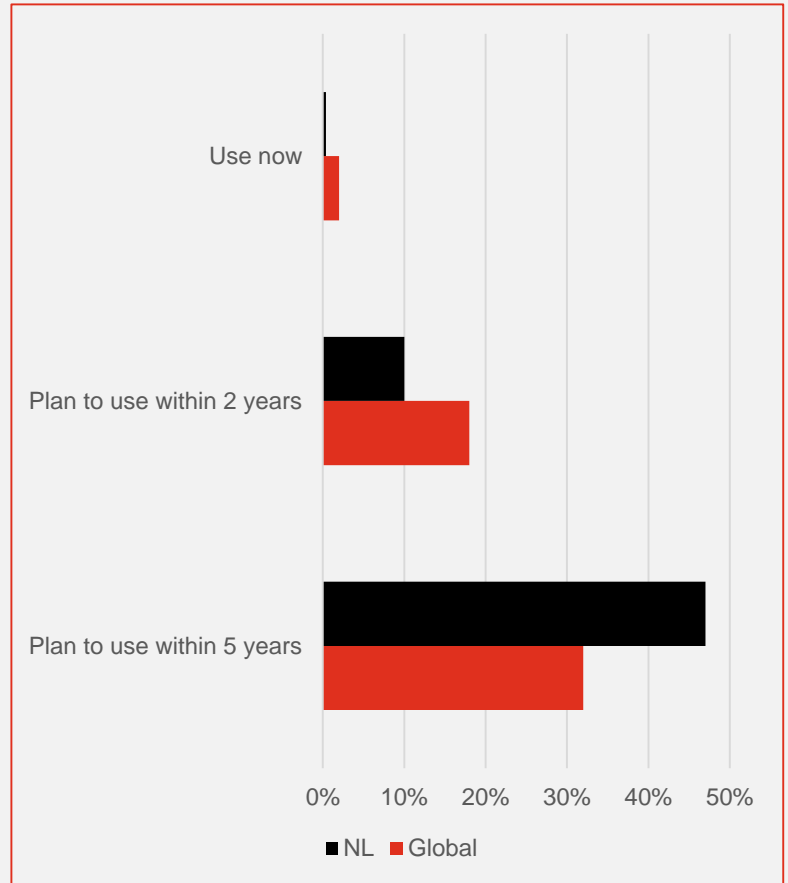


Robotics

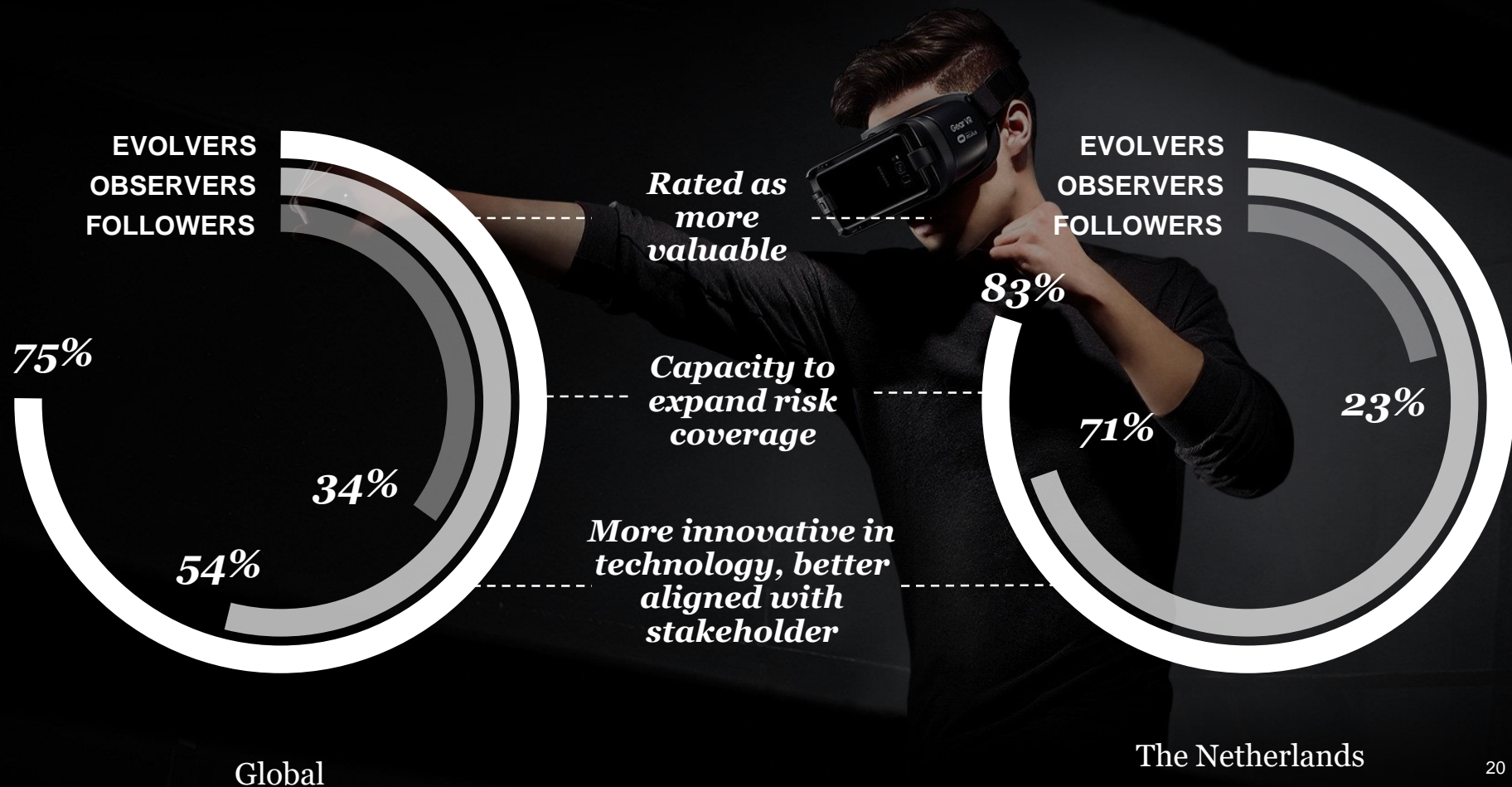
PwC Digital Services



Artificial Intelligence



Organisations who view the IAF as providing significant value

