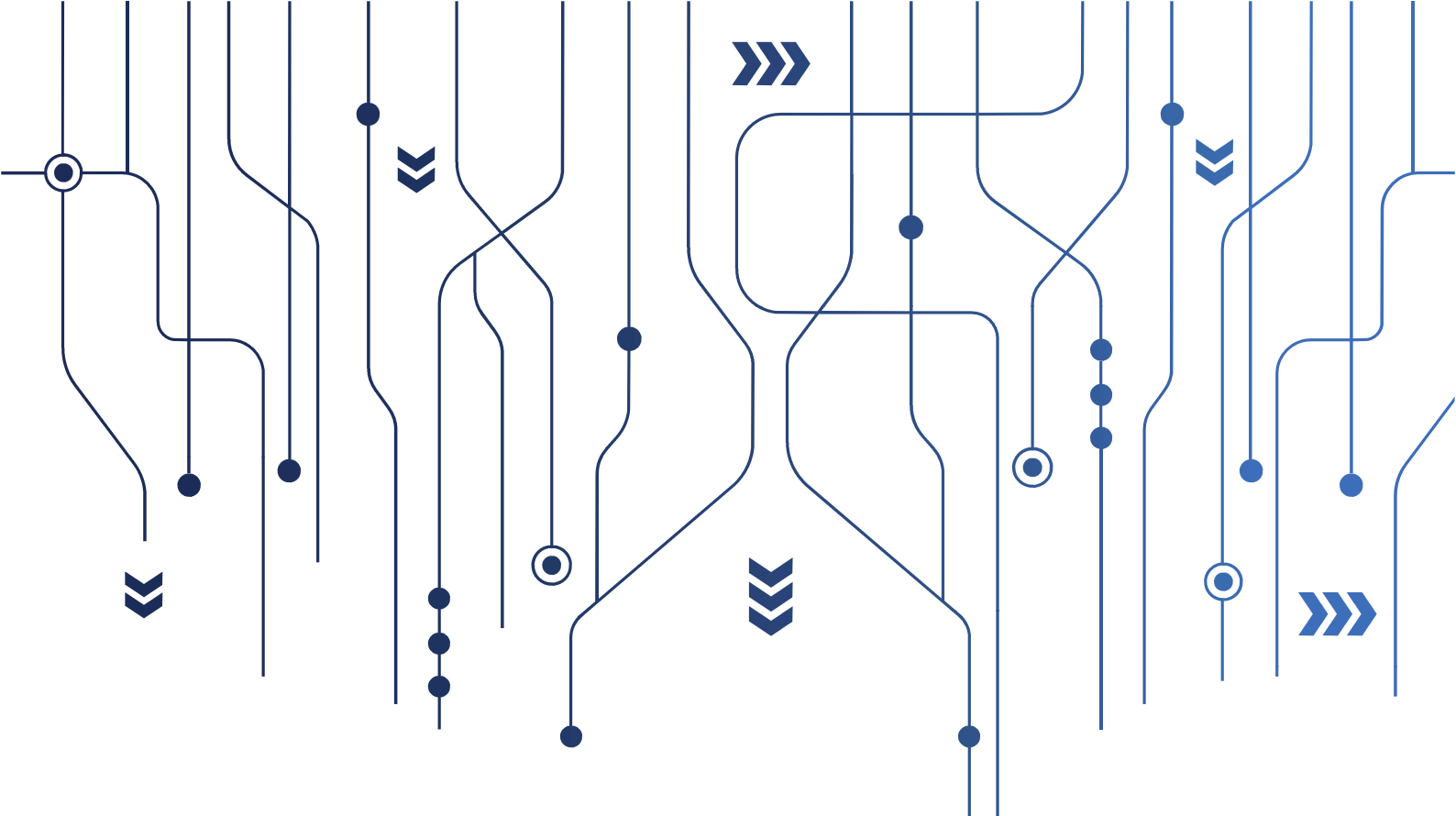


TRANSFORMING INTERNAL AUDIT IN A DISRUPTIVE ERA



**Annual Conference and
Global Internal Audit Leadership Summit 2017
Post Conference Report**



The Institute of Internal Auditors (IIA) Singapore played host to over 300 delegates from 25 to 27 October 2017, at its Annual Conference and Global Internal Audit Leadership Summit in Singapore's Marina Bay Sands, Sands Expo & Convention Centre. With 31 speakers contributing to 4 panel discussions and 15 plenary sessions, delegates had the opportunity to network and connect with their counterparts from different geographical regions of the globe and exchange their thoughts and experiences on internal auditing in the digital age of transformation.

In a rapidly changing world, organisations must constantly grapple with challenges such as cyber threats, emerging and potentially disruptive technologies and business sustainability issues. To maintain relevance, internal auditors have to be agile and innovative to add value to the organisations they work for in order to gain recognition from the stakeholders as a value resource.

This report captures the key issues and views presented by the speakers and panellists facing the internal audit profession in the present day and offers insights and direction on how best to address them to remain relevant to the business.

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Success in management requires keeping pace and being prepared for potential changes. These changes make our jobs as internal auditors more difficult in terms of controlling and identifying risks. I have seen that in the midst of confronting changes and uncertainties, the greatest risk of all is to never take risk at all. This is why we are here, to help our clients detect and manage the risks emerging from various changes arising in a dynamic business environment.

”

MS HEIDI MENDOZA

Under-Secretary-General

Office of Internal Oversight Services, United Nations

Guest-of-Honour of the Global Internal Audit Leadership Summit 2017

DRIVING FOR PERSONAL DEVELOPMENT

Businesses today are operating in an increasingly complex environment, characterised by unprecedented geopolitical and economic uncertainties, the emergence of disruptive technologies, and changing customer expectations and behaviours. Expectations of internal auditors have never been greater as the risk profiles of organisations evolve over time.

To be future-ready, internal auditors must:

- Stay ahead of the curve on transformative technologies relating to big data, cloud computing, Internet of Things, data analytics, artificial intelligence and robotics, and keep abreast with the changing regulatory environment.
