

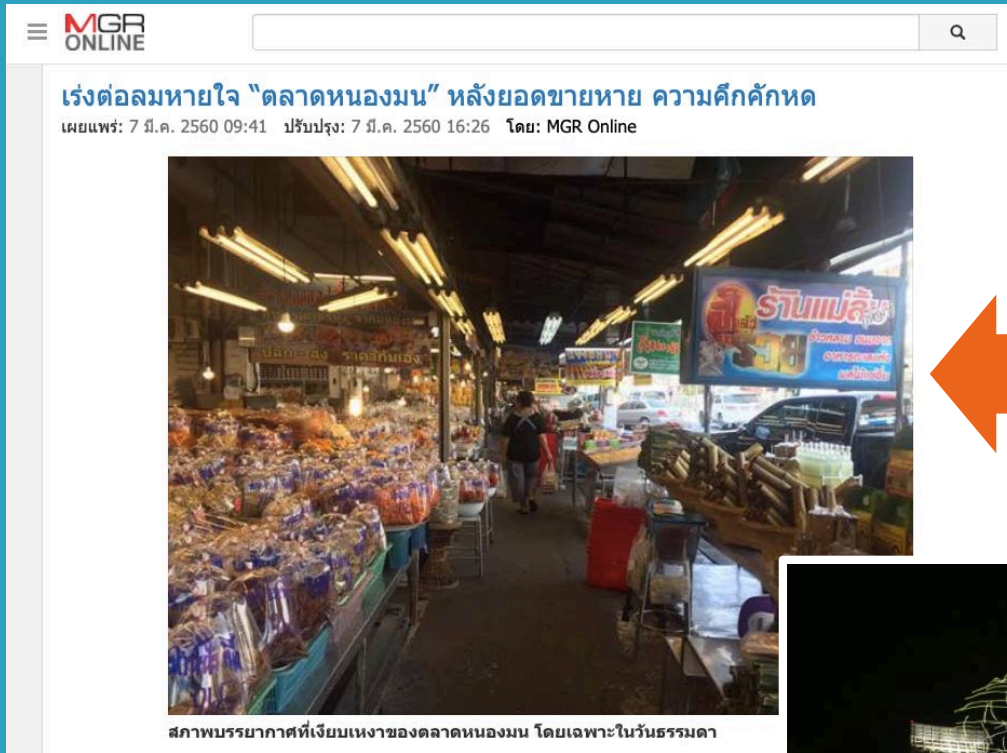
Audit Committee Forum: **Learn, unlearn and relearn – AC in the Age of Disruption**

November 12th, 2018

From our quantitative survey results we can see a notable mismatch between what CAEs perceive to be the biggest risks to their organisations and where internal audit spends its time.

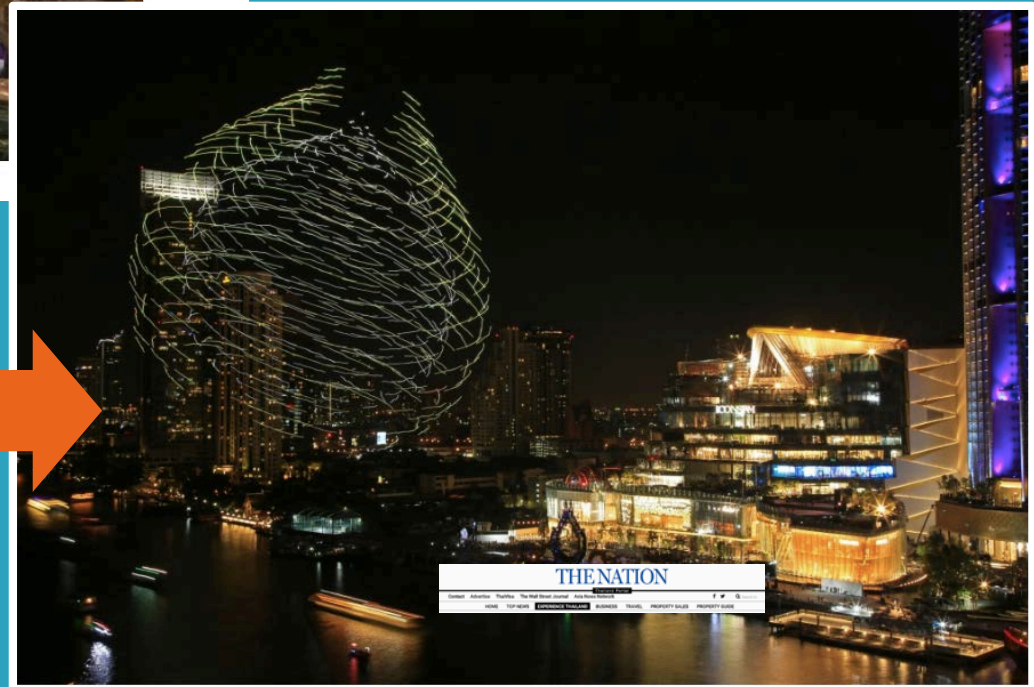


RISK IN FOCUS 2019
HOT TOPICS FOR INTERNAL AUDITORS



Disruption is More Than Digital...

Disruption emerges before our eyes everyday, in various shapes or forms...



Landscape of “3 Lines of Defense” and Disruption



Loss of market share to non-traditional players

Cyber Attack

Technology as enabler of change

New regulations restricting ability to generate profit

Board / **Audit Committee**

Senior Management

Stakeholders

Management & Operational Control

Risk Management

Financial Control

Quality Control

Health, Safety and Environment

Legal & Compliance

Internal Auditing

External Auditor

Regulators

Get the basic right!:

- Is the audit plan risk-based? What about emerging risks?
- Has the organization undergone, or does it intend to undergo, significant change in the last/next three years? What is the change (JV, digitalization, app development etc) and does the internal control framework need to be adapted accordingly?

Connect the dots:

- Is the company sensitive to weak signals and leading indicators - i.e. “near miss” incidents, “over-charged” contractor payments?
- Are we fixing symptoms or tackling root-cause? Do we see the big picture and common pattern?

Look beyond compliance:

- What role should AC and internal audit play in auditing the culture of the company – i.e. “adapting to change”, “ethics” and “brand stewardship”?



*Enterprise with
Integrity*