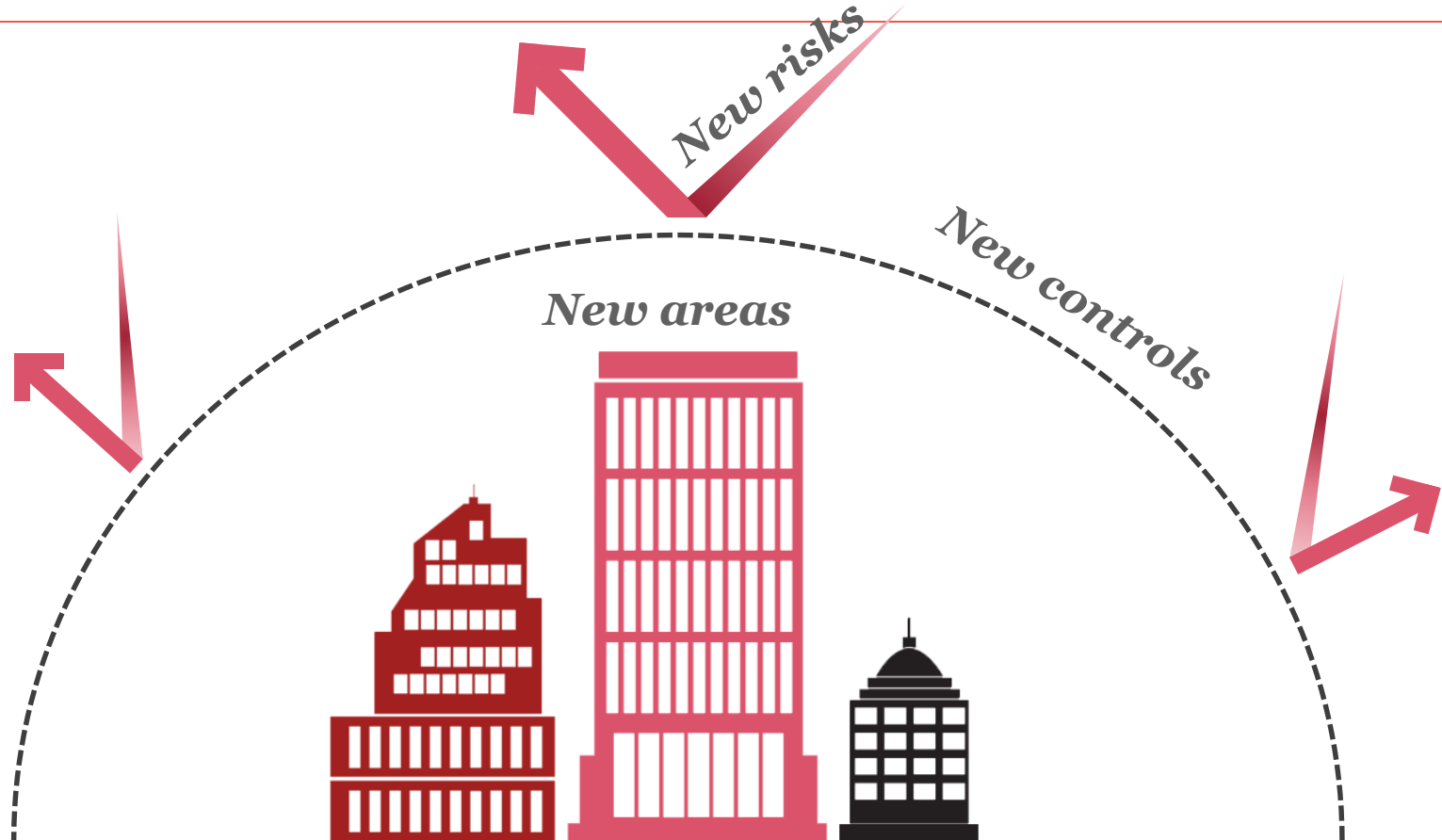


A dark, industrial control room with a large console and wall-mounted equipment. The room has a curved ceiling with a grid of lights. The walls are covered with various control panels, dials, and switches. A large console in the foreground is filled with numerous buttons and knobs. The overall atmosphere is dim and technical.

What does this mean for
Internal Audit?