- Sharpen future-ready capabilities concerning technology, critical thinking and interpersonal and communication skills.
- Deepen knowledge on governance, risk and controls.

“

Learning agility is the name of the game. To survive and thrive in a VUCA world, internal auditors must seek to learn, unlearn and relearn the rules, assumptions and changes that impact the business and risk environment. To be effective, they need to leverage both in-house and external resources, while taking the lead in internal control and risk management matters in their organisations. Most of all, they should stay cool in this digital era to love their jobs as vocations, and actively contribute to the growth of the internal audit profession.”

MR WILLIE CHENG

Chairman
Singapore Institute of Directors



DRIVING FOR PERSONAL DEVELOPMENT.



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To be effective trusted advisors, internal auditors must possess sound judgement and critical thinking to help their organisations navigate through challenging business and economic conditions that can pose significant risks. They must continue to improve their business acumen and build their knowledge to keep pace with the changing environment. They need to invest in their personal development to grow professionally, so they can show value to their stakeholders and organisations.”

MR GAUTAM BANERJEE

Audit Committee Chairman
Singapore Airlines



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When auditing in a digital age, CAEs should consider the risks of digital initiatives when preparing the risk assessment and provide assurance that such risks have been considered in the organisation's strategic planning process and as part of the enterprise risk management framework. They need to stay connected with the business to better anticipate emerging risks and proactively engage business stakeholders on risk mitigation strategies as part of its contribution to improve the organisation's governance, risk management and control processes.”

MR STEVEN ENG

Vice President, Head of Regional Audit Office
DP DHL Corporate Audit & Security

TRANSFORMING THE PROFESSION

In a complex and fast evolving business environment, internal audit can play a key role in helping organisations achieve their strategic objectives. Internal audit can enhance shareholder value by challenging the way a business operates and providing assurance on internal control systems. In addition, there are growing expectations that an internal audit function should extend beyond traditional compliance-type roles and evolve into a trusted business advisor.