Emerging technologies impact Internal Audit

Lesson 1



***Roles and
outputs are
dynamic***

***Moving
(organizational)
boundaries***

***Dependency of
third parties***

New areas



Changing lines of defences

Lesson 2



Tomorrow's Internal Auditor

Lesson 3



Enabler:
***Generic Internal
Auditor***

To:
IT skilled Auditor

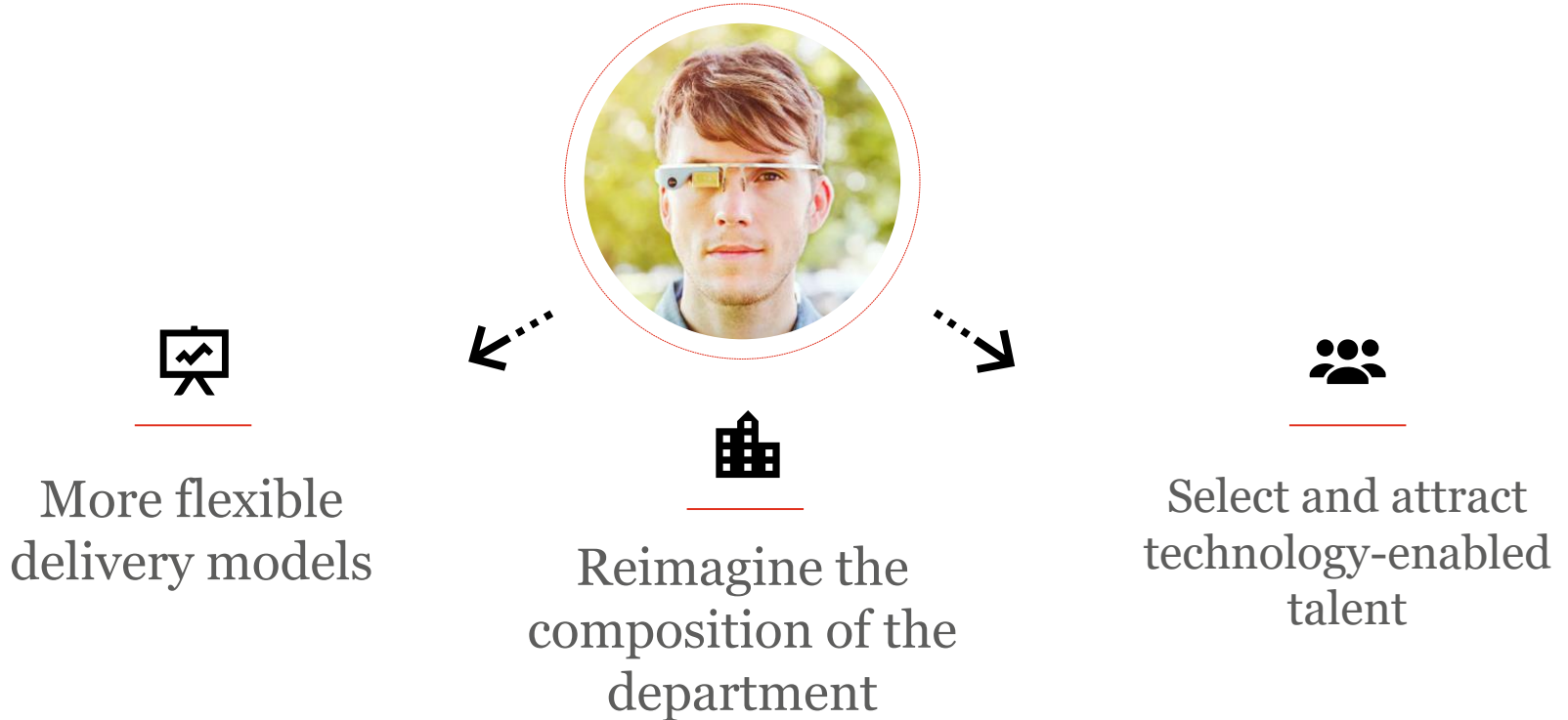


From:
IT-Auditor

To:
***Subject Matter Expert
with deep knowledge***

Tomorrow's Internal Auditor

Lesson 3



What does this mean for Internal Audit?

Opportunity for new IA enablers

Lesson 4

Risk Assessment:

- Intelligent and dynamic risk assessments, using big data and IoT.
- More frequent or continuous risk assessments.

Planning:

- From annual planning to roll-forward to continuous (re-) planning
- Leading to (short term) less flexibility as data is needed to prepare

Fieldwork

- Better preparation leads to more focused, less extensive fieldwork
- Type of audit evidence (incl. gathering) will change

Reporting

- Report will become less important; data library will be an asset auditees would like to have
- Interactive reporting using virtual reality

Continuous auditing

- Data analytics and AI coupled with data lakes provide opportunities for continuous auditing

Soft Controls!

Have to want it

Be able

Be allowed





Action to take today!

“
68% of board members and
77% of management believe
Internal Audit's current
level of involvement in
disruption is not sufficient.