For internal audit to transform itself and deliver value for the organisation of the future, the profession must:

- Be agile to manage uncertainties through adaptive audit planning and be responsive to change, and staying connected to the business environment.
- Align the internal audit strategy with the overarching organisational strategy.
- Leverage tools and techniques like data analytics and technology such as robotic process automation and artificial intelligence to enhance effectiveness and efficiency of audits.
- Leverage the three lines of defence's expertise to better manage the organisation's enterprise risks with greater efficiency and effectiveness.

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With uncertainty as the recurring theme in our world today, internal audit plays a critical role in supporting the transformation process from beginning to end. It enables transformation to take place in an environment where risks are carefully considered, governance standards are maintained to the highest levels and shareholders have greater confidence in companies.”

PROFESSOR TAN CHENG HAN

Chairman

Singapore Exchange Regulation

Guest-of-Honour of the Annual Conference 2017



TRANSFORMING THE PROFESSION

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In today's fast changing business environment, the internal audit profession is expected to provide value added assurance services, embrace and integrate technology into the audit process and take a proactive approach in identifying emerging business risks and embedding them in the audit road map. To meet this challenge, internal auditors have to continuously upgrade their skills in industry-specific knowledge and IT to meet the demands of the digital world and collaborate with auditees on focus areas while maintaining independence.

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MR NAOHIRO MOURI

Corporate Officer, Chief Internal Auditor, American International Group (AIG) Japan and Senior Vice-Chairman of the Board of The Institute of Internal Auditors



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Big data can improve internal audit effectiveness. To value add, internal audit must understand and embrace big data to help identify and mitigate risks. From a risk management perspective, internal auditors can help organisations analyse and understand big data's potential from both a compliance perspective and strategy stance.

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MS TINA KIM

Deputy Comptroller for State Accountability
New York State Office of the State Comptroller and
Committee Chairman, Information Technology
Guidance Committee, The Institute of Internal Auditors



TRANSFORMING THE PROFESSION



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The Internet of Things (IoT) is revolutionising the way we live and do business. IoT presents an important opportunity for internal auditors to help their organisations stay ahead of the curve. To succeed in the IoT world, internal auditors must be aware and closely monitor their organisations' risk exposure in areas such as privacy, business continuity and security. ”

MS DAWN LIBURD

Director, Internal Audit
Microsoft Corporation

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One very important point that has come out from the conference is that internal audit needs to be an integral part of the business in order to help the business to grow and continue to sustain in the current business environment. In terms of the organisation's defence arising from today's disruptive landscape, the organisation as a whole has to set up a collaborative and combined assurance framework to better manage the current business landscape. ”

MS TAN PECK LENG

Head of Internal Audit
Defence Science and Technology Agency and
Governor, The Institute of Internal Auditors Singapore



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TRANSFORMING THE PROFESSION



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Uncertainty is the certainty and change is constant, so continuous risk assessments are needed. Internal audit plays a critical role as the eyes and ears of the Board by keeping up-to-date with new geopolitical trends and technologies so that it can provide an independent and objective assessment on governance, risk management and internal controls.

”

MR FRANK YAM

Chairman and Chief Executive Officer
Focus Strategic Group Inc and
Governor, The Institute of Internal Auditors Hong Kong

INFLUENCING THE ORGANISATION

Building a strong culture and tone at the top are crucial for building a distinguished organisational reputation and creating long term value for the organisation. Organisations are undergoing unprecedented change arising from disruptive technology. Without a paradigm shift, organisations find it difficult to successfully adapt their operations to meet evolving market and business demands.

In order to transform an environment that encourages a change in behaviour, the organisation must:

- Connect purpose and strategy to culture to set the right tone at the top.
- Align values and incentives.
- Assess and measure culture.
- Build a future-ready workforce with diverse talents.