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PWC



*Lack of
necessary
skills*



*Not a priority
investment for
Internal Audit*



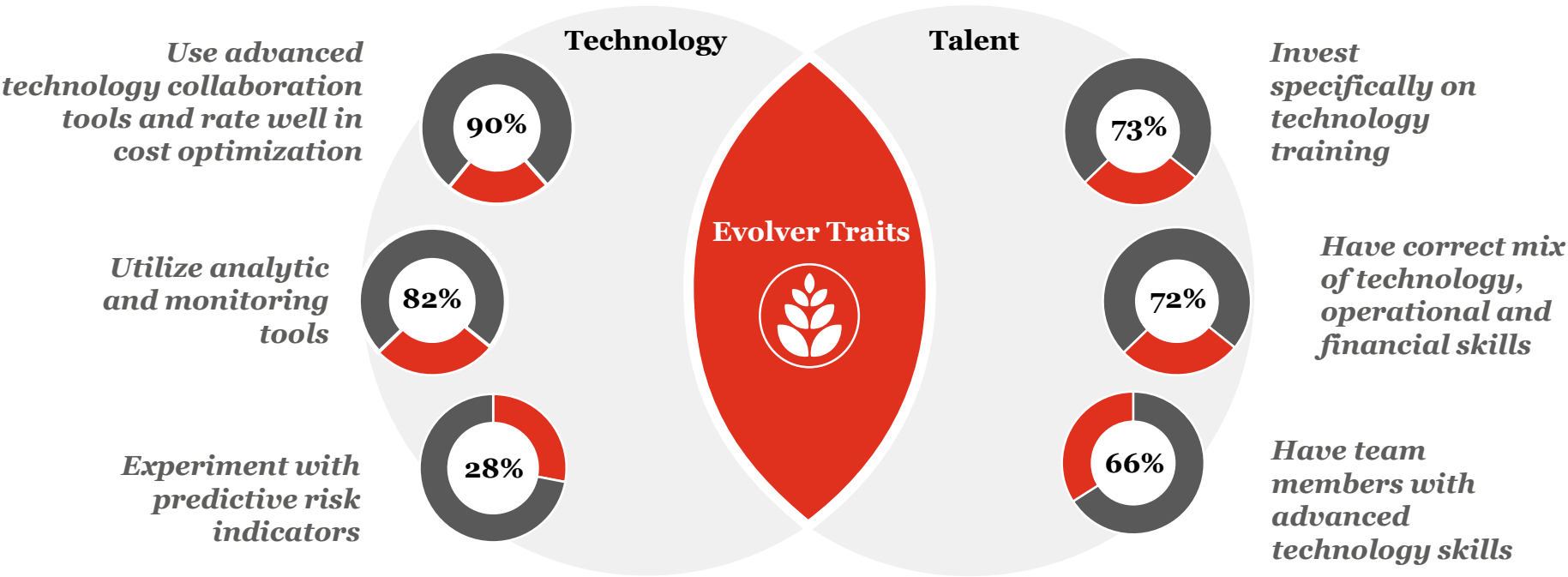
*Inadequate
tools and
technology
capabilities*

**Shake up your Internal Audit
function with new products
and services, with innovative
talent models, with aggressive
marketing strategies, and
fresh management
approaches**

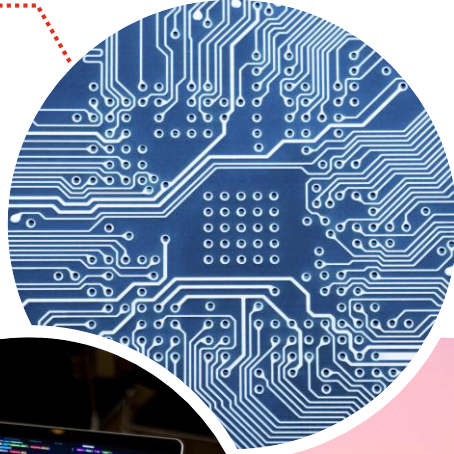
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Evolvers – Successfully fusing technology & talent



***Assess where Internal Audit stands
with its tech-enabled foundation***



***Innovate and be revolutionary
whenever possible***



***Fuse technology and talent
into a single strategy***



Thank you!

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