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Increasingly, audit and culture, two terms that were rarely being used together in the past – are becoming the trend as poor organisational culture is more commonly identified as the root cause affecting organisations of all sizes. Recent experiences have shown that culture is at the core of enterprise risk management as it affects the decision-making of individuals, hence evaluating organisational culture is not only a supplementary to our work, but an internal audit best practice as well.”

MS HEIDI MENDOZA

Under-Secretary-General
Office of Internal Oversight Services, United Nations
Guest-of-Honour of the Global Internal Audit Leadership Summit 2017



INFLUENCING THE ORGANISATION

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The success of any organisation is dependent on its people. Digital skills are going to be in high demand for the foreseeable future. With this in mind, organisations must pay close attention to their future skills needs and where necessary, put in place programmes to attract talent, train existing staff and outsource where necessary.”

MR UANTCHERN LOH

CEO
Asia Pacific Black Sun and
Governor, The Institute of Internal Auditors Singapore



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Effective cyber resilience has its roots in corporate culture and people. Internal audit has a role to play in assessing whether the existing culture and behaviour of its leaders and employees collectively and actively support the organisation's cyber risk management strategy.”

MR DARYL PEREIRA

Head of Cyber Security Consulting
KPMG in Singapore

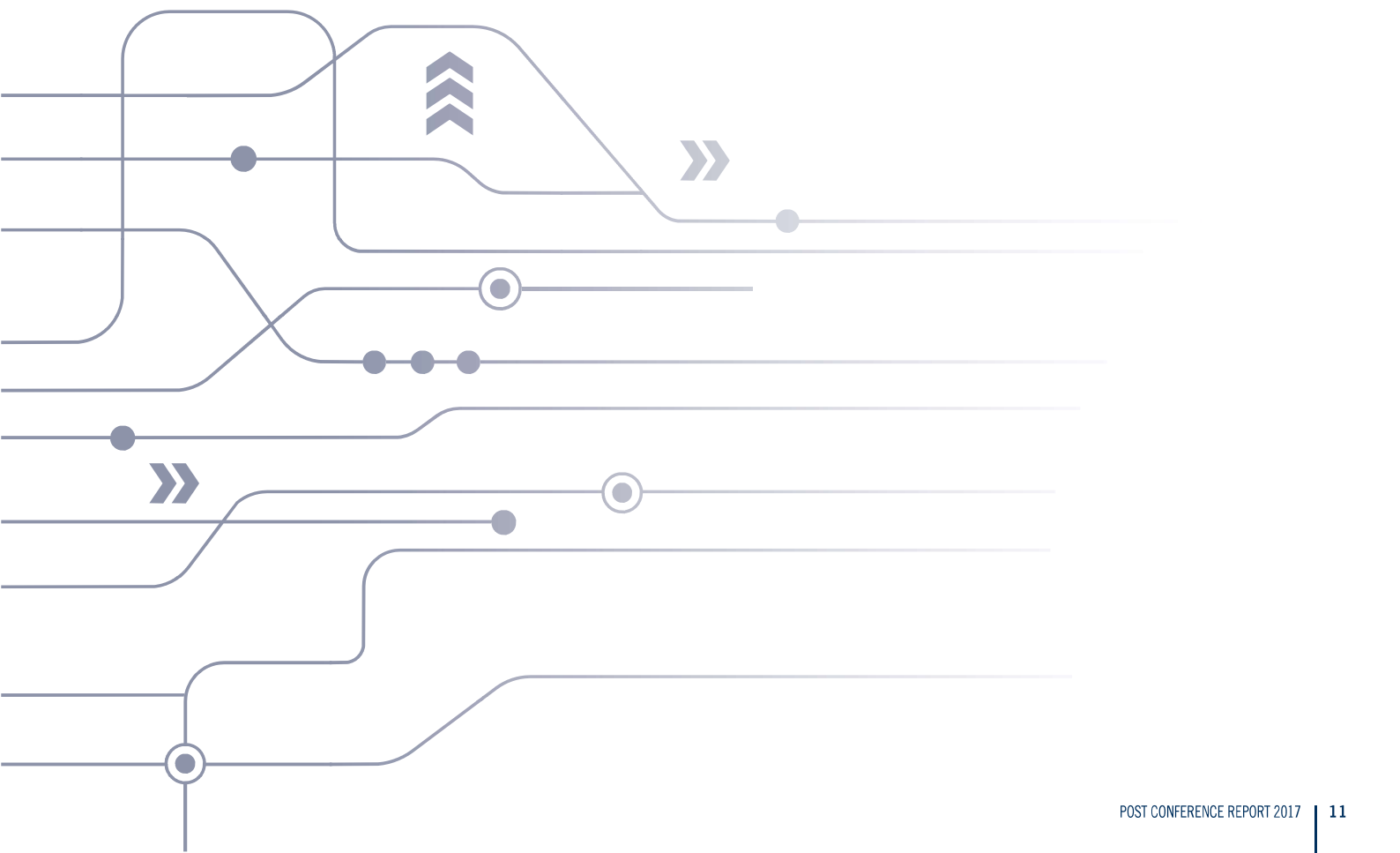


INFLUENCING THE ORGANISATION



“ Having a customer-centric strategy can achieve customer loyalty especially in this rapidly changing, technology-driven business environment. We will see audits of the customer service journey becoming more efficient and focused on the risks, with auditees having a better understanding of the impact of their plans on the risk and control environment. This also enables internal audit to provide assurance over the controls operating within the organisation that impact upon customer service and the organisational exposure to risk. ”

MR ANTHONY WILSON
Founder and Chief Advisor
Proximity Risk & Assurance



THE FUTURE IS BRIGHT FOR INTERNAL AUDIT

Internal audit has arrived at a stage that it is no longer whether the function is evolving, but rather how quickly and effectively it is transforming for the future towards a more strategic, collaborative and data-driven mode of operation while delivering value-added results.



Our Summit and Conference demonstrated how IIA Singapore has provided the right platform for internal audit professionals to engage with their peers and thought leaders and share their perspectives on how best to position the internal audit profession in this increasingly volatile, uncertain, complex and ambiguous environment. We hope that internal audit professionals will continue to look to IIA Singapore for meaningful and impactful conferences. ”

MR KEITH NG

Chairman of Conference Committee 2017 and Governor, The Institute of Internal Auditors Singapore



The internal audit profession has never been so challenging and important. In a changing, demanding and complex world, internal auditors have never had this unique opportunity to be recognised as highly valuable professionals who are sought after throughout the organisation. As a critical component of the governance, risk and controls structure, internal audit is in a position to make a real difference. The insights gathered from the conferences reinforced the need for the profession to change. We need to act now to remain relevant to the business, or be left behind. ”

MS TAN BOON YEN

President
The Institute of Internal Auditors Singapore



A BIG THANK YOU TO ALL OUR PARTNERS

STRATEGIC PARTNER FOR GLOBAL INTERNAL AUDIT LEADERSHIP SUMMIT:



PLATINUM SPONSORS:



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SUPPORTING ORGANISATIONS:



EXHIBITORS:





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The conference was very interesting, useful and beneficial for me. I also had the chance to network with other professionals.

”

MR YEONG GYU CHOI

Chief Staff Officer
The Institute of Internal Auditors Korea

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A good forum to keep abreast with the latest developments in the industry and sharing of challenges and practices with fellow professionals.

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SUMMIT DELEGATE



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The conference provided a very good forum for sharing of information, knowledge and experience. I really appreciate IIA Singapore for organising such relevant thematic conferences every year.

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MS GOH CHIN YEE

Head Group Audit
OCBC Bank

THE INSTITUTE OF INTERNAL AUDITORS SINGAPORE

IIA Singapore is a professional organisation dedicated to the advancement and development of the internal audit profession. Established in 1976, members of IIA Singapore belong to a global community of more than 191,000 professionals from more than 170 countries and territories who share a common vision to advance their professional growth in internal auditing and add value in their organisations.

Our 2,900 members work in internal auditing, accounting, risk management, governance, compliance, internal control, information technology audit, education and security.

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